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**Mining Minerals Sustainable Development
Southern Africa**

Research Topic 3: Mining and Society

OVERVIEW

Input to:

MMSDSA Regional Research

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August 2001

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1   THE MINING-SOCIETY CONTEXT

Mining and society in southern Africa have come on an epic journey since the iron age, and the discovery of the first diamonds and gold. The journey has both been shaped by and has influenced socio-economic and political forces. How has southern Africa emerged from this journey? The enormous capital investments which have shaped national economies, massive international labour programmes, conflicts over access to resources, sudden job losses, nationalisation and privatisation have contributed to the social landscape that exists today. History shows that mining has both promoted the development of thriving communities all over southern Africa while economics have been strong and have allowed communities to become poor with little access to resources when mining ventures fail. Mining continues to have significant positive and negative economic, social and political impacts and the way these are managed in future is a concern of this research topic.

Mining has always been characterised by the notion of pioneering. Southern Africa has given rise to some of the greatest pioneering communities – Kimberly, the Witwatersrand, and the Copperbelt (Zambia and Democratic Republic of Congo) are some of the areas that we are concerned with in this report. Mining continues to be a pioneering industry. The leaders of today's mining and mineral sector are faced with even greater and more complex problems that require both conservative and creative solutions. What is strikingly different for today's pioneers, however, is the wide range of stakeholders that are part of the problems and solutions, who all have a 'voice' and who demand inclusion in the on-going journey.   Mining has lost the amazing ability to control the variables in their immediate environment – social, political, environmental – some would argue that control has been lost and this poses greater risk for shareholders; others would suggest that this loss of control has in fact increased shareholder liability in the long term. This realisation will promote greater co-operation between the many components of society and the commitment to finding sustainable solutions, which benefit both shareholders and society.

Southern African society is influenced by the changes in the corporate structure of the industry. Consolidation of the industry into fewer large multinational companies, the rise of junior mining companies, and the greater pace of mergers and takeovers impact on society at both a global level as well as the micro level. The introduction of electronic-commerce (e-commerce) for the marketing of gold and the management of the mining supply change is yet another trend, which change the way society, the government and mining companies co-exist.

This research has focussed on the sector as a whole although in many case study instances the mining – society relationship has been restricted to that of the company – society. The recommendations however include the roles and responsibilities of all stakeholders.

1.1   Drivers of Social Responsibility: International and Southern African

In today's dynamic mining environment there are a number of international trends that are driving this change for greater private sector commitment to corporate citizenship and the promotion of a sustainable development agenda. These include:

- Globalisation
- Voice of society
- Reputation management concerns
- Investment decisions being linked to social risk
- The development of social reporting
- The promotion of a sustainable development agenda
- Increasing need for effective stakeholder management

Globalisation has certainly had a major impact on the relationship between the mining and minerals sector and society. These include privatisation policies, liberalised economies (investment regimes), opportunities for mineral extraction (new mineral regimes), new technology for global operations, spreading financial risks and more effective production processes. There has been an unprecedented boom in companies investing in countries other than where they are established. In 1970 approximately 7000 Transnational Corporations (TNCs) existed and by 1994 the count was 39,000 parent TNCs and 20,000 affiliate TNCs (Nelson 1998). Along with the internationalisation of the private sector has emerged the international Non-governmental Organisations (NGO's) with some 30 000 NGO's existing worldwide.

With the private sector being seen as having more than simply economic influence but also substantial political and socio-economic influence as well as being perceived as conduits for technical and economic benefits there has been a resulting increase in pressure for companies to develop a corporate social responsibility agenda. There is a an increasingly complex dynamic at play for the private sector, and in particular large companies who operate in a number of countries, to maintain their overarching business interests while at the same time respond to both local and international pressures for them to play a greater and more active role in benefiting society at large. The World Bank Business Partners in Development has articulated a set of global motivations for being actively involved in promoting sustainable development. These include:

- Gaining and maintaining a 'licence to operate' from society
- Reducing long term dependency on any given industry
- Resolving or preventing disputes that might compromise financial returns
- Creating new social capital to be called on in times of difficulty
- Becoming a 'industry and company of choice' for governments, and those granting leases, as well as for customers and employees

Action against companies is no longer confined to western NGO's acting as advocates for non-Western societies. Increasing numbers of indigenous peoples are entering into conflict with companies (see Fabig & Boele 1999 and Burger 1987) Companies are being challenged on profit-flows, head quarter decision making procedures, representation on the company board, rights to extract minerals, compensation measures, reporting procedures and long-term strategies. Almost every aspect of a business is scrutinised from a social perspective (Kapelus, 1998).

Southern African communities are becoming increasingly exposed to a global network of indigenous peoples organisations. Organisations and alliances have the ability to report on negotiations that might be relevant for other groups even if they are on another continent (Broad 1997). Further, the deals struck between one group and a mining company can become reference points or benchmarks for other groups in order ensure the best financial or other scenario in exchange for the mining process to be licensed (Crowson 1998). In various articles published by leaders within the mining industry (Crowson 1998; Cooney 1996; Thomson 1997) there is an acute awareness of the implications of poor community relations, the speed of information flows and access to the global environmental and human rights platforms (Kapelus, 1998).

Islands of development have been created all over southern Africa, many amidst a sea of poverty. These enclaves of quality education, health care, social services and infrastructure are being eroded rapidly leaving mining companies exposed to social risks and the protected societies unable to manage their development demands. Massive financial support in the form of donor aid and World Bank programmes are desperately trying to fill the gap left by mining companies. As a result of retrenchments labour-supply areas have also lost their access to development opportunities. The sudden lack of income from miner's salaries has created sustained impacts not only in communities but also on countries such as Lesotho. The local development study investigates the issues of mine closure and the collapse of financial support systems for both urban and rural communities. Innovative social development programmes, involving partnerships between mining companies, trade unions, the government and civil society are being developed to mitigate the impacts of retrenchment. The issue remains however is how to plan in advance and set aside sufficient human and financial capacity to manage the plans when required.

It is evident that the mining company has undertaken massive social infrastructure development throwing into question the role of the state in development. But this scenario requires greater analysis than just that of the mine – society link but also the relationship between 'a state' and 'a civil society' which Ferguson (1998a) suggests is blurred through the strong linkages between 'grassroots organisations' and international donor agencies and transnational corporations in delivering development. Mining is taking place in a fast changing southern African setting where the role of different stakeholders is being re-defined. The challenge for the mining sector will be

to take note of this re-definition, understand its own contribution to the process and develop social responsibility options for future operations.

The role of mining in the lives of people must include the impact of minerals and metals on people all over the world. Endless benefits of the product of mining from technological innovation, to the transport industry, health care and entertainment – life has changed dramatically in the last 100 years for people all over the world. But the craze for new metals has also sparked conflict. From the bloody diamond wars in Angola and Democratic Republic of Congo, to the so-called faction fighting in the mine hostels of South Africa, mining has played a role.

Mining has resulted in the resettlement of thousands of people in southern Africa, contributing to the already high number of people relocated involuntarily as a result of conflict, environmental catastrophes, dam and other infrastructure development. Building sustainable livelihoods post-relocation has in very few cases been successful. The resettlement study provides a critical view of resettlement programmes in southern Africa and places the mining sector within a broader resettlement context, namely dams, wars and infrastructure development. It is clear that effective resettlement measures have yet to be developed for the mining sector and the reliance on World Bank directives does not promote sustainability when undertaken in a policy vacuum in a particular context. Resettlement, in most instances is treated as a glorified housing project that can easily be slotted into the engineering and financing programme of a mine development.

The impact of mining on the environment has also created social problems. Water and air pollution, impacts on biodiversity and tailings dams have all impacted on sustainable livelihoods. The environmental lobby has fought hard to promote improved environmental management and today there are improved environmental systems that have public consultation and disclosure as a core component. Although still in their infancy the public consultation and participation mechanisms could, if injected with substantial human and financial resources, on-going research and debate and policy dialogue, promote improved relationships between mining and society. All the research covered in this topic engaged the issue of trust between stakeholders – conflict management, partnerships and development all require a significant dose of trust and the ability to communicate. As different stakeholders have their own agenda's it is unlikely that a complete open and honest system will ever emerge. What is required, however, is an acceptable level of transparency that can be checked and evaluated by all parties.

Many countries are going through privatisation of the mines. Downscaling of the labour force and mechanisation of production has resulted in significant retrenchments impacting on the lives of thousands of families in both urban and rural environment. Not only have families been impacted upon but so too have institutions such as local authorities, unable to cope with the ever increasing demands of society where mines disengagement from the provision of social infrastructure has left a gap. The privatisation study highlights the complexities associated with integrating social issues into a

privatisation programme.   The role of government in a legislative, co-ordinating and evaluation role is critical and without a strong development strategy in place it is difficult for new owners to engage the development debate without reinforcing the status quo that in many cases is that of dependency. The privatisation study of the Copperbelt tackles the issue of a private company engaging development in a context of a government struggling to gain legitimacy as a development agent and as a result of lack of capacity is managed by the World Bank, donor agencies, international aid organisations and the private sector. It is critical however that for the private sector to gain strength in southern Africa the local authorities require legitimacy. Mining companies can no longer operate in a development policy and governance vacuum. The challenge the report suggests is how the mining sector is able to disentangle its own development imperatives from wider societal development needs and ensure that the rightful agents of development take a leadership role in promoting the social agenda. In a similar vein it is critical that the mining sector understand the business case for engaging social development issues.

There is a realisation that labour and society co-exist. The days of trade unions only being responsible for issues on the shop floor is rapidly being changed to a wider engagement with social issues of mineworkers, in their communities, homes and institutions. Gender issues, both at the workplace and in communities have been investigated in the research report. Women are becoming employed in the mining sector, and greater numbers in production. This has come about through changes in legislation and company policy.   It is argued that promoting gender equality is critical to alleviate poverty and reduce vulnerable communities.   Women in communities impacted on by mining are highly vulnerable to the impacts of migrant labour, mine closures and lack of access to resources for the family in times of crisis.

Access to surface and mineral rights and the flow of benefits from mineral royalties continues to dominate the debate on mining and sustainable development. Land in southern Africa has always been a point of conflict. Land is not only a productive but also a symbolic asset for government and communities.   Inheritance, political leadership, the role of traditional authorities and redressing historical land rights is part of the land debate and conflict in southern Africa.

HIV/AIDS continues to pose a significant threat to sustainable development. The migrant labour system and single sex hostels has been recognised as playing a substantial role in fuelling the epidemic. It is encouraging that many companies have recognised the importance of a well-defined HIV initiative to combat the threat not only to society but to their business. This is elaborated on in the HIV/AIDS Research topic.

The mining industry has taken various measures to promote good governance and socially responsible behavior. In addition the mining industry has had to respond to a variety of initiatives and policies that promote social responsibility. The World Bank has been host to two conferences entitled 'Mining and the Community'. The first took place in April 1998 in Quito,

Ecuador, and the second in July 1998 in Madang, Papua New Guinea. Conclusions worth noting are that the rights of indigenous people and local communities are increasingly being recognised around the globe. Consultation has become a right of the community and traditional values and customs of the community must be taken seriously in the decision-making process. As a result of the rapid globalisation of the mining industry and increased investment in developing countries conflicts between indigenous communities and the mining industry are likely to increase. The World Bank highlights this:

> The mining industry believes that proper management of relations with communities is going to be the biggest challenge in the next ten to twenty years (McMahon 1998:10).

Other guidelines and methodologies promoting corporate governance and social responsibility include the Global Sullivan Principles, the Commonwealth Association For Corporate Governance, associated World Bank structures such as the International Financing Corporation, and the Business Partners for Development, the International Business Leaders Forum, the European Union as well as newly established arms of international aid agencies and charities. Social Impact Assessments and the development of social and environmental performance indicators, Social Management Plans, Consultation and Disclosure In essence the private sector is seen as a significant driver for sustainable development and guidelines for engaging society are seen as critical. This has not prevented a massive mounting of opposition to the notion of global capitalism highlighted in Seattle in 1999 (?), Genoa in 2001 and potentially at the Earth Summit to be held in Johannesburg in 2002.

The growing 'voice of society' is promoting policies to address past inequalities and broaden the economic base of society as a whole. There is also a shift from a 'tell me what you have done' to a 'show me what you have done' culture on behalf of a range of stakeholders looking at corporate commitment to social issues. Public concerns have given rise to various codes of conduct including the UN's Global Compact, the Rio's Earth Summit's Agenda 21, ISO 14001, the Commonwealth and OECD principles on corporate governance, the International and Chamber of Commerce's Business Charter for Sustainability. In South Africa the recently released update to the King Report on Corporate Governance also places significant attention on the role of stakeholders and looks at the growing focus on triple bottom line reporting.

Internationally there is an increasing pressure for all companies and organisations (including government), to incorporate transparent accountability into their operating principles. This would involve coming up with management frameworks that not only take account of financial accountability but also social and environmental accountability, leading ultimately to full triple bottom line reporting.

Southern Africa and the rest of the continent is promoting the emergence from the effects of colonial dependency, inefficient post-colonial resource management, the ravages of war with a development strategy that promotes economic recovery together with poverty eradication and increased social benefits. The recent African Renaissance and the subsequent Millennium Africa Recovery Plan (MAP) is gaining strength and commitment from the rest of the world. The minerals and mining sector will play a significant role in promoting the outcomes of these initiatives.

The mining sector approach to social development has shifted in response to the drivers presented above. The shifts have been the following:

- Creation of the development enclave – This was a social protection mechanism for mining companies ensuring reduced risk. This is now seen as increasing social liabilities in the long term for mining companies.
- Prevent the enclave and any development expectations is a response to the creation of liabilities. Some arguments suggest that ensuring the social environment stays as uninterrupted as possible (i.e. no influx of workers, fly-in fly-out, no economic multipliers etc).
- Minimum amount of development required sustaining production within an environment of poverty. This can include services such as such as water, sanitation, electricity and health. It focuses on the employees as development recipients.
- Foundation approach – Companies create development foundations (mandates similar to aid agencies or NGO) to implement development projects. It is seen as more sustainable because it is removed from the core business and influence of the mine. There is a potential for separation anxiety as social impacts happen both within the industry and outside of the gates.
- Corporate Citizenship - integration of social values into the business as a whole is a new philosophy promoting social development as a way of doing business.
- Mining sector leading from behind – This is a way of preventing dependency and long-term liability. Through consultation, co-operation and partnerships the mining sector can align its interests with government development interests. It is seen as critical to sustaining governance structures and process.
- Mining integrated in a strong development context is an ideal model for southern Africa. If mining can respond to wider planning frameworks and development agenda's it can strengthen these initiatives. In most cases the mining sector will have to work with (not co-opt) the government to establish the planning framework. The key will be to see how the mining sector fits into societal agenda and not how society fits in with the mining sector agenda.

The discussion above highlights the broad scope of interaction between mining and society and the current trends. The MMSD project however has focussed on some specific issues that stakeholders deemed important for research. It is important to note that it is difficult to separate out issues and the overlapping nature of the mine – society interaction is inevitability.

Further, there are significant overlaps between this research topic and the HIV / AIDS topic, the economic study and to some extent the environment topic.

1.2   Structure of the report

The report is divided into 6 sections that represent the different aspects of research, namely:

Section A: Overview
Section B: Local Development
Section C: Privatisation
Section D: Gender and the Workplace
Section E: Gender and the Community
Section F: Resettlement

1.3   Terms of Reference

The specific terms of reference required the assessment and description of the status quo of key social issues related to the mining and minerals sector. The specific areas of research included local development, gender, resettlement and privatisation. Within these topics common social issues were covered, namely poverty, livelihoods and mine closure.

Each of the areas of research have considered the approaches and strategies used by various role players in managing and maximising the social benefits of the minerals and mining sector. These included the lessons learned, best practice, stakeholder engagement, governance principles and participation.

1.4   Research Team

The African Institute of Corporate Citizenship (AICC), which led the Mining and Society research, is a center of excellence in corporate social responsibility. Established as a Section 21, not for profit company, AICC is committed to leading Africa's corporate citizenship practice through the development of tailored, solution oriented consultancy, working with companies and organisations looking at the integration of corporate citizenship values into core business strategy.

AICC brought together a team of specialists to undertake the research into the different aspects of the mining and society topic. The table below indicates the specialists.

Table 1: Specialist Responsibilities

Responsibility	Specialist
Overall co-ordination and overview	Paul Kapelus (South Africa). 10 years of international experience in social responsibility & social impact in the mining and minerals sector.
Local Development	Sam Choshi (South Africa). 8 years of international experience in community development, local development planning and economic regeneration.
Privatisation	John Kangwa (Zambia). 15 years experience in town and regional planning and social impact management on the Copperbelt.
Gender and the Workplace	SaritaRanchod (South Africa). Gender specialist with 6 years of international experience in gender, development and communication.
Gender and the Community	Aleta Musvoto (Zimbabwe). 5 years experience in gender issues in Zimbabwe with a focus on participatory development.
Resettlement	Dan Sonnenberg (South Africa). 6 years of international experience in the mining and minerals sector with specific focus on environmental management and resettlement.
	Frauke Münster (South Africa). 3 years experience in environmental management.

2   FRAMEWORK OF ANALYSIS

The context provided above demonstrates the wide scope of interaction between mining and society. For the purposes of this research it has been imperative to locate an appropriate scale for defining the relationship that provides a focus and does not render the entire investigation useless because of the complexity and enormity of the issues. What is required is a local perspective on the mining-society relationship but integrating the global forces. The dynamics between a rural community and a mining operation cannot be considered without reference to transnational policies and dynamics. Barth (1992:31-32) argues that boundaries representing society are arbitrary and that societies need to be recognised as everywhere and which are open and disordered. The broader context for analysis is required that constitutes "overlapping social networks with crosscutting boundaries".

The focus for this study is the local level, which is represented by national issues (such as privatisation), regional and local issues (such as local development, resettlement and gender). The study used the notion of a mining sector to address the issue of a contribution to the transition to sustainable development.

The research has used two approaches to analyzing the relationship between mining and society with particular reference to the 5 specific research topics.
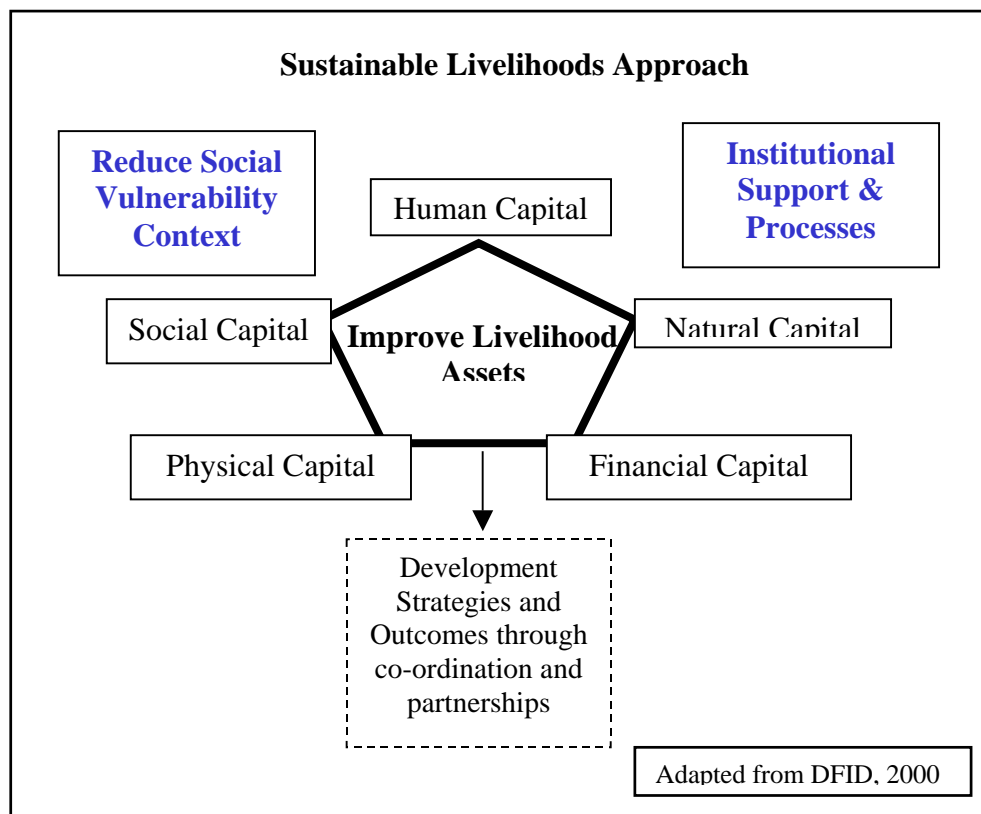
The first is the Sustainable Livelihoods Approach[1] (SLA), an internationally recognised model for the promotion of sustainable livelihoods. The second approach is a Corporate Citizenship model that promotes social responsibility and optimal business performance. The advantage of adopting both approaches is to recognise the following:

1. The transition from the mining and mineral sector playing the key development role to being part of a range of development agents that need to work together, either through co-operation of partnerships;
2. That the mining and minerals sector both impact on and are impacted by vulnerabilities in society;
3. That for the mining and minerals sector to promote socially inclusive development it need to understand the nature of the environment and how it fits in with it;
4. That people are at the center of development and participation is fundamental;
5. That development needs to take a holistic view of society ensuring that not only business imperatives are catered for but also social imperatives;
6. There are overlaps between social development agenda and mining sector development agenda. These need to be co-ordinated and optimized through the integration of social dimensions into the business systems, proffesionalised corporate social investment and the engagement in policy dialogue;
7. That for the mining and mineral sector to develop certain business imperatives is necessary, namely profitable performance, optimizing business multipliers, ensuring future business development;
8. There are current strengths and resources in society and throughout the mining and minerals sector for the promotion of sustainable development;
9. Social development rests not only on products, projects and programmes but also on process. The mining and minerals sector plays a significant role in developmental process.

Each of the research topics adopted this approach to assessing the mining-society relationship and the sector contribution to sustainable development.

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[1] Sustainable livelihoods are the capabilities, assets & activities (both material and social resources) required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future while not undermining the natural resource base.

Figure 1: Sustainable Livelihoods Approach (SLA)

Sustainable Livelihoods Approach

Reduce Social Vulnerability Context

Institutional Support & Processes

Human Capital

Social Capital

Natural Capital

Improve Livelihood Assets

Physical Capital

Financial Capital

Development Strategies and Outcomes through co-ordination and partnerships

Adapted from DFID, 2000

The SLA provides the opportunity to establish how the entire mining and minerals sector contribute to the institutional support and development processes. The most important aspect of the approach for the mining and minerals sector is that the environment needs to be understood and mine development integrated into existing development agenda's. If there is no existing development strategy the approach provides the opportunity for institutions and organisations to define development strategies and outcomes through co-ordination and partnerships.

The shift in emphasis from mining companies acting as the sole development agent in a particular environment (creating an enclave) to establishing relations with other organisations to promote sustainable livelihoods can be planned through the use of the PLA and a corporate citizenship approach. The approach also ensures that the impacts the mining sector has on livelihood assets can be mitigated and the plans for mitigation integrated with other development plans and strategies.

Figure 2: Corporate Citizenship: Value to Society and Shareholders
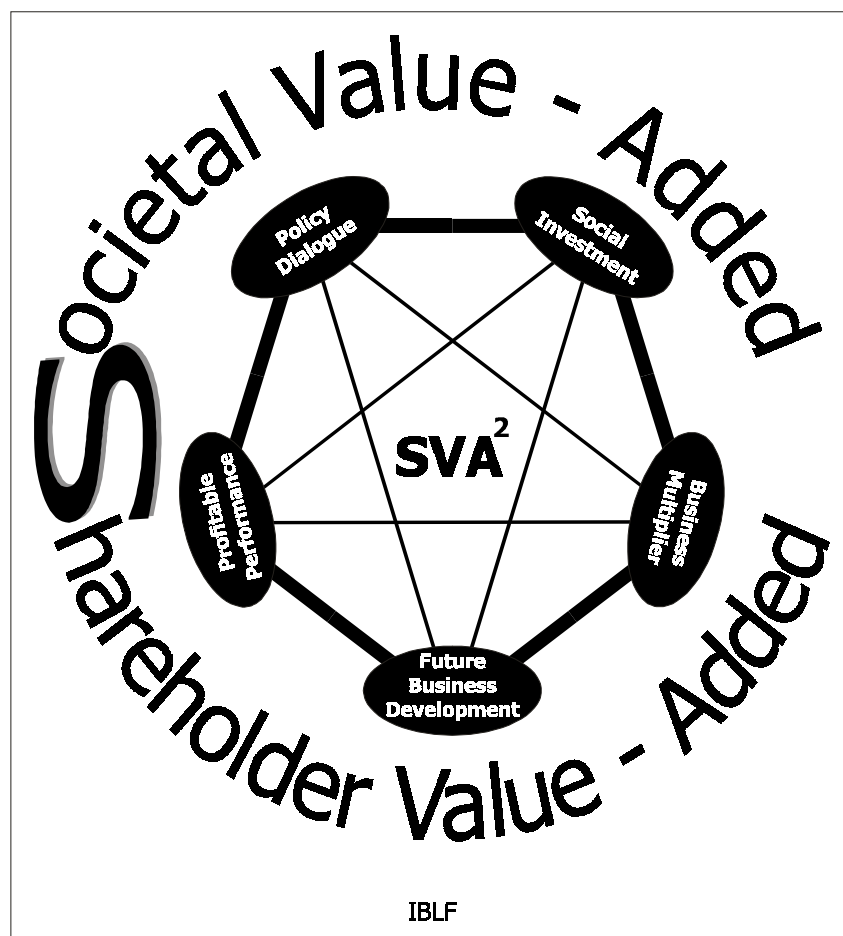
The model presented above, developed by the International Business Leaders Forum, suggests that 5 pillars of business performance are essential to ensuring that a business adds value to both society and shareholders. . These are:

1. Promoting Profitable performance
2. Energising Future business development
3. Creating business multipliers
4. Legitimising policy dialogue
5. Professionalising social investment

Although this model has greater relevance for a corporate structure with an defined set of shareholders, it is also worthwhile adopting it for an industry as a whole or even to develop a sector approach (business, suppliers, contractors, customers, shareholders, authorities, participating NGO's, impacted communities, donor agencies). In fact the aspects of the pillars of performance ensure that an inclusive approach is taken. Figure 3 below frames the mining – societal benefit within the agenda's of the three general

stakeholders – government, civil society and business. These can be further disaggregated into the following:

Government agenda:
- International (SADC)
- National, regional and local structures and responsibilities
- Regulatory authorities
- Policy development specialists
- Service providers (technical support)
- Donor agencies supporting government structures

Business agenda:
- Exploration
- Producers
- Suppliers
- Contractors
- Customers
- Shareholders

The business agenda is also divided into internal stakeholders and external stakeholders. Internal stakeholders are shareholders, employees, and management, and external employees are suppliers, customers, contractors, neighbouring communities, and civil society. Managing external stakeholders as part of the core business represents a departure in philosophy about the nature of managing the core business. Aside from reputation management through public relations and communication demonstrating the contribution to society to stakeholders has become a key area of business development.

Civil society
- Communities (immediate neighbours, labour sending areas, sub-groups within a particular settlement)
- Non Governmental Organisation (international, regional and local)
- Community Based Organisations
- Media

It is important to note that community is a complex stakeholder – it represents so many interests, agenda's and voices – any bounded group of individuals or groups of people based on amongst others, settlement patterns, economic positions, race, gender, generation, kinship, religion can be a community. Communities can be located within a defined spatial area or can be located in multiple locations at once. In some cases 'community' is defined as a settlement of people next to a mine (tight definition) whereas it can also be seen as 'civil society' as a whole (loose definition). The entire range of possibilities cannot be discounted unless providing a specific case study as presented throughout this research report.

Figure 3: Societal and Business Benefits

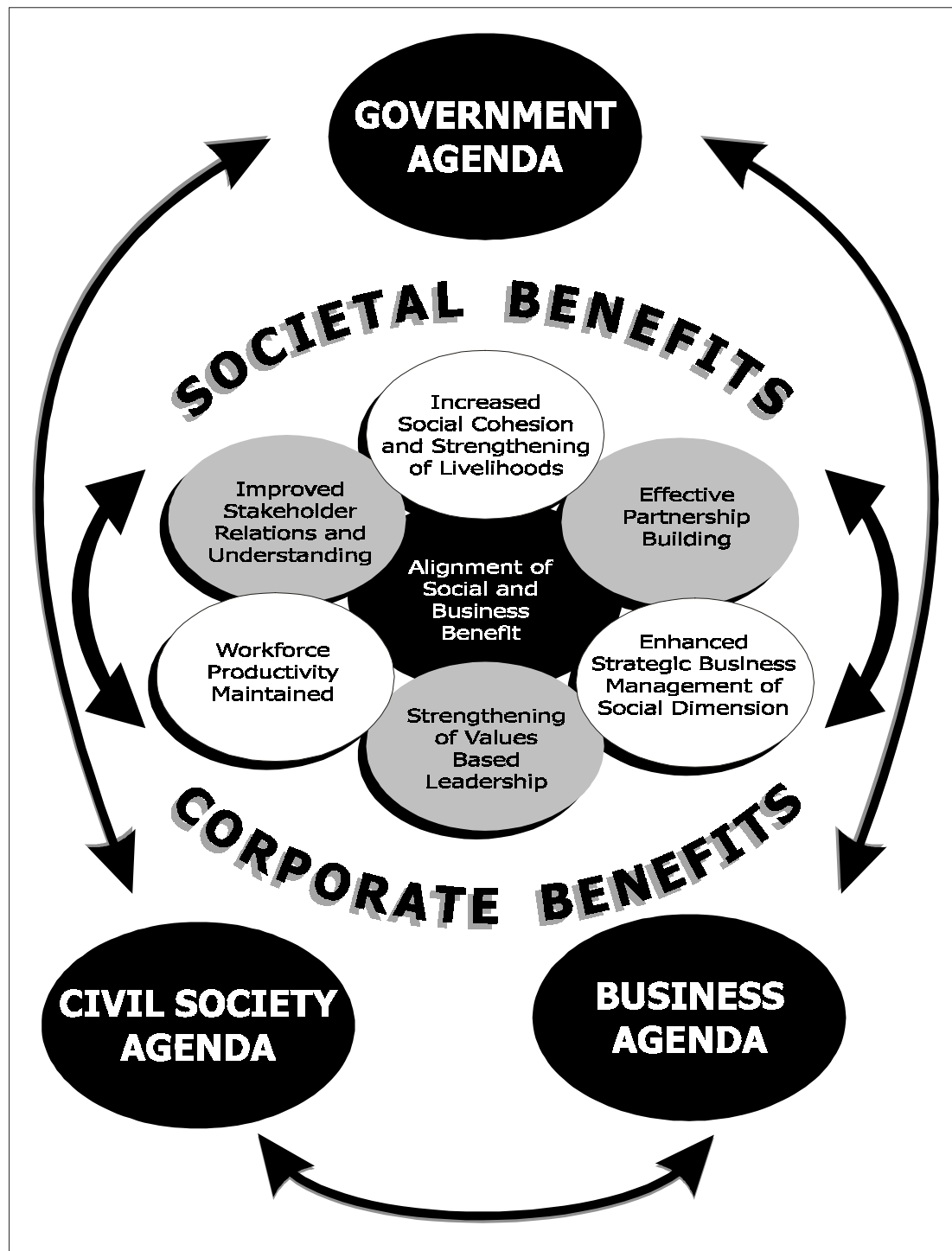Figure 3 highlights the interaction between the government, the mining sector and civil society.   The nature of the relationship between the stakeholders will provide the environment for societal and corporate benefits.   The challenge for the mining and minerals sector in a particular context is to define the various agenda's. In the summary tables developed the roles and responsibilities are defined for each area of study.

3   FINDINGS FROM THE RESEARCH

3.1   Research Conclusions & Recommendations

The relationship between the mining and minerals sector and society has changed in the last 10 years. Southern African society has gone through various shifts in the political and social arena and the mining sector has seen considerable changes as well.

Communities exposed to the mining sector in southern Africa can be characterised as the following:
- Those that have sustained to a large extent long term benefits from the mining sector. These communities have diversified their economies and managed the impacts of commodity pricing cycles, closure, mechanisation and downsizing. Example, the Witwatersrand.
- Communities which developed massive infrastructure in the back of mining and which have subsequently collapsed due to government policy, commodity prices and inefficiencies. Example, the Copperbelt.
- Communities that have existed on the boundaries of the mining sector and have not had a chance to participate in and benefit from the value chain or social development.
- Communities that exist within a mining sector enclave have all social services and infrastructures provided for and have weak legitimate governance structures in place to manage development process. Example. S. Zimbabwe, Zambia.
- Communities that are participating in the value chain and are creating social development opportunities through legitimate development structures such as local government in order to prevent an enclave. Example. Maputo.
- Communities which provide labour to the mines and who are impacted on by retrenchments. Example, Lesotho, Mozambique.

The crosscutting issues within the description of the communities above are governance, participation and stakeholder engagement, and, equity. These themes have also been addressed in each of the mining and society research areas.

Generic issues:

Governance
- Transparency. The move towards social reporting is increasing transparency for the mining companies but for the management of the sector there is still a lack of transparency. This is highlighted in the privatisation case study.
- Assessments of the industry impacts are taking place before new projects are granted. But little social criteria exist for judging the impacts. Authorities do not evaluate sufficiently social impact and do not undertake social audits.

- Leadership of the industry is starting to respond to improved governance but this is often working within a broader governance vacuum.
- Taking a back seat in the credits – leading from behind.

Participation
- Participation methodologies and processes have improved over the last 10 years but are restricted to large companies with sufficient development budgets.
- Control of participation is still firmly in the hands of the developers as they engage participation specialists. Government has weak participation structures for decision-making.
- Participation processes are largely controlled by the time frames of projects and other initiatives. Engineering and financial constraints and scheduling pose limitations for social process. Participation collapses once compliance is achieved. On-going participation is not co-ordinated sufficiently between sector stakeholders.
- Institutional capacity to manage participatory processes is weak.

Equity
- Creating an enabling environment for promotion of equity is in the making. Decentralisation of structures and devolution of power to the local level will provide the platform for greater equity and distribution of benefits. Political will is required throughout southern Africa as the mining sector cannot be solely responsible for this.
- Gender equity is not within the framework of the mining sector. Very few companies are employing women in production processes.
- Inter-generational equity has been a failure in most instances. Short terms gains from the mining sector have led to long-term liabilities. In some cases equity and benefits do flow from one generation to the next but does not last for more then a decade.
- The consolidation of the industry, mergers and takeovers, sales of resources from juniors to extraction companies and sudden closures weaken equity in the industry as there is little social development continuity from one initiative to the next.
- Intra-generational equity has also been weak. Gender relations continue to provide benefits to men. Access to mineral rights, land and the value chain has been restricted creating conflict. Poor resettlement management is also a problem to be dealt with.
- Access to resources – the local level is restricted in its access to resources and benefits from the mining sector. Local level impacts are often justified on national interests and tax structures reduce the flow of benefits.

- Social planning within the sphere of the mining sector is starting to be undertaken by legitimate social development agents such as the government. However a severe lack of capacity exists for the government to take the lead. Although the sector can participate and fill the capacity gap it is critical that they do this in a facilitation capacity and not as lead agents.

Stakeholder engagement
- Stakeholder engagement in the mining sector around community and social development has been restricted to directly impacted communities. It is required that all stakeholders engage sustainable development processes – including employees, management, customers, suppliers, contractors, all departments in the mining company, government departments and international development agents, civil society.
- Stakeholder management and participation are linked through communication, governance and transparency. The mining sector must shift from communication only being a public relations / reputation management issue to a key component of sustainable development.

3.2   Conclusions and Recommendations from Research Topics

3.2.1   *Recommendations – Local Development*

Issue	Recommendation	Responsible Stakeholder	Time Scale	Origin	Example
Policy framework	Formulation of policies governing the interactions between mining and communities	National Governments		Section on South African Policy Reform	Local Economic Development (royalties)
Market-led interventions	Opportunity to promote market-led enterprises	Mine Project	Lifespan of the mine	LED Theoretical Overview	Anglogold Small Business Development
Market-Critical Interventions	Opportunity to promote market-critical enterprises	Mine Project and Municipality	Lifespan of the mine and beyond	LED Theoretical Overview	Tshikondeni Coal Mine – community gardening project
Organisation of mine-related opportunities	Preferential policy of localising the multiplier effects	Mine Project	Lifespan of the mine	Section on the Operation Stage of the mine project	
Organisation of community opportunities	Integrated development planning	Municipality and community stakeholders, with the mining company as a key player		Section on South African Policy Reform & Planning Stage of the Mine Project	Tshikondeni case study
Planning	Policy formulations/ Integrated development planning in planning stage of the mine project	All participating stakeholders	Before construction	Section on the Planning Stage of the Mine Project	Rietspruit case – proactive closure planning
Implementation	It should proceed	All stakeholders guided	During the lifespan of the	Section on the Operation	

Issue	Recommendation	Responsible Stakeholder	Time Scale	Origin	Example
	according to the agreed integrated development plans/ policies	by their mandates	mine and beyond	Stage of the mine project; Partnerships	
Capacity building	Provision of technical/ financial support to local stakeholders	Mine project	During lifespan of mine project	Section on relationships/ mechanisms for delivery	Tshikondeni and Anglogold (small business development) case studies
	Provision of training in governance, facilitation, leadership and management to local stakeholders	National Government supporting local stakeholders or municipality supporting community stakeholders		Section on mining, mineral resources and local economic development	
Research	Generally lack of skills in assessing of demand in the mine project and communities	Participating Stakeholders	Planning stage of the mine project	Section on the Planning & Operation Stages of the Mine Project	Anglogold case study on decommissioning/ closure

3.2.2 Recommendations – Privatisation

Stage/Issue	Recommendation	Responsible Stakeholder	Time Scale	Origin	Example
Pre-privatisation	Carry out comprehensive social assessment to determine possible effects of privatisation programme	Government	At programme outset	Section on Lessons from the Zambian experience of privatisation	
	Undertake due diligence studies to determine nature of investment and possible socio-economic impacts	Mining companies	When investment decision is made		
	Develop comprehensive planning frameworks with clear socio-economic development objectives.	Government		Section on Principles and guidelines section	
	Adapt legal frameworks to promote social sustainability by including social concerns in the project planning and approval process	Government in consultation with civil society	At programme outset but adapt as and when necessary	Introduction section and in Principles and guidelines section	
Implementation	Provide life skills training for alternative livelihood activities	Labour/Civil society/NGO's with support from mining companies	Build into closure plan for mining project		
	Promote community empowerment by way of education and awareness campaigns that raise level of knowledge within communities concerning their rights with respect to mining projects.	Labour/Civil society/NGO's/ CBO's	This needs to be an ongoing process		

	Conduct regular public information campaigns through media to keep other stakeholders abreast of developments in the privatisation process	Government	Throughout period of divestiture		
	Establish relationships with communities at exploration stage	Mining companies	At outset		
Post implementation	Integrate social values throughout organisations.	Mining companies	Throughout mine life cycle		
	Adopt proactive role in managing community relations	Mining companies	Throughout mine life cycle		
	Adopt social impact assessment as a process to identify, predict, mitigate and monitor, and manage likely or unanticipated social impacts of the project	Government, mining companies, NGO's/Civil society	Throughout mine life cycle	Principles and guidelines section	

3.2.3 Recommendations – Gender and the Workplace

	Recommendation	Responsible Stakeholder	Time Scale
Low numbers of women in the mining industry – at all levels	Industry strategy in partnership with SADC, governments and trade unions for the advancement of women	Mining industry	5 year plan to be initiated as soon as possible
Lack of measurable indicators to track the advancement of women in the sector	Develop measurable indicators, including targets for women's advancement. To be reported on an annual basis by SADC ministers, and individual companies to report on progress in social reports	SADC Mining Ministers and mining companies	To begin as soon as possible - ongoing
Lack of information on SADC-wide barriers to women's participation, including information on gender and mining legislation in all SADC countries	Conduct SADC-wide research on this issue to create a base resource for further interventions	MMSD and SADC Mining Ministers	As soon as possible
Lack of research on gender and mining issues in the SADC region	Need for greater support for research on a range of issues relating to gender and mining including health and safety, issues of race, basic statistical data	MMSD	In next planning cycle

3.2.4 Recommendations - Gender and Community

Issue	Recommendation	Responsible Stakeholder	Time Scale	Origin	Example
1. Lack of Opportunities for women at mine sites.	When mining companies wean off non core activities, priority should be given to women in the community to take over the activities by subcontracting and encouraging women to provide services that the mine requires.	Industry, Community and Government	Short to mid - term	Section 2, pg 2	Section 2 pg.6
2. Lack of Participation by women in communities	Communication and consultation between parties especially, with women is an essential part for the attainment of sustainable development	Industry	Short term	Section 4.4 Pg 23	
3. Mining sector shifting responsibility to Government and other players	The mining industry need not run away from its current responsibilities as these have significant differences in many lives. New problems such as HIV/AIDS will have disastrous effects on the industry.	Government, Industry and Community	Mid to Long term	Section 5 pg 25	
4. Other stakeholders involved in promoting the welfare of women in mining communities	To sustain livelihoods it is necessary that the role of women at mine sites be revisited with the view to creating more opportunities for them.	Community, NGO's, CBO's, Labour	Short to Mid-term	Section 3 pg 9	
5. Monitoring and Evaluation of social indicators ,specifically gender performance throughout mine life	Individual mining companies should put in place monitoring and evaluation systems for social indicators for their operations. Specific measures should be put in place to monitor and evaluate the gender performance of operations during the different phases of mine life right through to post closure to ensure that women do not bear unnecessarily huge disadvantages compared to other groups.	Industry, Government	Short term		

3.2.5 Recommendations – Resettlement

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Unsustainable social and environmental performance	The financing of projects should be more closely tied to responsible social & environmental performance.	Financing organisations	Immediate	-	-
	Junior mining companies need to improve their social and environmental performance in line with international best practice.	Junior mining companies	Immediate	-	-
Involuntary resettlement decided without in-depth consideration of alternatives.	Where possible, always look for an alternative to involuntary resettlement. If the cost to change plans is seemingly excessive, then remember the cost required both financially and otherwise to effect an involuntary resettlement programme.	Mining companies	Project planning	-	-
Inadequate cost-benefit analysis	Facilitation of the more equitable distribution of the costs and benefits of a mining project. This requires improved cost-benefit analysis, risk analysis and a change in the decision-making process as to whether a project proceeds or not.	Mining companies, governments	Project planning	Section 5.2	Most development projects
Inequitable distribution of costs and benefits	Involve local stakeholders in the project decision-making process such that they can benefit from the project and not only share the costs.	Mining companies, governments	Project planning	Section 5.2	Most development projects
Lack of communication with, and participation by, affected communities	Begin consultations with the surrounding communities at the exploration stage of a mining project. Involve persons from the community at this stage and make use of experts in the social and development fields. Where possible, use local expertise. Remember to manage expectations, which may mean saying no.	Mining companies, implementation agent, government, communities	Exploration	Section 5.2; Section 7.2.2.4	-

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
	Maintain open, honest and transparent communication and participation with all stakeholders throughout the project.	Mining companies, implementation agent, government	Throughout	Section 5.2; Section 7	-
Lack of participation of authorities	Authorities must be brought on board from day one.	Mining companies, authorities	Project conception	-	-
Undemocratic consultation processes	All stakeholders need to participate e.g. women, the frail.	Mining companies, implementation agent, government	Project conception	Section 7	-
Communities are unaware of their rights.	The resettlement process must be an educational process which informs people of their rights in a clear and unambiguous manner.	Implementation agent, government, communities	Resettlement planning	Section 7	-
Unsubstantiated prejudices towards affected communities	Attitudes towards social issues must change. Communities must be accorded the rights they deserve and their livelihood systems respected. Even if their systems do not enjoy legal status, merely explaining away their entitlement is totally inadequate.	Mining companies, Government	Immediate	Section 7	-
RAP & SDP are commissioned by mining company to satisfy finance requirements. Once financing is approved actual implementation not enforced.	Mechanisms to ensure implementation of RAP & SDP should be clearly defined in financing agreement and enforced.	Financing organisations	Resettlement planning	Section 7	-

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Lack of commitment to the resettlement process.	The responsible senior mine official must fully support the resettlement process. The project team must demonstrate commitment, openness and flexibility. Sensitivity, not pity, toward the affected stakeholders is essential.	Mining companies, implementation agent, government	Resettlement planning	Section 5; Section 7	-
Complicated approaches yield few results.	Keep strategies simple – start small and grow. Avoid spending large sums on conspicuous infrastructure that yields few benefits.	All	Resettlement planning, implementation	Section 7	-
Insufficient use of local expertise to guide and implement resettlement.	The use of local organisations familiar with the communities is essential. Denying their involvement could be harmful to the process.	Mining company, Implementation agent	Resettlement planning, implementation	-	-
No clear national policies, guidelines and legislation for involuntary resettlement	Governments should develop guidelines and legislation for involuntary resettlement.	Government	Immediate	Section 5.2; Section 6.2; Section 6.2	All southern African countries
Lack of adherence to existing involuntary resettlement guidelines	The recommendations contained in this report should be adopted, after discussion, by the mining industry and used as a basis for involuntary resettlement in conjunction with World Bank OD 4.30 and any relevant national legislation and policies. World Bank guidelines should be tailored to suit the case at hand.	Mining companies, Government	From now	Section 5.2; Section 8	-
Lack of clearly defined roles and responsibilities in the resettlement process	Clearly define the roles and responsibilities of all stakeholders in the resettlement process.	All	Resettlement planning	Section 7	-

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Implementation agent caught in conflict of interest.	Ensure that the person/s responsible for implementing the RAP do not have conflicting interests i.e. working for the mining company but looking after the affected community's interests. Implementation agent should report to a representative committee, not only the financing organisation / mining company, thus ensuring impartiality.	Mining company, financing organisations, implementation agent	Resettlement planning	Section 7.2.2.3	Konkola
Lack of coordination between resettlement programmes and local development plans.	Mining projects and resettlement programmes must dovetail with local / regional economic and social development objectives.	Mining companies, implementation agent, government	Project planning	-	-
Collection of useless data which is used as a basis for resettlement planning.	Although economic data is relevant to the resettlement planning process, it is more important to understand the local socio-economic circumstances and to use this as the basis for resettlement planning.	Financing organisation, mining companies, implementation agent	Resettlement planning	Section 5.2; Section 7.2.4	Most resettlement projects
Conflicts arise if mining companies and implementing agents deal only with community leaders, without involving entire community.	Leaders should be approached to facilitate access to community but consultation and decision-making needs to involve the entire community.	Mining company, implementation agent	Resettlement planning	Section 7	Ga-Pila

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Under-estimating the requirements of resettlement.	Ensure that compensation is provided to cover the lag time between resettlement and re-establishment e.g. crop establishment	Financing organisation, mining companies, implementation agent	Resettlement planning, implementation	Table 4	Konkola
	Remember that it is very difficult to produce final plans before the resettlement process begins. This can result in under-estimating the financial and timing requirements of the process.	Financing organisation, mining companies, implementation agent	Resettlement planning, implementation	Table 4	Many resettlement programmes
Lack of involvement of host communities in resettlement planning	Planning for resettlement must include the host communities. The availability of suitable resources needs to be determined to ensure that there are no shortages.	Implementation agent	Resettlement planning	Section 5.2; Table 4	Many resettlement programmes
Inflexible time and budgetary provisions to implement RAP	Flexibility with the RAP and its budget must be allowed for, within limits. Better attention to detail earlier on will obviate the need for large cash injections later.	Mining company, implementation agent	Project and resettlement planning	Table 4	Many mining companies
Inadequate evaluation of assets lost	Resource economists should be part of the resettlement planning process such that the nature of resources to be lost can be quantified and replaced.	Implementation agent	Resettlement planning	Section 5.2	-
Loss of access to communal resources.	In cases of subsistence communities, ensure that compensation includes access to communal areas and common property resources. Evaluation must also take into account neighbouring communities who share these resources.	Mining companies, implementation agent, government	Resettlement planning	Section 5.2	-

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Compensation and assistance based on formal tenure systems.	Recognition of informal rights is necessary and provision of alternative land should include security of tenure.	Mining companies, implementation agent, government	Immediate	Section 5.2	-
Disputes arise regarding unfair compensation for lost assets	The affected communities should sign off on the compensation they are to receive after a process that is transparent and agreed upon by all.	Mining companies, communities and implementation agent	After valuation presented	Table 4	Ga-Pila
	Differences in value and type of compensation between groups and individuals must be clearly explained and understood.	Implementation agent, mining company	During valuation	Table 4	Different sectors of communities at Bulyanhulu received different compensation without reason.
Lack of banking skills	Make provision for people receiving cash compensation to be assisted with financial management.	Implementation agent	At compensation	Table 4	-
Lack of clearly defined grievance mechanisms	Dispute resolution procedures must be drawn up and adhered to.	Implementation agent	Planning	Table 4	Konkola
Excessive focus on physical infrastructure provision	Livelihood reconstruction should receive equal, if not more, attention than the physical relocation itself. A comprehensive SDP should be developed and used to guide the reconstruction process. It should allow for on-going monitoring of the resettlement and clearly define responsibilities.	Implementation agent	At start of planning	Table 3	Bulyanhulu resettlement

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Unsustainable infrastructure.	Ensure that the physical infrastructure is sustainable. Building overly smart settlements may not serve the interests of sustainability or the community. This does not mean that standards have to drop, rather they should match the requirements of the resettlers and at the same time afford them an improvement.	Implementation agent, mining company	Planning	Table 4	Konkola
Unsustainable technologies used for resettlement process.	Investigate the use of local, appropriate and "green" technologies rather than expensive foreign ones.	Implementation agent	Planning	Table 4	Konkola
Resettlers not consulted on choice of settlement layout	Build "show houses" if possible before the resettlers choose their new homes.	Implementation agent	Implementation	Table 4	Ga-Pila
	Community must be involved in design and layout of village.	Implementation agent	Infrastructure planning	Table 4	Konkola
Lack of employment opportunities for affected communities.	Preferential employment policies must be adopted.	Implementation agent, mining company	Implementation and construction	Table 4	Konkola
Delays in implementation cause anxiety.	Where delays are expected, this should be communicated in good time.	Implementation agent	Throughout	Table 4	-
Lack of continuity in resettlement process	Consultants compiling RAP & SDP should be more closely involved in implementation and monitoring.	Mining company, financing organisations, consultants, implementation agent	Resettlement planning, implementation	Table 4	Konkola

Issue	Recommendation	Responsible Stakeholders	Time Scale	Origin	Example of Issue
Lack of capacity for post-implementation requirements.	Ensure that those responsible post-implementation e.g. government, communities are equipped to carry out that responsibility.	Mining company, implementation agent, financing organisations, government, communities	Resettlement planning, implementation, post-resettlement	Section 5.2, Table 4	-
Monitoring post-resettlement is neglected.	The group responsible for the resettlement must ensure that adequate resources are available to rectify any shortcomings.	Mining company, implementation agent, financing organisations	Resettlement planning, implementation, post-resettlement	Table 4	-

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