

1.4 Stakeholders: Exam Practice Question



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1.4 STAKEHOLDERS: EXAM PRACTICE QUESTION

Read the case study information below and answer the questions that follow.

FURY AT BANGLADESH MINE SCHEME



A huge open-cast coal-mining project by a British firm, that would involve moving the homes of up to 130,000 residents in a Bangladeshi town, is at the centre of an international row. The company, GCM, plans to mine up to 570 million tonnes of coal in a project that will displace people from Phulbari, in north-west Bangladesh. A river will also have to be diverted and the mangrove forest, which is a world heritage site, would be destroyed too.

The project has attracted widespread hostility. In protests against the scheme 18 months ago, three people were killed in the area now said to be controlled by the armed forces. Many international campaign groups have written to the Asian Development Bank demanding that it turns down a \$200 million loan for the project. The World Development Movement is claiming that the social and environmental damage can never be repaired if the scheme receives governmental approval. A

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spokeswoman for GMC on the other hand, stressed the importance to one of the world's poorest countries of jobs, incomes and exports.

32 MARKS, 55 MINUTES

1. Using examples from the case study, explain the differences between internal and external stakeholders. **[4 marks]**
2. Differentiate between 'stakeholders' and 'shareholders' in regards to GMC's decision to pursue its controversial mining decision. **[4 marks]**
3. Explain the benefits of any **two** stakeholder groups arising from this mining project. **[5 marks]**
4. Explain the disadvantages to any **two** stakeholder groups resulting from this mine project. **[5 marks]**
5. Discuss the ways in which GCM could reduce the impact of the disadvantages it has created for stakeholder groups negatively affected by the mine. **[7 marks]**