

**BENEFITS ACCRUING TO RURAL COMMUNITIES FROM THE MINING
INDUSTRY CORPORATE SOCIAL RESPONSIBILITY PROJECTS IN MOSES
KOTANE LOCAL MUNICIPALITY OF THE NORTH WEST PROVINCE**

By

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**A dissertation submitted to the University of Venda in fulfillment of the requirements
for the degree of Masters in Rural Development (MRDV) Degree**



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DECLARATION

I, Azwimpheleli Bongwe, hereby declare that this dissertation for Masters in Rural Development (MRDV) submitted to the Institute for Rural Development, School of Agriculture at the University of Venda has not been submitted previously for any degree at this or another university. It is original in design and in execution, and all reference material contained therein has been duly acknowledged.

Signature _____

Date _____

A. Bongwe

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ABSTRACT

Mining industry Corporate Social Responsibility (CSR) projects are designed to improve the quality of life of neighbouring communities. However, it is increasingly argued that few of them actually result in tangible benefits for the communities where they are implemented. Moreover, few empirical studies have been undertaken on this subject. The dearth in research on this subject explains why there is inadequate evidence to draw informed conclusions and decisions. The current study sought to determine the nature of benefits accruing to rural communities from mining companies CSR projects in Moses Kotane Local Municipality of the North West Province. Specifically, the study sought to determine the characteristics of mining companies CSR activities, nature of community-perceived benefits derived from them and assess the perception of surrounding local communities on such initiatives. A case study design was used because of its power of providing detailed factual information on mining CSR activities. The study was carried out following a sequential mixed research method that integrated qualitative and quantitative techniques. Document review, questionnaires and in-depth interviews were used to collect data. A total of 261 respondents randomly selected from households in five villages, 30 purposively sampled key informants who included 18 officials from various institutions and youth, were interviewed. Thematic content analysis was used to draw meaning from the qualitative data. Descriptive statistics and inferential tests were carried out using the Microsoft Excel software. It was revealed that CSR projects were improving water infrastructure, in addition to being used to construct and refurbish schools and clinics. Although the CSR projects were supporting the livelihoods of local households, there was still considerable room for improvement particularly in relation to creating sustainable employment opportunities. Only 8 % of the respondents believed that CSR projects were beneficial to them. Lack of consultation when developing the CSR projects and limited awareness campaigns led to inappropriate initiatives being implemented. This highlighted the need for adopting inclusive approaches in decision making processes starting from planning to implementation.

Key words: Benefits, corporate social responsibility, mining industry, rural communities

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ABBREVIATIONS

BEE	Black Economic Empowerment
CoGTA	Cooperative Governance and Traditional Affairs
CMSA	Chamber of Mines South Africa
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DTI	Department of Trade and Industry
FTF	Foundation, Trust and Funds
GDP	Gross Domestic Product
HRDP	Human Resource Development Programme
IDP	Integrated Development Plan
IFSW	International Federation of Social Workers
ICMM	International Council on Mining and Metals
IMF	International Monetary Fund
LEDP	Local Economic Development Programme
MDDA	Media Diversity Development Agency
MPRDA	Mineral and Petroleum Resources Development Act of 2002
MMSD	Mining, Minerals and Sustainable Development
NGOs	Non-Governmental Organization
PGE	Platinum Group Elements
PPC	Pretoria Portland Cement
SLP	Social and Labour Plan
SLO	Social License to Operate
WBCD	World Business Council for Sustainable Development

CHAPTER 1: INTRODUCTION

1.1 Background

For many decades, the mining industry served as an important component of countries' revenue source, especially in developing countries (Campbell, 2009; World Bank, 2010). Economic growth resulting from mining industries has transformed many local communities. For example, local communities in Latin American countries such as Argentina, Bolivia, Chile, Columbia, Guatemala and Panama have experienced dramatic economic and social transformation induced by the presence of large scale mines and their accompanying financial injections (Parades, 2016). In addition to creation of employment opportunities, tax revenue collected from mining industry can be channeled towards government funded infrastructure projects, social programmes, education and health care (Davis and Tilton, 2005; McMahon and Moreira, 2014). Through CSR charitable giving mining companies are also making more direct contribution to economic development and poverty alleviation (Davis and Tilton, 2005; Littlewoods, 2014). Therefore, mining industry has proved to be beneficial to the economic development and poverty alleviation in many countries.

In South Africa, since the discovery of gold in the Witwatersrand at the end of 19th century, the mining industry has made an important contribution to the national economy (Government Communication and Information System: GCIS, 2012; Sperotto, 2015). South Africa is a mineral-rich region country. More than half of the world's reserves of manganese, chromium and platinum are found in the country. In addition, it has 40 % or more of vanadium, gold and vermiculite reserves (Department of Mineral Resources, 2009; Minnitt, 2014). Citibank estimates the value of South Africa's in-situ minerals to be US\$ 2.5 trillion, making the mining industry one of the important sectors in the economy for growth going forward (Department of Mineral Resources, 2009). Given its mineral wealth, South African mining industry will remain engine for economic development for many years to come.

A large number of rural communities in South Africa is heavily dependent on mining as a primary source of jobs, income and financial security (Segal and Malherbe, 2000; Curtis, 2009). The industry generated R286 billions towards Gross Domestic Product (GDP) representing 7.1 % of overall GDP in 2015. About 457 700 individuals were directly employed by the sector in 2015 and this represent just over 3 % of all employed nationally. The industry paid R12.5 billion in taxes to government in 2015/2016 which forms part of government budget used to improve infrastructure and life of South Africans. (Chamber of mines of South Africa (CMSA), 2016). Many towns and cities and much of South African infrastructure development such as roads and rail network in particular arose due to development of the mining industry (Curtis, 2009). This is a clear indication that mining industry has been the driving force behind South African economy. However, communities are unaware of the revenue that government receives from mining projects or their distribution within the country.

Despite economic contribution, the mining industry generates significant social impacts. It appropriates land belonging to the local communities, impacts people's health, alters social relationships, destructs the forms of community subsistence and causes social disintegration by radical and abrupt changes in regional cultures (Gualnam, 2008; Frank, 2012). These impacts are disproportionately borne by the poor rural communities in close proximity to mining operations and hinder their development (Bice and Wright, 2017). Mining companies in many countries responded with a catalogue of social programmes and interventions for supporting community growth and development through their corporate social responsibility (CSR) projects (Mensah *et al.*, 2014). It is argued that mining activities can worsen instead of improving the lives of the surrounding communities. Therefore, mining companies need to understand their activities social impacts and mitigate them through CSR initiatives. Corporate social responsibility initiatives should aim to contribute significantly to rural development in communities where they operate.

South Africa has experienced rapid expansion of mining operations in rural communities over the past two decades (Mnwana, 2015). For example, platinum rich formation rock of the Bushveld complex in North West and Limpopo provinces spread beneath rural communal areas under traditional authorities. The world largest platinum producers such as Anglo American Platinum Limited, Impala Platinum Holdings and Lonmin Platinum have been operating in the area for the past two decades (Claassens and Matlala, 2014; Mnwana, 2014). However, most communities surrounding these mines face a wide range of social challenges that include poverty, poor health, unemployment, adult illiteracy, poor housing, family disorganization and high influx of unaccompanied migrant labour (Hamann and Kapelus, 2004; Ololade and Annergan, 2013; Mnwana and Capps, 2015). This calls to question efforts made by mining companies in improving socio-economic condition of the surrounding rural communities.

Rural communities in many mineral resource-rich countries around the world are still not satisfied with the progress made so far by mining companies in improving their socio-economic conditions (Bench Marks Foundation, 2012). As a result, mineral resource rich countries are increasingly turning to mineral laws and policies to force mining companies to carry out socio-economic development projects in mining affected communities (Dupuy, 2014). For example, since the attainment of democracy in 1994, the South African government has introduced various pieces of legislation and policies aiming to ensure that communities around the mines derive benefits from mining activities (Mabuza *et al.*, 2010). Examples of the expected benefits are access to affordable electricity, sanitation, potable water, better health and quality education services. In this regard, mining companies have often introduced community development projects as CSR initiatives.

Various studies have revealed that most rural communities have not significantly benefitted from mining activities in their area (Cronje and Chenga, 2005; Ololade and Annergan, 2013). Corporate Social Responsibility initiatives are aimed at helping to mend the mining industry tarnished image (Mabuza, *et al.*, 2010). It is intended to go beyond the workers and to produce development in a

more sustainable manner, with benefits for communities beyond the mine. Companies reveal these projects and practices through annual and financial reports, special standalone responsibility reports purportedly comprise of shareholders, those who have interest or are impacted by the company. These reports are only source of information about what mining company is doing for in or for a host community (Emel, *et al.*, 2012). This study will therefore, unearth the nature and benefits derived from mining CSR projects accruing to surrounding communities in Moses Kotane Local Municipality.

1.2 Statement of the Research Problem

Mining industry CSR initiatives are designed to benefit mainly disadvantaged communities. However, it is argued that the initiatives fail to achieve this objective (Mabuza *et al.*, 2010; Bice, 2013). In South Africa, for example, there are public concerns that CSR initiatives implemented in the Rustenburg mining communities are not yielding any positive results, mainly because they are not well-aligned with community-defined needs. Hamann and Kapelus (2004), Mitchell *et al.* (2012), Ololade and Annergan (2013) and Mnwana and Capps (2015) have reported that the communities surrounding mines still face numerous social challenges, which include high rates of poverty, poor health, unemployment, adult illiteracy, poor housing, family disintegration and huge influx of unaccompanied migrant labour. Bice (2013) highlights the fact that most affected rural communities are often marginalized, frequently misunderstood and poorly researched. This might explain why the nature of the benefits derived from mining CSR projects is not well understood. Furthermore, because of this lack of scientific research, most CSR initiatives fail to respond to and meet community-defined needs. Neither do they take advantage of inherent strengths. Thus, this study sought to find out the nature of the benefits derived from CSR projects and further assess the perception of surrounding local communities regarding mining CSR.

1.3 Research Questions

This research aimed to answer the following research questions:

- a) What are the characteristics of mining companies CSR activities in Moses Kotane Local Municipality?
- b) What are the socio-economic benefits of mining CSR activities accruing to the surrounding communities?
- c) What are the socio-economic conditions of the surrounding communities?
- d) What are the perceptions of the surrounding local communities on implemented CSR projects?
- e) What can the mining companies and local communities do to enhance the benefits derived from CSR initiatives?

1.4 Research Objectives

The main research objective of this study was to determine the nature of benefits derived from mining industry CSR projects accruing to rural communities in the Moses Kotane Local Municipality in the North West Province of South Africa.

In order to achieve this, the following specific objectives were used:

- a) To determine the characteristics of CSR activities of mining companies in the Moses Kotane Local Municipality;
- b) To assess the socio-economic conditions of communities around Moses Kotane Local Municipality;
- c) To determine the nature of community-perceived benefits derived from the mining companies around Moses Kotane Local Municipality;
- d) To assess the perception of the surrounding local communities on the CSR initiatives based on demographic characteristics; and
- e) To make recommendations on intervention strategies that might enhance CSR benefits for the surrounding communities.

1.5 Theoretical Framework of the Study

The theoretical framework has been established upon which the findings of this study were analysed (Figure 1.1). The benefits of mining activities have become a growing area of research. This is demonstrated through a number of case studies from many different parts of the world (World Bank, 2010).

Mining activities are associated with negative social impacts and these impacts are borne by surrounding poor rural communities. Corporate social responsibility has been put forward by mining companies as a means of addressing these impacts through fostering socio-economic development that is inclusive of under-privileged members of the community. Mining CSR initiatives include infrastructure improvement, community health and education facilities, support of small local business, sustainable livelihood projects and community foundations.

Mining industry CSR initiatives have received a fair amount of criticism for their failure to improve the socio-economic conditions of the surrounding rural communities. There is a call for mining companies to develop CSR programmes that generate benefits to the surrounding communities. It has been argued that the benefits derived from CSR initiatives are not greater than the negative social impacts of mining. Hamann and Kapelus (2004), argue that there are barriers limiting the poor from benefitting from mining activities in their areas. Petkova *et al.* (2009), highlight such barriers as low level of education and experience, and marginalization from decision-making. As a result, mining CSR initiatives fail to achieve their objective of uplifting communities' quality of life.

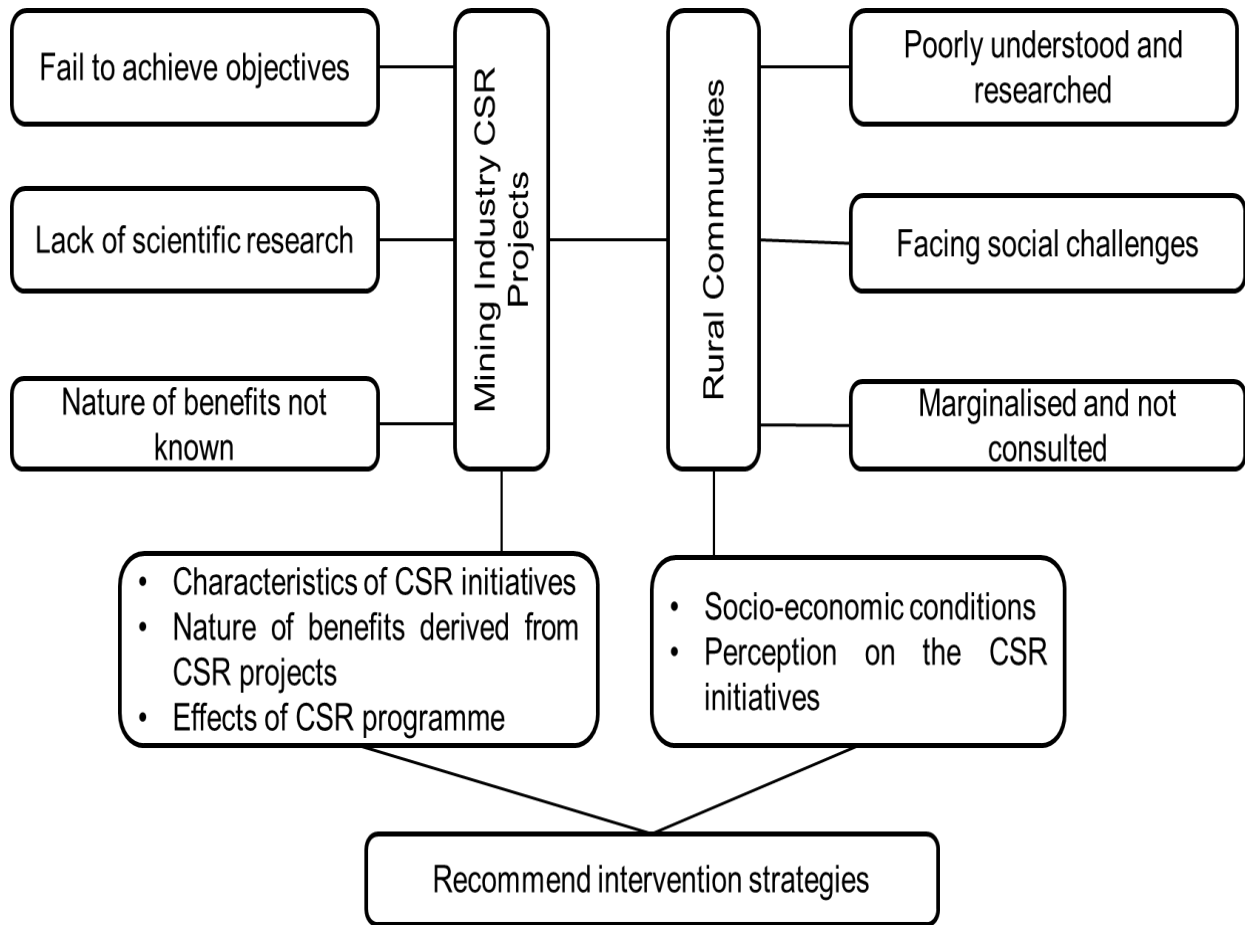


Figure 1.1: Theoretical framework of the study

1.6 Operational Definitions of Key Terms and Concepts

The concepts that are relevant for this study are benefits, corporate social responsibility, rural communities, surrounding communities, and mining. Literature review was based to these concepts because they help to focus the study on critical aspect of benefits accrued to rural communities from mining industry corporate social responsibility.

1.6.1 Benefits

Benefits a community can gain from mining CSR include direct employment, ancillary economic activity, water and power supply, transportation and other infrastructure; education, health and other facilities (Veiga *et al.*, 2001). For the purpose of this study, benefits can be defined as the gains or values accrued to the community from mining CSR initiatives.

1.6.2 Corporate social responsibility

There is no agreement on how CSR should be defined and implemented. The researcher is in agreement with the World Business Council for Sustainable Development (WBCSD, 2002) in defining CSR as a commitment of business to contribute to sustainable development. This entails working with employees, their families, the local community and society at large to improve their quality of life. Corporate social responsibility simply means investment of companies in socio-economic projects that benefit surrounding communities.

1.6.3 Rural communities

The concept of rural is often understood in different perspectives. South Africa used categorization of municipalities to define the term rural and a rural area where it is defined as a small locality where less than 50 % of people live more than 5km away from the tarred road, less than 25 % of people use water from streams, rivers, dams or rain water and people have very limited choices of services within the municipality (Department of Health, 2006).

In this study, a rural community is understood as a community that usually lacks the social and economic infrastructure that exists in most urban communities. According to the International Federation of Social Workers (IFSW) (2014), rural communities are characterized by fewer services, limited choices of employment and limited recreation.

1.6.4 Surrounding rural communities

Surrounding rural communities can be defined differently from one nation to another based on the national or regional regulations. For the purpose of this research, surrounding rural communities refers to villages where mining activities are taking place. Mining activities are supposed to directly influence the socio-economic status of surrounding rural communities.

1.6.5 Mining

The mining concept has many meanings. The researcher is in agreement with Hartman and Mutmansky (2002) in defining mining as an activity, occupation and industry concerned with the extraction of minerals. The essence of mining in extracting mineral wealth from the earth is to drive excavations from the surface to the mineral deposit.

1.7 Outline of the Dissertation

This research dissertation is organized into nine chapters. Chapter One introduces the study. Included in this chapter is the background, statement of the research problem, research questions, objectives, conceptual framework and operational definitions of key concepts and terms.

Chapter Two presents the literature review which informed the research on the benefits derived by communities from the mining industry CSR projects. The chapter is divided into contribution of mining to socio-economic development, socio-economic dimension of mining activities and the mining industry's CSR. Corporate social responsibility is further divided into drivers of CSR activities, characteristics of CSR projects, perceptions of CSR, South African legislative framework for CSR and reporting of CSR initiatives.

Chapter Three presents the methodology used in order to determine the nature of benefits accrued to rural communities from the mining industry CSR projects. The chapter provided details on the relevance of the location of the study area, research design, population and sampling procedure, data collection and analysis methods, limitation, reliability and validity and ethical consideration.

Chapter 4 to 6 presents the findings and discussion on characteristics and perceived benefits of community infrastructure CSR projects (Chapter 4), education and health CSR projects (Chapter 5) and livelihoods related CSR projects (Chapter 6). Chapter 4 on community infrastructure projects started with description of five randomly sampled communities profile and socio-demographic characteristics of the households' respondents.

Chapter 7 presents findings and discussion from the study of local community members' perceptions on mining CSR projects.

Chapter 8 presents findings and discussion on the level of community awareness and benefits satisfaction.

Chapter 9 is devoted to conclusions drawn from the study and recommendations on how CSR initiatives can be enhanced to deliver more benefits. The chapter also highlighted the limitation for the study and recommendations for further studies

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This Chapter presents literature review on mining industry corporate social responsibility. Various published articles and books on CSR community development projects, specifically in the mining industry were reviewed. Firstly, the Chapter reviewed the literature on the mining industry contribution to socio-economic development. Secondly, the literature on mining socio-economic dimensions of mining industry activities was reviewed. Lastly, the chapter reviewed literature on the characteristics and benefits of mining CSR initiatives that are implemented by mining companies.

2.2 Contribution of Mining Industry to Socio-economic Development

Mining is a major economic activity in many developing countries and in some cases; define the success of a national economy (World Bank, 2010). Local communities, government and non-governmental organization (NGOs) have been putting pressure on mining companies to ensure that the benefits of the mining are filtered down to the surrounding communities. For example, mining companies in South Africa have been criticised for not ploughing back a significant proportion of their profits into the development of local communities (Bench Marks Foundation, 2012). In response to the growing pressure, mining companies stepped up their efforts in the area of corporate social responsibility projects (Jekins, 2004; Warnaar, 2012). Mining industry CSR interventions programmes can help to uplift the living standard of the communities surrounding mines. Failure by mining companies to contribute to socio-economic development can lead to mine disruptions and sometimes social instability (Nelson, 2006). Therefore, mining companies CSR initiatives should prioritise local communities' socio-economic development.

The relationship between mining and socio-economic development has long been debated. Wall and Pelon (2011), for example identified four characteristics that draw mining companies into economic and social development at local, regional and sometimes national level, namely,

- a) Mining operations are often conducted in environments where government institution may be absent, weak or lacking in capacity to provide basic community services and as a result they maybe gap in the delivery of essential public services.
- b) The social and environmental footprints of mining operations often have negative effects on local communities; therefore, that's requires compensation or mitigation programmes.
- c) The remote location of many operation heightens expectation for employment and economic development in host communities.
- d) The enclave nature of the mining industry can limit the trickle down of benefits unless specific social investments programmes are undertaken.

Mining projects can contribute to development through a number of channels which include tax payments, employment, local procurement, project Infrastructure and community investment

projects (Wall and Pelon, 2011; McMahon and Moreira, 2014). Usually, the government either imposes these mechanisms in the form of explicit law or alternatively companies engage in benefit sharing voluntarily within the framework of the CSR policy. This is to ensure that a significant part of the economic benefits is retained in the region where mining operations are taking place (Wall and Pelon, 2011).

2.2.1 Tax payments

Governments are increasingly under pressure to demonstrate positive impact of mining to gain political support at local level. To achieve that support, one option was to establish mining tax regime that include direct or indirect payments to development authorities (Wall and Pelon, 2011). There are wide array of taxes which are used by governments to derive benefits from mining for the nation (World Bank, 2010). Many countries have increased various taxes in recent years to bring in more of the price-boom induced rents to the state and revenue (World Bank, 2010; McMahon and Moreira, 2014). There is a multiplier effect on impacts of the expenditure in mining operations, their suppliers, and the employees through mining tax base revenue (McMahon and Moreira, 2014). In South Africa, the most common mining taxation as a revenue raising instrument consist of corporate tax and mineral royalties (Parliamentary Monitoring Group, 2013). Anglo American business activities resulted in the tax payments of \$4.7 billion to the governments of the countries where they operate including South Africa (Anglo American, 2015). Tax payments by mining companies are used by governments to foster development.

2.2.2 Employment creation

Employment is one of the visible economic impacts of mining operations on a community. It is generated directly through the creation of jobs within mining operations like exploration, construction, mining and closure and rehabilitation phases. In addition to jobs that are directly created by mining operation, there are also additional indirect jobs. Some of the indirect jobs are provided by contractors who are critical to the mines activities. Their work may include building roads to reach the mines, the construction of new homes for miners and their families and the businesses required to service these families (ICMM, 2011). There are number of examples of how new mining community development initiatives have contributed to the development of local communities, where the most obvious benefits include job creation and increased income (Ejdemo and Soderholm, 2011). For example, around 692 hectares of palm was planted with the support of Golden Star Resources which became major source of income for local people in Ghana (Dashwood and Pupilampu, 2010).

2.2.3 Local procurement

Mining companies practice local procurement in order to contribute to the economic and social development of the communities in which they operate. Money spent by mining operations on

procurement (purchasing and outsourcing) of goods and services from the domestic economy can often be considerable and is one of the most important ways in which benefits from mining can filter through to the local economy. Procurement can also play a major role in boosting local production and promoting the development of new industries and service factors (ICMM, 2011). In 2011, Anglo American spent R23.3 billion in local black economic empowerment (BEE) procurement in South Africa. This has had a positive impact in communities through job creation, skills development, investment in local infrastructure and the overall establishment of thriving and healthy host communities. Local businesses were nurtured and supported and in turn help to grow the success of these businesses which contribute to the development of host communities (Anglo American, 2011). Although this initiative has been criticised for only benefitting those connected with mine management, it can be very useful in uplifting the lives of the host communities.

2.2.4 Project infrastructure

There can be significant infrastructure improvement with the construction of the mines around the world (MMSD, 2002). Many towns and cities and much of South African infrastructure development such as roads and rail network arose due to the development of the mining industry (Curtis, 2009). Most mining operations of any size are served by roads, water suppliers, sanitation system and electricity adding to local infrastructure. The infrastructure development could bring lasting benefits at little or no added costs. Improvement of infrastructure may also facilitate other forms of economic activity such as tourism (MMSD, 2002). In South Africa, many mining companies have been collaborating with municipalities in the development and implementation of Integrated Development Plan (IDP) which emphasize infrastructure development for communities in areas of mining operations (CoGTA, 2009). Integrated Development Plan can be interpreted as valuable lens, identifying threats and opportunities in a local economy, and offers a way of understanding how mining sector is perceived and experienced by the larger society (MMSD, 2002). Therefore, mining industry can use IDP to target their infrastructure development intervention effectively.

2.2.5 Community investment projects

Mining industry contributes to socio-economic development of the surrounding communities through community investment projects. Most companies either voluntarily or due to government legislation or pressure provide other benefits such as construction and refurbishment of schools and clinics to local communities. This is done through CSR programmes. The role of community investment around mining projects has grown significantly in the last two decades for a number of reasons (ICMM, 2005; Wall and Pelon, 2011). This has led shareholders to review the social contribution of private industry in much more detail than in the past (ICMM, 2005).

Mining companies practice CSR in order to obtain or retain social license to operate (SLO). In order for mining companies to gain or retain SLO, they need to go beyond government requirements for taxation and compensation and actually invest in community development (Wall and Pelon, 2011).

The social licence to operate concept is defined as the ongoing acceptance and approval of mining projects by local communities and other stakeholders that can affect its profitability (Moffat and Zhang, 2014).

2.3 Socio-economic Dimensions of Mining Activities

Despite economic contribution, mining has brought great changes to communities where mines are located. These changes have affected the social and economic lives of the communities surrounding mines (Wright and Bice, 2017). A range of different social challenges facing communities surrounding mines have been identified by various scholars with key ones including high unemployment rate, inadequate supply of community infrastructure, impact on the health, loss of agricultural land and increase in demand for goods and services (Rolfe *et al.*, 2007(a); Lockie *et al.*, 2009; Carrington and Pereira, 2011; Frank, 2012). These social concerns by local communities have generated social unrest in many mining regions in Africa (Keenan *et al.*, 2002). Therefore, mining activities expose poor communities to many social risks. It is for this reason that mining companies are expected to promote and practice CSR initiatives for the socio-economic consequences of their operations in the surrounding communities.

2.3.1 Unemployment rate

Unemployment and poverty remain critical challenges in many communities surrounding mines. This is because employment in the mining industry require specialized skills which are not available in the local communities (Frank, 2012). Employment opportunities favour migrants because they possess skills required by mining companies (Hamann and Kapelus, 2004). The other factor contributing to unemployment in communities surrounding mines is the technological change in mining activities. Many mines are opting for mechanization because it allows same mineral production with smaller workforce (Power and Power, 2013). New poverty is created with the mixture of original residences that have been unable to have share in employment opportunities because of lack of experience and new comers who migrated with the hope of finding employment but have been unsuccessful in doing so (Cronje *et al.*, 2013). It is important that mining companies create employment in rural communities with a view of improving their standard of living. However, since most of the rural communities do not possess skills required, mining companies need to create a platform to train local communities so that they can benefit from employment opportunities in mines.

The study carried out by Bench Foundation (2007) in the Rustenburg Platinum belt of South Africa found that there were thousands of matriculated unemployed youth who were keen to work in mines but unable to get jobs because they lacked mining experience. As a result, many mines experienced disruptions over the last year because of unemployed youth protesting violently against mines' employment policies and practices. Usually, youth are deeply concerned that they are left out of the opportunities, losing out to migrants (Cronje *et al.*, 2013). It is clear that lack of education and experience in youth remain a challenge in many mining communities. Mining industry CSR

programmes in the area of education and training can be used to increase employability of local communities.

2.3.2 Demand on community infrastructure and social services

The influx of migrant workers seeking employment opportunities creates social tension and greater demand on infrastructure and social services (MMSD, 2002). Studies have shown that long time is required in improving existing services and infrastructure (Cronje et al., 2013; Carrington and Pereira, 2011). This places pressure on existing services and infrastructure because they have to be shared among local residents and migrant workers. This has created challenges in many mining communities (Carrington and Pereira, 2011; Frank, 2012; MMSD, 2002). In Bojanala Platinum District in the North West Province of South Africa, backyard dwellings and informal settlements in villages and townships have had crippling effect on services and infrastructure. There has been a continuous break down of sewage system under the pressure of overutilization and illegal electricity connection overloading the electricity supply (Cronje *et al.*, 2013). This calls for mining companies to play proactive role in improving community infrastructure in communities where they operate.

2.3.3 Impact on the health of surrounding communities

Various studies have also revealed that mining activities can impact on the health of surrounding communities (Cronjé and Chenga 2007; Cronjé et al., 2013). This is caused by the dust and other harmful particles in the air and water, excessive noise from blasting and other mining operations and unhygienic living conditions. The most common diseases and illnesses associated with mining activities include tuberculosis (TB), silicosis, airborne and water associated diseases (asthma, sinusitis, diarrhea and cancer) and hearing problems (Cronje *et al.*, 2013). Sexually transmitted infections (STI) diseases such as HIV/AIDS also adversely affect local residents. This has been attributed to migrant workers who often live without their families and within disrupted social contexts. Social ills such as alcohol abuse, prostitution and child labour often increase (Pegg, 2006). Therefore, mining companies must play a proactive role to deal with a number of public health risks associated with their operations that adversely affect communities.

2.3.4 Loss of agricultural land

Mining activities can result in the loss of agricultural land for large numbers of rural communities. This destroys traditional ways of life and livelihoods (Gualnam, 2008). Sometimes the entire community may be forced to shift into purpose-built settlement into areas with inadequate resources (MMSD, 2002). In this way, mining operations drastically change the nature of the communities and take away agrarian land from communities. The communities will now be characterized by high cash dependency with no formal activities to extra income earning (Frank, 2012). When mines close down, villagers may be left without stable income to sustain themselves unless mines implemented CSR development projects that were aimed at decreasing community dependence on them

(Hamann and Kapelus, 2004). Mining CSR projects must be sustainable so that communities will be able sustain themselves when mines close down.

2.3.5 Increase in demand for goods and services

Mining development activities also lead to the increase in demand for goods and services. Higher incomes of mine workers can lead to rising prices for key goods (food, fuel and land/housing) and services (Pegg, 2006). People working in services and agricultural industries which commonly do not attract the same level of pay as mine workers may not be in position to afford these increased prices (Frank, 2012). This rapid change from rural societies to money- based societies creates social problems, especially for women because employment opportunities for them in mining are rare (Cronje *et al.*, 2013). Unemployed community members suffer the most when the demand for goods and services increases. Therefore, mining companies need to implement various livelihood projects that will enable unemployed communities to generate income; especially for women and youth.

2.4 Mining Industry Corporate Social Responsibility (CSR)

Corporate social responsibility initiatives mark a major shift initiative in how mining companies define their responsibility. In the past mining companies confined their responsibility to issues of safety and social welfare of their own employee. Now mining companies are expected to be atleast accountable for the damage their presence may incur upon people residing in the neighbourhood of the mining operations (Luning, 2012). In many developing countries mining companies have to shoulder on their own education and health issues and construction of basic infrastructure through CSR to support indigenous people and (Vintro *et al.*, 2012). For example, in 2014, Anglo American contributed \$136 million in corporate social investment in countries where they operate (Anglo American, 2014).

Corporate social responsibility (CSR) and corporate social investment (CSI) is used interchangeably. However, in South Africa business prefers to use the term corporate social investment because they interpret the word responsibility as an obligation imposed on them with reference to the past misdeeds (Davids *et al.*, 2009). Within the corporate social responsibility framework, CSI refers to the company contribution beyond its commercial operations to disadvantaged communities and individuals for the purpose of social upliftment and welfare. Corporate social investment is just one way in which companies fulfill their social responsibility obligation and as such, is only one element of the broader CSR agenda (Triologue, 2010).

The main aim of CSR in the global mining industry is to give back to the communities affected by mining activities. One of the many dimensions of this effort involves funding community development projects around mining activities (Kemp and Owen, 2013). As a result, community development programmes have achieved prominence in CSR activities of mining firms over the last twenty years in mineral resource rich states around the world (Hamann, 2003, Kemp and Owen, 2013). Mining companies such as Rio Tinto, Barrick, Gold Field, Newmont Mining Corporate, BHP Billiton and

Anglo American as well as smaller multinational firms have voluntarily implemented various programs that deliver social and economic benefits to local communities (Kapelus, 2002; Jenkins, 2004; Yakovleva, 2005; World Bank, 2012). Although it is difficult to outline what is common to all mining CSR community development projects, there is consensus that they must be designed according to the needs of the community affected by mining operations.

2.4.1 Drivers of mining CSR initiatives

The international prominence of CSR in mining can be traced to mining potentially contributing to negative social and environmental impacts and the related criticism levied at mining companies from government, NGOs and local community organization (MMSD, 2002). Many of the environmental disasters or human rights incidents that have contributed to the growing public concern about CSR over the last 40 years took place in the mining industries (Warhurst, 2001). Therefore, CSR is particularly relevant in the mining industry.

Local communities are the key stakeholder for mining companies because mining operations are usually within and nearby communities and their operations affect or are affected by communities. This is the reason local communities have also been a source of pressure for mining companies to act in a more responsible manner. Local communities consider mining to be acceptable when any negative effects are immediately mitigated and its socio-economic benefits contribute to the community's sustainability (Gibson, 2000; Labonne, 1999). Local communities have increasingly demonstrated an ability to stop mine development and as a result, many companies are no longer prepared to proceed with new projects without the support of the local communities (Danielson, 2006). According to Obara (2008), mining companies use CSR programmes and community investment as tools to obtain a competitive advantage, maintain a stable working environment, maintain good reputation and manage stakeholder relations.

Governments play an important role in advancing CSR agenda. Government role can be that of mediator, facilitator and partner in promotion of CSR (Albareda *et al.*, 2008). In South Africa, government has to some extent played a role in thrusting CSR into corporate agenda. This was done mainly through legislative measures such as Mineral and Petroleum Resource Development Act (MPRDA of 2002), Broad Based Black Economic Empowerment (BBEE) Act and BEE sector charters such as the Mining Charter.

NGOs have assumed the role of representing marginalized communities and producing social change (Arenas *et al.*, 2009). International NGOs have been using the strategy of naming and shaming companies with unacceptable CSR records. Companies with unacceptable CSR records are identified and their practices through media. The value of this strategy is found in the threat of negative reputation. Companies are more likely to recognize the threat of negative reputation and take measures to ensure that they do not become the target of name and shame strategy.

2.4.2 Characteristics of corporate social responsibility projects

Mining companies adopt various types of CSR initiatives to benefit local communities. These include improving infrastructure and basic services, education and health services to entrepreneur development opportunities for local entrepreneur.

a) Community infrastructure CSR projects

There is acceptance by mining companies of shared responsibility for infrastructure provision with local government (Cheshire, Everingham and Lawrence, 2014). The infrastructure development can bring lasting benefits at little or no added costs to local communities. Improvement of infrastructure may also facilitate other forms of economic activity such as tourism (MMSD, 2002). Infrastructure such as roads, pipelines for water and electricity supply are the most important mining CSR programmes in remote rural areas. In Bolivia, rural communities close to Glencore International Puquio Norte Mine obtained electricity as a result of company construction of a pipeline with extra capacity (World Bank and IFC, 2002). Again, in Chile, the completion of the first phase of a \$70 million project featuring up to 18 wind generators produced 36 megawatts enough to power 20 000 homes (Barrick Gold, 2011). South African mining companies have been collaborating with municipalities in the implementation of IDP to emphasise infrastructure development for communities in areas of mining operations (CoGTA, 2009).

b) Education and training CSR projects

Improving education infrastructure and services is imperative for social development of the surrounding communities. Mining education CSR programmes include building classrooms and science labs, supply of furniture and text books; teacher refresher courses and improved administration. In some countries, mining companies also give allowance to science teachers in rural areas. Youth are given bursaries and scholarships in universities and colleges. In South Africa and Nigeria, for example, Anglo American and Shell had to pay special rates to teachers to encourage them to go and teach in rural areas where they operate. This is because often teachers refuse to teach in rural areas because of the remote nature of such villages (Eweje, 2006).

Mining activities have also largely failed to benefit local communities in terms of employment (Power and Power, 2013; Ross, 2001). Employment tends to favour workers with past mining backgrounds who are often expatriates and there are fewer opportunities for local communities to get required training and job opportunities (Petkova *et al.*, 2009). In order to increase employment opportunities, mining companies provide training and apprenticeship programmes, scholarships and career support to the local communities (Keenan *et al.*, 2002). Failure to employ local communities' results in opposition and can lead to mine disruption (Nelson, 2006). This means that mining companies should prioritise local communities for job opportunities to avoid social instability.

c) Health related CSR projects

An influx of migrant workers increases demand in health services and leads to deterioration in access to quality health services for the native population. Poor access is often compounded by low quality health care provision affected by a number of factors including insufficient numbers of qualified health personnel, infrequent support and supervision, stock out of essential medicines and health care supplies and inadequate health infrastructure (MMSD, 2002). In response to this challenge, mining companies' community health initiatives usually focus on investment in health infrastructure, support to medicine and other intervention, temporary secondment of health personnel and capacity development of government health workers (Plugge, 2004). These initiatives have provided health care work in disadvantaged and underserved communities in many countries.

d) Entrepreneur development CSR projects

Corporate social responsibility entrepreneur development programme is a programme of investing in local economic development. This encourages alternative livelihood and economic opportunities so that communities do not become dependent upon the mine (ICMM Community Development Toolkit, 2012). Through entrepreneur development programme local businesses are nurtured and supported and in turn they contribute to the development of host communities (Anglo American, 2011). For example, in South Africa Anglo American established Anglo Zimele initiative in 2000 that focuses on supporting aspiring entrepreneurs. The purpose of the initiative is to support previously disadvantaged entrepreneurs through the provision of supply chain fund, business start-up loans and equity, and advice on a variety of aspects of business practice (Rajak, 2011). Around 228 businesses supported by Zimele funding employed 10419 staff members in 2008, just eight years after it was formed. It had a combined turnover of R1.3 billion (Anglo American, 2008). This initiative helped to create jobs and is now being applied in other countries including Brazil, Chile and Peru.

e) Livelihood CSR projects

Mining projects rarely prove to be an employer engine over a long period (Pegg, 2006). It is for this reason that mining companies CSR initiatives must introduce alternative livelihoods to the surrounding communities. Sustainable livelihood projects reduce community dependence on the mines. The Mimosa Mining Company in Zimbabwe as part of agricultural support constructed a dip tank for the community. The project brought benefits to the community to dip their animals and protect them against animal-related diseases. In addition to the construction of dip tank, the company also provided training programmes in which farmers were trained to vaccinate their cattle against diseases without the assistance of government veterinary officers. These CSR initiatives boosted local livelihood by improving the quality of livestock (Dziro, 2014). Livelihood CSR initiatives can help communities to earn some steady income and be able to support their families.

2. 4.3 Perceptions of corporate social responsibility

Corporate Social Responsibility activities both as concept and practice are subjected to many debates and confusions. There are questions about real benefits it brings to communities and society. The perceptions of a society vary among people of various age groups and education background (Majumdar and Saini, 2013). This study will make recommendations to mining companies on how they can enhance rural community's perception of CSR.

a) Mining companies' projection of suitable image

Over the last years, many mining companies have published separate sustainability or CSR reports in their websites detailing how their CSR initiatives have uplifted the lives of communities where they operate. Critics argue that CSR reports are primarily about projecting a suitable image in order to placate critics and ensure business as usual. According to Mabuza *et al.* (2010), there is potential for CSR to be misused by companies to increase publicity and boost reputation although very little might have been done on the ground. Also, this is difficult to monitor or eliminate. Although it is acknowledged that communication is one of the critical elements to make communities aware of CSR initiatives, the message is not reaching intended beneficiaries (Pfau *et al.*, 2008).

b) Lack of monitoring and evaluation

According to Bice (2013), mining companies are failing to evaluate their own CSR programmes. Mining companies focus on project implementation, and not measuring and understanding outcome achieved (Salazar *et al.*, 2012). Their internal auditing practices fall short due to their inflexibility to engage in a meaningful dialogue about the problems and possibilities of CSR projects implementation (Kemp *et al.*, 2012). The results are CSR programmes offered that are poorly uninformed by the community members who are expected to benefit from them.

In South Africa, according to Chenga *et al.* (2006), communities expressed concerns that community development social projects were not sustainable and most had either failed or were surviving on hand to mouth. The reasons put forward for this included:

- a) Lack of project planning, specifically in relation to the development of a comprehensive plan as well as marketing;
- b) Projects were set up without full consultation with community members, consequently community members felt that they had little control of them;
- c) The mine lacks sufficient knowledge about communities' strengths and weaknesses in relation to project management, as a result most projects are stranded and left to run independently too early; and
- d) Poor infrastructure in terms of transport, communication system and information to run project efficiently.

2.4.4 Corporate Social Responsibility legislative framework

South African mining industry CSR has been significantly influenced by the national legislation and policies. The Mineral and Petroleum Resource Development Act (MPRDA) No 28 of 2002 placed the state as the custodian of the nation's mineral resources (Mitchell, 2013). These would now be used to promote broader access to mineral resources while contributing to economic development and increased employment (Cawood, 2007). There are several measures in the MPRDA which enable communities to protect their interests in the land that is subject of application for rights under MPRDA. These measures relate to consultation, Social and Labour Plans (SLP), preferred rights afforded to communities, the continuation of royalties in certain circumstances and BEE (Mitchell, 2013).

It is compulsory under MPRDA for mining companies to consult with communities before the commencement of mining or prospecting. Mining operations are disruptive to the community in many aspects and the consultation process affords a community an opportunity to negotiate on compensative measures (Mitchell *et al.*, 2012). Therefore, consultation can guide mining companies when developing community development projects

SLP is a device aimed at achieving the transformation and socio-economic objectives of MPRDA, with specific focus on community upliftment. All mining companies applying for mining rights must submit an SLP. The three broad sections of SLP are human resource development programme (HRDP), local economic development programme (LEDP) and a section pertaining to management of downscaling and retrenchment. The HRDP and LEDP provide communities with concrete points to negotiate on skills and development of mine employees who are often from surrounding communities; infrastructure and poverty eradication projects (Mitchell *et al.*, 2012). SLP therefore, deals with how the needs of the community where mining operations are to take place can be met.

The MPRDA referred to communities as the suppliers of labour, the beneficiaries of socio-economic programmes or as ownership participants. Communities are afforded preferential rights to apply for prospecting or mining rights ahead of other prospective applicants. When they apply for the rights they must prove that the right shall be used to contribute towards the development and the social upliftment of the communities concerned (Mitchell *et al.*, 2012).

MPRDA require the Minister to develop a charter for the mining industry that sets targets and timetables for the participation of historically disadvantaged South Africans (HDSA). The key objective of the Mining Charter is to accelerate black economic empowerment in the mining industry. The charter centres around the following pillars: human resource development, employment equity, migrant labour, mine community development, housing and living conditions, procurement, ownership and joint ventures, beneficiation and reporting. The first mining charter was developed in 2002 to effect transformation with the provision to review the progress and determine what further steps to be made to achieve its objectives (RSA, 2010).

2.4.5 Mining Industry CSR Reporting

Mining companies presents what they are doing in terms of CSR in their social responsibility or sustainability reports. These may be documented as part of their annual financial report or standalone reports often called report to society (Emel *et al.*, 2012). For many companies, the reason for publishing CSR reports is increased stakeholder pressure (Elijido-Ten *et al.*, 2010). Stakeholders that can be regarded as the target group of CSR reports are academia, business partners, employees, NGOs, financial community, local community and regulators and policy makers (Azzone *et al.*, 1997).

2.5 Summary of Literature Review

Mining operations may affect surrounding communities socially and economically. The rapid growth of a population through migration outstrips the capacity of social services such as education and health. Other social problems experienced by mining communities include unemployment, HIV/AIDS, disruption of traditional lifestyle and livelihood system. Communities expect mining companies to compensate them for socio-economic changes brought in by mining activities.

Mining CSR initiatives can play a crucial role in improving the socio-economic wellbeing of the surrounding communities. Key issues addressed by mining industry CSR initiatives include infrastructure development, employment creation and skills development, income generation and health. However, mining companies seem not to have a better understanding of the rural community expectations because of failure to engage ordinary people who are to benefit from CSR projects. On the other side, communities are not aware of the efforts put in by mining companies to develop them. The perception of communities is that CSR programmes do no deliver expected benefits. As a result, socio-economic problems continue to exist in many mining communities. Furthermore, it is argued that mining companies are using CSR reports to pose as good citizen's corporation with little done on the ground. Communities feel isolated and marginalized. Benefits of mining activities in rural communities need to be carefully evaluated with the aim of establishing how communities benefitted from them.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methodology used to conduct the study is presented. The first part is a description of the study area. Thereafter, there is a brief description of the research design adopted and associated reasons. Justification for adopting a case study research design and the use of mixed methods for data collection are highlighted. The population and sampling procedures are outlined, including the data collection and analysis methods and techniques. Limitations, reliability and validity of data collected are discussed. Lastly, the chapter highlights the ethical considerations adhered to in this study.

3.2 Description of the Study Area

The study was carried out in Moses Kotane Local Municipality (MKLM) in the Bojanala District Municipality of the North West Province of South Africa (Figures 3.1 and 3.2). It comprises 31 wards, 107 villages and two formal towns of Mogwase and Madikwe (Moses Kotane Local Municipality, 2016). The municipality was named in memory of Moses Kotane who was a well-known figure in the South African liberation struggle. It is situated 45 km northwest of Rustenburg. The regional economy of MKLM is dominated by the mining industry which forms the backbone of the provincial economy, contributing 42 % to the GDP and 39 % of the local employment figure (Moses Kotane Local Municipality, 2014).

The municipality is situated at the heart of Bushveld Igneous Complex renowned for its overwhelming deposits of platinum group metals (PGE) and chromium. Bushveld complex contains approximately 80 % of world PGEs which include platinum, palladium, and a range of other minerals (Crowson 2010). Several mining companies have been established within the boundary of the MKLM which include Wesizwe, Bakubung and Pilanesberg platinum mines. The other three mines have been operating for many years, namely Pretoria Portland Cement (PPC), Anglo American Union Section and Amandelbult platinum mines are in Limpopo Province, Thabazimbi Local Municipality and cross border with North West, Moses Kotane Local Municipality (Moses Kotane Local Municipality, 2016).

The socio-economic analysis indicated that MKLM has an unemployment rate of 37.9 % (Statistics South Africa, 2011). Almost half (47.4 %) of the economically active youth in the municipality are unemployed. The majority of residents are still using pit latrines with no ventilation. Only 12.3 % have flush toilets connected to the sewage and 18.6 % households have piped water inside their dwellings with other areas mostly having access to community tap (Statistics South Africa, 2011; Moses Kotane Local Municipality, 2015). Therefore, rural communities at MKLM present many opportunities for mining industry to make contribution in community development owing to high unemployment levels, low levels of education, low skills levels as well as poor community infrastructure and community services in many villages.

3.3 Research Design

A case study approach was adopted in the current study because of its emphasis on and possible provision of in-depth facts on mining companies CSR projects case studies (Creswell, 1998; Yin, 2003; De Massis and Kotlar, 2014). Although there are many CSR projects implemented by mining companies in the study area, education, health, community infrastructure, and livelihoods related CSR activities were selected as the focus case studies. Multiple case studies were chosen because it enables comparison that can clarify whether emergence finding is simply idiosyncratic to a single case or its consistency is replicated in other cases (De Massis and Kotlar, 2014). This approach enabled collection of detailed information from each of four mining CSR activities categories selected and to gain comprehensive understanding on the nature of benefits accrued to surrounding rural communities. Finally, the adoption of multiple case studies allowed recommendations to be given on how CSR programmes can be enhanced to deliver more benefits.

Although a case study approach is often considered as a qualitative research design, this study adopted mixed method approach in which both qualitative and quantitative data were collected. According to Dawidowicz (2011), this can allow researchers to adjust the case studies to effectively address myriad research situations. A sequential mixed method design was used. The study began with qualitative data collection to understand CSR projects key issues followed by quantitative data collection. Qualitative data collection used documents review and semi-structured interviews. In this case, qualitative data collection was used to generate a subjective assessment of the attitudes, opinions, and perceptions from key informants. This allowed the researcher to explore key informants' experiences in planning and implementation of CSR projects. Documents review helped to assess the motivations and impacts of CSR activities implemented by mining companies.

Quantitative data collected was guided by qualitative data collected from documents review and semi-interviews with key informants. This was done to make sure that the households questionnaires constructed were relevant. Quantitative inquiry focused on the numerical representations of the bio-demographic data, perceived benefits and perceptions of local communities regarding the perceived benefits of mining CSR projects through households' surveys. Accordingly, a mixed methods approach provided a more complete and deeper understanding of the nature of the benefits derived from mining CSR projects.

3.4 Population and Sampling Procedures

This study utilised multi stage sampling technique which is easier to implement and is known to reduce costs of large scale survey research. It involves selection of samples in stages taking into account the hierarchical structure of the population (Uthayakumar and Venkatasubramanian, 2015). The first stage involved purposive sampling of five mining companies from MKLM, namely Pilanesberg platinum mine, Bakubung platinum mine, Maseve platinum mine, Pretoria Portland Cement (PPC), Anglo American Union Section and Amandelbult platinum mines. The above mining

companies were purposively selected due to their socio-economic contribution to the surrounding communities through CSR initiatives. Maseve platinum mine was commissioned in 2016 whereas Bakubung platinum mine will be commissioned in 2017/2018. Pretoria Portland Cement PPC), Anglo American Union Section and Amandelbult platinum mines were both commissioned more than 30 years ago. Thus, sampling of mining companies included one mine not yet commissioned, one recently commissioned and three that have been operating for many years. The selected mining companies have received a lot of criticism in recent years for their failure to bring benefit surrounding communities. For example, recent studies by Mnwana (2015) and Mnwana and Capps (2015) revealed that communities surrounding Anglo American Union Section and Pilanesberg platinum mines are characterised by extreme poverty, massive unemployment, and lack of social and infrastructure services.

The second stage involved purposive selection of five case study communities namely Motlhabe, Ledig, Sefikile, Mokgalwaneng and Ramokokastad (Table 3.2). The criteria used to select rural communities included age of the community, proximity to one another and to the mines. These communities were purposively selected because they are situated within 50km radius from mining operations and are recipients of mining industry CSR initiatives. South African mining companies are required to prioritise local communities within 50km radius from mining operation in terms of community development projects and employment opportunities (Republic of South African, 2010).

Five sampled communities were divided into two sub-samples (cluster) with the purpose of making comparison. The first sub-sample is of three communities; namely, Ledig, Sefikile and Motlhabe. These communities are located on the actual mining sites. These are old communities that existed before mining operations began in the area and are more affected by mining activities. These communities' expectations are high on benefits from the mining industry. The communities are situated less than 10km from mining operations hence they are called mining doorstep communities. The second sub-sample included two communities, Mokgalwaneng and Ramokokastad. In these communities, there are no mining activities, however they are beneficiaries of mining companies CSR initiatives. They are situated 30 to 40 km from the sampled mining companies' operations (Table 3.2).

The third stage involved purposive sampling of key informants selected based on the knowledge of mining CSR initiatives in the area. The respondents included traditional and elected leaders, health and education officials sampled from each community and municipality as well as mining officials. Moses Kotane Local Municipality IDP manager assisted in identifying key stakeholders who have been interacting with both the municipality and the mines in the planning and implementation of CSR projects. These included councilors and committee members from Bakgatla ba Kgafela, Baphalane ba Ramokoka and Bakubung traditional tribal councils. The snowball method was used to sample respondents who are hard to reach for additional information. This included retired officials and former community leaders who have been involved in CSR projects in the past. The method was

also used to sample respondents from youth who were beneficiaries of mining CSR initiatives in education and skills development.

The third stage also involved a random selection of 50-60 households in each village sampled. Permission to conduct a study was sought from local chiefs in each village. Municipality IDP manager assisted in getting permission from the villages' leadership structures. In most instances, traditional councils requested presentation and assurance that the study will not cause further instability in their respective communities. In two communities, village registry obtained from community leadership was used to randomly select households which were visited whereas in the remaining three villages there was no updated registry. In this case households were selected randomly covering all village sections with the advice from local headman and councilors.

3.5 Data Collection Methods and Techniques

Both primary and secondary data collection methods were used. Figure 3.3 presents a consolidated summary of the data collection stages and methods used.

3.5.1 Secondary data collection

Secondary data were carried out using the selected mining companies' sustainability and annual reports from year 2009 to 2015, media release, newsletters, municipality IDP 2009-2015 and published articles. Mining companies produce annual and sustainability reports containing descriptions of community development initiatives. The reports were downloaded from companies' websites and those not found were requested directly from each mining company's social project manager.

Sampled mining companies selected for this study have a good track record of publishing sustainability reports on their websites and community newsletters hence their CSR records are easily accessible. However, most of the rural communities who are beneficiaries of the implemented projects have no access to these reports and therefore cannot validate whether what has been reported is exactly what has been delivered. For this research, mining companies' reports were used to understand CSR activities and their benefits to the local communities from the company perspective.

Figure 3.4 indicates the available reports of five sampled mining companies from 2009-2015 that were used in this study. Data gathered from documents review on the characteristics of CSR initiatives includes categories of CSR initiatives, organisation of CSR initiatives, targeted beneficiaries and benefits accrued relevance of the initiatives to community needs and outcomes, as well as partners involved in the implementation of the projects.

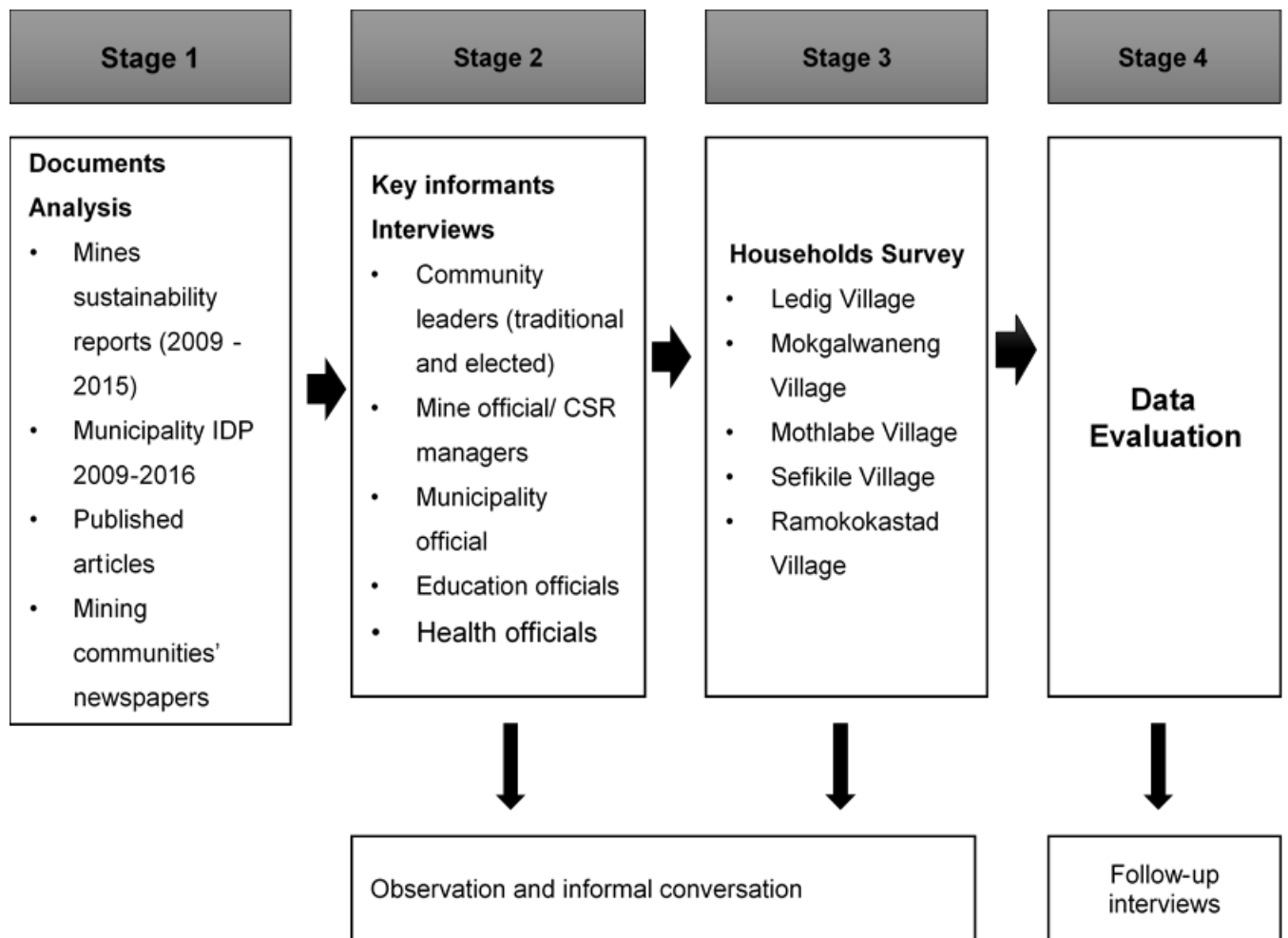


Figure 3. 3: Research project plan used in the data collection in Moses Kotane Local Municipality

Company Name	Report Type	Year						
		2009	2010	2011	2012	2013	2014	2015
Anglo American - Union Section and Amandelbult mines	Annual	■						
	Integrated Sustainability		■	■	■	■	■	■
	Media release			■	■	■	■	■
Sedibelo Platinum Mines Limited - Pilanesburg Platinum Mine	Annual Sustainability	■	■	■				
	Community newsletters	■	■	■	■	■	■	■
	Media release			■	■	■	■	■
Platinum Group Metal - Maseve Platinum Mine	Annual	■	■	■	■	■	■	■
Wesizwe Bakubung Platinum Mine	Annual	■	■	■	■	■	■	■
	Integrated Sustainability		■	■	■	■	■	■
	Community newsletters	■	■	■	■	■	■	■
	Media release		■	■	■	■	■	■
Pretoria Portland Cement	Annual						■	
	Integrated			■				

Figure 3. 4: Reviewed mining companies reports

The municipality IDP documents from 2009-2015 were scanned for any mining industry CSR community development initiatives inclusion. Moses Kotane Local Municipality publishes IDP reports annually downloadable from their website. The Municipality IDP reports were found to have contained useful information about current and future community development projects initiated by the mines companies in partnership with the municipality.

One of the document review methodological limitations encountered was that the mining companies and the municipality disclosed only positive information; less was said about any failed projects and challenges if there were any. However, documents reviewed provided information about CSR community development initiatives and questions that were further pursued through semi-structured interviews. The review also assisted in identifying CSR projects to be visited for observations and interviews.

3.5.2 Primary data collection

Primary data was collected using semi-structured interviews, observation, and households' surveys. The collected primary data was also used to triangulate data collected from secondary sources. This was done to cross verify the same information acquired from documents review and to strengthen research findings.

a) Interviews

Face-to-face and telephonic semi-structured interviews were conducted with traditional and elected community leaders, municipality, mining companies, education, and health officials. Selected youth who were beneficiaries of mining CSR initiatives were also interviewed (Table 3.1). The purpose of the interviews was to get information on their personal experience regarding the planning, implementation, and impacts of CSR projects. Face-to-face interviews were preferred because one could solicit information of CSR projects that can be very sensitive. However, in cases where face-to-face interview with key informant was not secured, telephonic interview was done. Participants were asked to provide their opinions on how mining industry CSR contributed towards improving community socio-economic conditions.

A majority of respondents agreed that the interview be audio taped and later transferred into verbatim. Despite assurance that the information provided will not be shared with any other persons, some community members declined to be voice recorded citing fear of being victimised by community leaders who they believe are benefitting from the mines. Furthermore, descriptions and observation notes were taken throughout the interviews.

b) Observation and informal conversation

Additional primary data was gathered through observation and informal conversation with community members during sites visits. The purpose of the sites visits was to see physically the status of implemented CSR projects in the study area. For example, clinics and schools that were

refurbished by mining companies were visited accompanied with informal conversation with awaiting patients, teachers and other staff members. Observation guide was developed from documents review. Observation guide contained name of the village, location and category of visited implemented projects, their status (whether complete or incomplete). Data collected were used to validate and cross check findings from document review. This was done to compare the reported to the observed. Photography was used as an observation tool. For example, images were taken to bring into more focus the socio-economic conditions of the communities under study and CSR community development projects sites. Site visits gave better understanding of projects on the ground rather than relying on reported information.

c) Survey questionnaires

Survey questionnaires were administered to a sample of 261 randomly selected members of households in six villages selected. Both elected and traditional leaders were contacted and permission sought from them before the fieldwork commenced. Before actual study was undertaken, questionnaires were pre-tested in Ledig village. Twenty household questionnaires were administered to randomly selected households. The questions that were found to be ambiguous were revised. The two enumerators employed were individuals above the age of 21 years and had attained a higher level of education. The study targeted respondents who had resided in the village for more than five years. Respondents who have lived in the village for more than 5 years have witnessed the development brought by mining companies and their impacts.

Household survey spanned three months from July to September 2016. Research assistance knocked at the door of sampled households and explained the purpose of the study. If the household member agreed to take part in the study, questionnaires were administered. Questionnaires were administered to household's heads, their spouses and youth older than 18 years. Youth were included in the study because media information has shown that they have been very vocal against mining companies' failure to improve socio-economic condition of the surrounding communities. The questionnaires were written in English and will be administered in a rural set-up which is presumably has lower literacy levels. Thus, the questionnaires will be administered in native Tswana language in the form of face-to-face structured interviews. This were done to avoid the risk of getting poor results due to misinterpretation of the questions. Total number of households' respondents interviewed from five sampled villages is 261 (Table 3.1).

The questionnaires were divided into five sections. Section A, B and C included series of questions aimed at collecting bio-demographic characteristics of respondent, socio-economic characteristics, and socio-economic infrastructure respectively. Bio-demographic data collected include age category, gender, age, marital status, ethnic group, level of education and relationship to the head of household. Socio-economic characteristics include length of residency, number of people in the household, employment status, sector employed, main source of household income and average

household income. Section C collected data on the availability of household socio-economic infrastructure such as water and sanitation, and electricity.

Section D covered data related to the benefits accrued to rural communities from CSR projects. Perceived benefits were measured by asking household respondents whether they have benefitted from mining listed CSR initiatives. They include community infrastructure, education and health, and livelihood related CSR initiatives. The answers were limited to Yes or No. The respondents were also asked which of the above CSR initiatives they have benefitted most. They were also asked if they are satisfied with the benefits derived from the projects with answers limited to Yes or No. If answer is No, respondents were asked to furnish reasons why they say so.

Lastly, Section E consisted of eleven statement items meant to measure local communities' perception of CSR projects' benefits. The questionnaires include six positive and five negative perception statement items. To determine the perceptions of the rural communities on CSR projects, household respondents were asked to respond to what extent they agreed with the statement, ranging on a five Likert scale from 1 = strongly disagree, 2 = Disagree, 3 = neither disagree nor agree, 4 = Agree, 5 = strongly agree. Strongly agree carries the highest weight of 5 points whereas strongly disagree carries the least weight of 1. The inference of this study is that all positive construct with mean figure below 3 are construct that respondents do not agree with the researcher but agree with the negative of the same statement not stated. For negative construct, the implication for this study is that all construct with mean figure above 3 are statements that respondents agree with the researcher as stated but disagree with the positive of the same construct not stated. The difference in respondents' perceptions were analysed based on demographic characteristics. Demographic characteristics include gender, age, education, employment on gender

Table 3.1: Key informants, institutions, communities and youth sampled in the study area

Number of Key Informant and institutions	Number sampled	Sampled Communities	Number of head of households	Number of youth sampled
a) Communities leaders	12	Ledig Community	55	2
b) Health officials	4	Mokgalwaneng Community	60	2
c) Education officials	3	Mothlabe Community	50	1
d) Municipal officials	1	Sefikile Community	39	2
e) Mining companies' officials	2	Ramokokastad Community	57	1
Total	22	Total	261	8

3.6 Data Analysis

Data analysis involved extraction of evidence from reports per theme of CSR project categories, type or project name, partners, targeted beneficiaries, project duration and output. The focus was on understanding key thematic areas such as employment opportunities, provision of community infrastructure and improvement of education and health care services as a result of the implementation of CSR projects. Tables in Appendices D were used to summarise the data with the intention of achieving the objective of the study. Documents analysis helped in understanding CSR activities of each mining company.

The content of the interviews with key informants were analysed using the thematic content analysis technique (Green and Thorogood, 2009). Data were organised using key themes that emerged from the discussion with key informants. In this case, the recorded conversations with respondents were broken down into small meaningful units. The focus was on understanding the benefits accrued to rural communities from provision of community infrastructure, improvement of education and health care services and livelihoods projects as a result of implementation of CSR projects.

Analysis of quantitative data acquired from households' survey was added with the use of Microsoft Excel. The socio-economic characteristics (bio-demographic information, households' socio-economic characteristics and socio-economic infrastructure) were presented using simple frequency and cross tabulation. Descriptive statistics of variables were examined, including mean, standard error, standard deviation, sample variance and confidence level.

3.7 Limitation, Reliability and Validity

3.7.1 Limitations

Permission to conduct fieldwork in the study communities was difficult because it requires researcher to establish rapport with community leaders. In two villages, there were two parallel community structures who claim to oversee the village. In this case, researcher had to request permission from both community structures.

Respondents in some villages refused to take part in the study because in the past some researchers undertook studies in their village and never gave them feedback of the findings. They were of the view that the researchers were sent by the mine to spy on them. Some did not want to take part of the study because they feared to be victimised by community leaders whom they believed are benefitting from the mines.

Interview with mining companies' officials responsible for CSR community development projects was very difficult to secure with most of them citing their busy schedule. Only two CSR managers were interviewed from sampled mining companies however one disagreed to be tape recorded.

3.7.2 Reliability and validity

The use secondary data require that reliability and validity of the data extracted be checked. Documents review of mining companies' sustainability reports give information about CSR initiatives from mining perspective. Emel *et al.* (2012) argued that sometimes what is reported in mining CSR reports was is what is found on the ground. Thus, mining companies have been criticized for providing information of CSR initiatives to serve their objective to be seen on a positive light. Therefore, the fact that mining CSR reports are prepared based on the company judgment; this creates a question of reliability and validity. In order to ensure quality of secondary data analysis, mining companies' reports were compared with municipality IDP documents and other academic sources. Furthermore, observation, semi-structured interviews, and household survey were used to triangulate data collected from documents review.

3.8 Ethical Considerations

Ethical clearance certificate for the study was obtained from the University of Venda Research Ethics Committee before commencement of fieldwork. Authority to carry out research was obtained from Moses Kotane Local Municipality and chiefs in all villages where research was undertaken.

Mining companies' sustainability reports, annual reports, mining community newsletters and municipality IDP documents are not confidential documents. Both mining companies and municipality publish these reports and documents on their websites for public consumption. The review of all the reports used in this study was done while maintaining accuracy and honesty. Only information contained in official mining companies and municipality reports were used. In order to determine the accuracy of the documents, documents were compared with the others that contained similar information. For example, mining companies' CSR reports were compared with municipal IDP documents.

All survey respondents and interview participants were fully aware of what the research entailed and gave informed consent to be involved in it. They were asked to read consent form outlining their rights as research subjects and were asked to sign their names to confirm their consent to participate. Respondents were assured that the information provided would be treated with confidence. They were informed that the data would only be used for the stated purpose of the research. Assurance was given that no other person would have access to the interview data. Furthermore, no false promises were made.

CHAPTER 4: CHARACTERISTICS AND PERCEIVED SOCIO-ECONOMIC BENEFITS OF MINING INDUSTRY COMMUNITY INFRASTRUCTURE CSR PROJECTS

4.1 Introduction

Mining companies have delivered various infrastructure projects for the benefit of surrounding rural communities at MKLM. This chapter sought to determine the characteristics and perceived benefits of community infrastructure CSR projects implemented by mining companies at MKLM. It starts with a brief description of five non-randomly sampled communities to provide background information and to contextualize the study area. The chapter continues with presentation of the findings and discussions. Determination of characteristics and perceived benefits of community infrastructure CSR projects is important in understanding whether they are aligned with community needs and how they can be enhanced.

4.2 Profile of the Studied Communities

The criteria used in the selection of five study communities were discussed in section 3.3 of Chapter 3. The major characteristics of the study communities are described below.

4.2.1 Ledig community

Ledig village is a highly-populated village comprised of three wards, namely 12, 28 and 30. The village has a total population of 20 730 (Statistics South Africa, 2011; Moses Kotane Local Municipality, 2016). It falls under the administration of Bakubung ba Ratheo Traditional Council who are the custodians of the community assets. The main economic activities in the area are mining and eco-tourism. Employment opportunities are mainly from the surrounding mines across three municipalities, namely Moses Kotane, Rustenburg and Thabazimbi Local Municipalities. The Sun City Resort which is adjacent to Ledig village also provides local communities with few employment opportunities (Moses Kotane Local Municipality, 2015).

Ledig village hosts Bakubung and Maseve platinum mines. Bakubung platinum mine is operated by Wesizwe Platinum Ltd and will start production in 2017/2018. Maseve platinum mine is operated by Platinum Group Metals Ltd and started production in 2016. Despite the fact that Bakubung platinum mine will start with production in 2017 and Maseve mine only started with production in 2016, they have been implementing different community development CSR projects to benefit Ledig communities since their arrival.

Bakubung ba Ratheo communities were allocated 33 % shares in the Bakubung platinum mine on behalf of communities which at that time represented the largest single shareholder (Wesizwe, 2008). The shares were later sold with the aim of funding community development projects. The impact of the conversion of shares into money led to the substantial reduction of community shareholding in Wesizwe Bakubung platinum mine, which is currently at 4.52 % (Wesizwe Platinum, 2014). Conversion of shares was done so that money could be used for community development

projects. However, communities claim that Tribal Council did it without consulting local communities and there is nothing to show from the monetisation of shares in terms of community development (Local Councilor, 25 July 2016). Wesizwe Bakubung platinum mine developed Economic Development Fund and the Bakubung Development Unit (BEDU) in Ledig to achieve community development projects (Wesizwe, 2008). The other mine operating at Ledig is Maseve Platinum Mine in which Platinum Group Metals Limited own 83 % shares. Wesizwe Platinum Limited which own Bakubung Platinum mine hold 17 % of the shares (Wesizwe, 2015). Community does not have any shares on the mining, but the mine has been implementing different community development CSR projects to benefit Ledig communities.

4.2.2 Mothlabe community

Motlabe village has a total population of 2 750 (Statistics South Africa, 2011). The village hosts Pilanesberg platinum mine which was granted mining right in 2008. Communities of Mothlabe are first people to settle on the land currently occupied by Pilanesberg platinum mine operations (Mnwana and Capps, 2015). They fall under local administration of Bakgatla ba-Kgafela Traditional Council who control the village. Bakgatla ba Kgafela were granted 26 % ownership shares of Pilanesberg Platinum Mine on behalf of 32 village communities in which Mothlabe village is one of them (Matlala, 2014). Communities of Mothlabe have been involved in a land struggle with Bakgatla ba Kgafela Traditional Council since the mining operations that began next to the village in 2008. They have been attempting to secede from Bakgatla Traditional Authority because they believe that distribution of the benefits is skewed in favor of communities in Moruleng village where Bakgatla Traditional Authority offices are situated and that the mine should negotiate with them directly, not Bakgatla Traditional Authority because the land belongs to them (Mnwana and Capps, 2015).

4.2.3 Sefikile community

Sefikile village has a total population of 4 230 (Statistics South Africa, 2011). Sefikile community also falls under Bakgatla ba Kgafela Traditional Council. It is one of the oldest villages hosting one of the oldest Anglo American Union Section mine operations. Bakgatla ba Kgafela Traditional Council were granted 15 % mine ownership shares of Anglo American Union Section Mine on behalf of 32 village communities in which Sefikile is one of them. Despite community yielding royalties to the Bakgatla chieftaincy since 1982, the village remains deeply impoverished (Mnwana, 2014; Mnwana and Capps, 2015). Sefikile village is overcrowded and is regarded as a conspicuous image of a neglected mine hosting village. The village has only one small primary school and secondary school which cater for the education needs of scores of children from the village and surrounding informal settlements (Mnwana, 2015).

4.2.4 Ramokokastad community

Ramokokastad community falls under local administration of Baphalane Traditional Council. It is the fastest growing village with a total population of 5 140 (Statistics South Africa, 2011; Moses Kotane Local Municipality, 2015). There are no mining activities taking place within the village but they are surrounded by four operating mines, namely Anglo American Amandelbult and Union Section, Pretoria Portland Cement Beestekraal and Northam platinum mines. Anglo American Amandelbult and Union Section and Northam platinum mines are situated approximately 45km from the village. Pretoria Portland Cement Beestekraal mine operation is situated approximately 40km from the village. Communities of Ramokokastad are dependent on these mines for employment opportunities. These mines have also implemented various community development CSR projects such as community infrastructure, education and health programmes for the benefit of the communities including the families of the employees.

4.2.5 Mokgalwaneng community

Mokgalwaneng village is in a remote area with total population of 7 500 (Statistics South Africa, 2011). It is one of the 32 villages that fall under Bakgatla ba Kgafela Traditional Council. Most people are poor with the unemployment rate of 53 %. About 49 % of the population have had no schooling or attained primary education. The main economic activity is agriculture which includes livestock and vegetable farming (CRD, 2010). Communities are dependent on surrounding mines for employment, namely Pretoria Portland Cement Mine (PPC) and Anglo American Union Mine. Pretoria Portland Cement Mine (PPC) is situated at Dwaalboom which is 15 km from Mokgalwaneng and Anglo American Union Mine is situated 30km from Mokgalwaneng. Both mining companies have implemented various CSR initiatives in education and community infrastructure to benefit communities.

4.3 Results

4.3.1 Socio-demographic Characteristics of the Respondents

A total of 261 people were interviewed using household questionnaires. Socio-demographic characteristics including gender, age, education level, occupation, employment sector, household sources of income and household average income are summarised in Table 4.1.

Table 4. 1: Respondents socio-demographic characteristics

Characteristics	Frequency	Proportion, %
Sex		
Male	111	43
Female	150	57
Age		
18 -35 years	132	51
36 - 65 years	94	36
66 years and above	35	13
Education_level		
No schooling	5	2
Primary education	32	12
Secondary education	196	76
College/University	25	10
Occupation		
Unemployed	187	72
Self-employed	18	7
Employed	56	21
Employment sector		
Mining	17	23
Government	15	20
Agriculture/Farm	12	16
Private companies	5	7
Other	25	34
Source of household income		
Salaries/Wages/Commission	115	44
Income from business	13	5
Pension	37	14
Grants	51	20
No income	45	17
Average income of household		
R0 - R 3000	178	70
R4 000 - R7 000	62	24
R8 000 - R11 000	11	4
R12 000+	5	2

a) Gender of respondents

Table 4.1 shows that even though data points to responses obtained mainly from female respondents, with females accounting for 57 %. However, the difference is not too big such that one can conclude that this study ensured that the responses reflect both female and male perspectives.

b) Age of respondents

Regarding the age, 51 % of the respondents were in the 18-35 years' category. This was followed by 36 % respondents within 36-65 years and finally 13 % was above 65 years. There is a balance between respondents that were 35 years and below (51 %) and respondents above 35 years (49 %). The implication was to assess the balanced responses as youth and adults may view issues from different perspectives. It is also reported in the previous researches that majority of youth have been in the forefront of protesting against mining companies for failure to contribute to socioeconomic development of surrounding communities.

c) Educational background of respondents

Table 4.1 show that at least 76 % of the respondents had a secondary education, with 10 % having a post high school qualification. Respondents who only have primary education were 12 % and those without formal education were only 2 %. Although understanding of mining CSR activities by those with secondary education may not be the same with those having post high school qualification, respondents with secondary education should have sound mind that can easily understand CSR practices and benefits accrued to communities.

d) Household source of income

One of the highlighting factors is that 72 % of the respondents did not have any permanent source of income because they are unemployed. The majority of respondent's households, of about 70 % were living below the poverty line because their household average income is between R0 - R3000. Out of those employed only 23 % were employed by the surrounding mines. Inclusion of respondents employed by the mines was important to check how they view mining CSR activities despite being employed by the same mines.

e) Length of residence

About 89 % of the respondents surveyed were living in the village since their birth, while 9 % had been a residence for more than 5 years. Only 2 % had lived in their village for less than 5 years. This shows that majority of respondents surveyed are long time residence in their communities. Some of these respondents had witnessed development of mining in the area from early stages and observed changes in the standard of living of people due to presence of mining companies. Based on the above, their responses and judgement could be relied on.

f) Socio-economic infrastructure

In terms of water access, more than half of the surveyed respondents (59 %) do not have access to tap water in their households. They access water from public taps (48 %); public boreholes (4 %)

and water tankers provided by the mines (7 %). Only 30 % respondents had access to tap water in their households and the other 11 % had drilled boreholes. About 58 % of respondents agreed that they had a problem with water supply in their communities. Among the problem highlighted were water cuts (43 %) and difficulties in accessing water (45 %). Majority of respondent indicated that they sometimes go for week without water supply. Majority of respondents (95 %) had access to electricity. Only 5 % indicated that they had no electricity connection in their households.

4.3.2 Characteristics of community infrastructure CSR projects

Funding of community infrastructure is a significant component of mining CSR initiatives at Moses Kotane Local Municipality. Interview with municipality officials and community leaders revealed that the municipality has very limited resources to provide basic services for all communities in 107 villages. Community members across all five villages complained about lack of running water due to poor infrastructure. Lack of proper road infrastructure, housing for underprivileged community members and recreation facilities were among challenges faced by community members. It is for this reason that there is a need for the municipality to collaborate with private sector especially mining companies to meet community needs. A municipality official involved in the planning and implementation of community development projects, for example said,

“In terms of socio-economic conditions, it is a challenge because our municipality consists of 107 rural villages. One must understand that in rural areas there are no revenue collections. Almost 90 % of households in the municipality require free basic services from the limited infrastructure budget we receive from national treasury. It is for this reason that we need to collaborate with the mines to be able to provide basic services to our community” (Moses Kotane Local Municipality Official).

Mining companies annual and sustainable reports review show that mining companies view the development of community infrastructure as a crucial means of improving poor rural communities' standard of life. Almost all mining companies sampled implemented at least one community infrastructure in five sampled communities. Mining companies understand the community infrastructure challenges faced by their host communities and they are playing their role to improve the situation (Mining company official). The following statement from one of the mining companies' sustainability report shows that mining companies are aware of a need for community infrastructure improvement where they operate; statement said:

“Our mines are often situated in areas that are underdeveloped and remote, where we can share infrastructure – such as roads, health facilities and water – with local communities” (Anglo American, 2014).

Interview with municipality IDP manager revealed that usually the type of community infrastructure CSR initiatives implemented by mining companies depends on the priorities of the municipality IDP. Moses Kotane Local Municipality had always prioritised community infrastructure in their IDP. As

part of annual IDP planning, municipality hold meetings with the communities where communities' needs are assessed. This would be listed in the order of priority as potential projects to be implemented in each community. Mining companies were then encouraged to choose from lists of the projects and implement them as part of CSR initiatives. In this case mining community infrastructure CSR initiatives would be regarded as aligned with community needs.

Over the years mining companies have collaborated with Moses Kotane Local Municipality in implementing different community infrastructure projects that have benefitted rural communities. Most of these projects municipality would not have been able to implement without additional funds from mining companies' community development CSR budget. For example, building of water reservoir and water reticulation system in some communities required funds that municipality could not have provided without assistance from mining companies (Moses Kotane Local Municipality IDP manager).

a) Categories of Mining companies' community infrastructure CSR projects

Table 4.2 presents the results of mining industry community infrastructure CSR related activities implemented at MKLM, namely water and road infrastructure, housing, community centres and recreational facilities. This section examines the characteristics of four community infrastructure projects implemented through collaboration between municipality and mining companies.

Water infrastructure

Most of the communities in Moses Kotane Local Municipality had no water access close to their households. Mining companies in partnership with the municipality have embarked on various water infrastructure projects. These projects include building and refurbishment of water reservoirs, installation of water supply pipelines from reservoir to communities and drilling of new boreholes and refurbishment of old boreholes for underground water. Many communities who did not have access to running water are now having access through mining companies' water infrastructure projects. The bulk of water infrastructure projects identified in this study were implemented in Ledig and Motlhabe through collaboration between municipality, Wesizwe and Pilanesberg platinum mines.

Wesizwe Platinum mine funded water infrastructure projects in Ledig village that involves building of water reservoir and water reticulation system to address water scarcity problem. This included installation of 2.3 km water supply pipeline from reservoir to Ledig communities and yard connection. The project benefitted approximately 5000 households (Wesizwe Platinum, 2015). However, yard connection to households is still in-progress, thus some households still do not have access to water supply. These communities continue to receive water from tanks provided by the mines. Mines provided 32 water tanks ranging from 5 000 to 10 000 litres and were located at various sections of the community. Municipality filled the tanks twice daily. Mine also undertook maintenance to ensure that water tanks were clean and in good condition. According sustainability reports, more than 15

000 residences that were without running water are benefitting (Wesizwe Platinum, 2014; Wesizwe Platinum, 2015).

In Motlabe, community leaders' respondents complained that water pipes pass through their village to Pilanesberg Platinum mine (PPM) while they did not have access to water. In addressing water shortages in Motlabe, PPM repaired 10 000 litres steel water reservoirs and drilled 12 new boreholes and few older boreholes refurbished and new equipment's installed. Approximately 15 water tanks (5000 litres) with stands had been distributed to Motlabe, Lesetlheng and other surrounding villages (Pilanesberg Platinum Mine, 2010). Mining companies and municipalities still have a lot to do to eradicate use of water tanks by connecting households with running water.

Ramokokastad community is currently experiencing water shortages. Currently there is no project implemented by the surrounding mines to solve the problem. Anglo American Amandelbult mines Social and Labour Plan for 2015-2020 outlined a plan to install water reticulation infrastructure in the village in line applicable legislation/specification requirements. Estimated budget is R15, 000,000. Project is expected to begin in 2018 and completed in 2020 (Anglo American, 2015). This project will benefit Ramokokastad communities who are currently facing water supply challenges.

Road infrastructure

The bad condition of roads came out during interviews with households' respondents. Anglo American Union mine constructed a tar road which link Sefikile village with the mine. In addition, the mine also installed high mask lights (Anglo American, 2016). This is the only road infrastructure project implemented by mining companies in sampled communities. Interview with household respondents reveal that before construction of road, community of Sefikile were struggling to access the mine and other villages during rainy season because the road was slippery. One respondent indicated that although the road benefited the ordinary community members, the mine and community members who were working at the mine benefitted more. Most community members interviewed in Sefikile indicated the need for mining companies to improve streets road in the village as most of them are in a very bad condition.

Housing

Housing conditions in Sefikile, Ledig and Motlabe communities was bad in some households. In response to a Ministerial request from the National Department of Housing (DoH), Wesizwe mine constructed of 32 houses for destitute and underprivileged families in Ledig (Wesizwe Platinum, 2015). Ledig was the only village where a mining company has built houses for community members who are not mine employees. Observation has shown that there is a need for mining companies to collaborate with the municipality to solve housing problems for underprivileged families in Sefikile and Motlabe.

Table 4. 2: Summary of mining companies' community infrastructure CSR activities in Moses Kotane Local Municipality

Name of Project	Funder	Partners	Project Description/Objective
a) Building of water reservoir and water reticulation system in Ledig village	Maseve Platinum Mine	MKLM	Project included installation of 2.3km water supply pipeline from reservoir to Ledig communities and yard connection
b) Water reservoir repairs in Motlhabe	Pilanesberg Platinum Mine	MKLM	PPM repaired 10 000 litres steel water reservoirs
c) New boreholes drilling and renovation of old boreholes in Motlhabe village	Pilanesberg Platinum Mine	MKLM	12 new boreholes were successfully drilled and older boreholes refurbished and new equipment's installed.
d) Temporary water relief in Ledig and Motlhabe villages	Maseve and Pilanesberg Platinum Mines	MKLM	Ledig communities were provided with 32 water tanks ranging from 5 000 to 10 000 litres.
e) Housing contribution in Ledig village	Maseve Platinum Mine	North West Department of Housing and MKLM	32 houses were constructed for destitute and underprivileged families in Ledig.
f) Establishment of recreation parks at Ledig village	Maseve Platinum Mine	MKLM	The project involves fencing, planting of trees and supplying recreation park equipment's.
g) Building of community centre at Sefikile village	Anglo American Union Mine	Department of Arts and Culture and Bakgatla ba Kgafela traditional	Sefikile community centre consists of sports and recreational facilities. Currently being used for community meetings.

Recreation facilities and community centres

Lack of recreation facilities in the villages has been singled out as one the main cause of high crime rate and alcoholism among youth (Ledig Ward Councilor). In line with nature conservation areas identified by the Municipality, Wesizwe Platinum Mine funded establishment of Recreation Park to benefit Ledig communities. The project involves fencing, planting of trees, and supplying recreation park equipment's. Establishment of Recreation Park is helping to keep children's and learners during school holidays and to conserve environment (Wesizwe Platinum, 2015). In Sefikile, Anglo American Union mine partnered with Department of Arts and Culture in North West and Bakgatla ba Kgafela traditional authority to develop a community centre. During the study period, the centre was only being used for community meeting and youth music concert. The centre also consist of areas designated for pensioners pay point and business that is currently not being utilised since the facilities have been handed over to the municipality for the use of the community. The centre lack recreational equipment's, no computers in the computer centre and business section remain unused.

b) Organisation of community infrastructure CSR initiatives

Interviews with key informants highlighted some of the key factors that could assists in the successful implementation of community infrastructure mining CSR projects. These critical factors identified included community consultation, stakeholder partnership and clear understanding stakeholder's roles.

Community consultation

Interviews with community leaders revealed that mining companies are not fully consulting with local communities directly affected by mining activities pertaining to community infrastructure projects. Mining companies assume that priority projects listed in the municipality IDP were selected in consultation with the communities (Ledig Community Leader, 21 July 2016). This was proven not to be correct because some of the infrastructure projects were implemented without the support of all community members. One respondent at Sefikile village for example, noted that when asked if mines consulted them in the planning of tar road that link the mine and their village, said,

“Management of the mine and municipality did their own thing without consulting us. Should they have consulted us we would have asked them to include our dusty streets in their plans. The fact that the road only connects the mine and village only shows that it is for the mine and their employees who most of them were not even born here” (Sefikile Community Leader)

Community members in the study sites indicated that they were not consulted by the municipality and mining companies during projects planning. Mining companies are forced to choose projects that are listed from municipality IDP instead of consulting directly with communities. This is done because mining companies require municipality for approval of their SLP so that Department of Mineral Resources can approve their mining rights in line with Mineral and Petroleum Resources

Development Act (MPRDA of 2002). However, sometimes what is listed as priority in the IDP is not considered priority by local communities.

Roles of the partnership stakeholders

Partnership works well when each stakeholder understands their role and working processes. In the interviews of household respondents and mine official, it was clear that there is confusion in communities about who is responsible for what role between municipality and mining companies. Interview with community members revealed that they are not fully aware of how partnership between mining companies and municipality works. For example, some of the water infrastructure projects implemented by MKLM in partnership with mining companies are known to have been done by the municipality.

“You know politician sometimes hijacked our projects and present them as theirs, especially those that we cannot put a board indicating that the mine sponsored this. This is not good because community see us as company that does not care about them” (Mining company official).

In addition, some projects implemented are not operating to the satisfactory because of the failure of one stakeholder to fulfil their mandate. For example, tanks provided by the mining companies for temporary water relief are usually empty in Ledig and Motlhabe. This is despite promise given to the communities that the municipality will fill them twice a day.

4.3.3 Perceived community infrastructure benefits

Despite the fact that most of community infrastructure projects were still in progress, one must consider that the already implemented projects may have had some positive impacts. Thus, it is difficult to assess their full project impact to the surrounding communities. The fact that Moses Kotane Local Municipality is characterised by lack of community infrastructure has created tension between mining companies and local communities. Communities have become increasingly concerned that mining companies are not adequately implementing community infrastructure projects to address lack of water (Ledig community leader, 28 October 2016; Motlhabe Community Leader, 21 September 2016).

In determining perceived benefits of community infrastructure projects, respondents were asked if they have benefitted from road infrastructure improvement and water and sanitation infrastructure. The answers were limited to Yes or No. In terms of road infrastructure improvement and water infrastructure, about 93 % and 83 % respectively have indicated that they have not benefitted. This is a clear indication that local communities are dissatisfied with the implemented CSR infrastructure projects.

Respondents have given three reasons for their dissatisfaction with community infrastructure projects currently being implemented. Firstly, communities complained that current water

infrastructure projects are taking too long to be completed. This is despite temporary water relief initiative of receiving water from tanks. Secondly, community members are unhappy with the failure of community infrastructure projects implemented to create employment opportunities. Local communities had expectations that the projects will create employment opportunities for the residents. Thirdly, community leaders have complained that local companies are overlooked in tendering processes. In fact, companies that are implementing infrastructure projects are not owned by locals and they also don't employ locals (Ledig community leader, 28 October 2016).

There is a belief among local communities that community water infrastructure projects have benefitted mining companies' more than local communities. When asked if mining companies have improved community infrastructure since their arrival of mining companies, Motlhabe youth said,

“Community infrastructure projects are mainly benefitting mines themselves and not communities” (Motlhabe youth)

He explained that mine offices and operations do not lack running water while communities do not have access to running water. He was in pain to explain that water pipes that supply water to the mines passed through their village but both mine and municipality failed to connect water to the households. However, key informant respondent in the mining industry highlighted the risk of mining companies in entering the government sphere through implementation of infrastructure projects. Mining companies agree that they have obligation to contribute to the socio-economic development of the surrounding communities but they warned of a risk of being regarded as pseudo government. He had this to say:

“It is the responsibility of the municipality to supply basic services to the communities. We are only collaborating with them because we are aware that they have limited resources. So, it is problem when communities disrupt our operations because municipality fails to supply them with basic services” (Mining company official).

After the completion, all infrastructure projects are handed over to the municipality for management. For example, Sefikile community centre was handed over to the municipality and community. However, communities do not feel that they own these facilities because they have no control over them. This is because sometimes the requests by communities to use these facilities are declined. In addition, community leaders at Sefikile village complained that although the mine built a community centre, keys are not kept at the village.

4.3 Discussion

The characteristics of implemented CSR activities and nature of community perceived benefits derived were investigated. Documents review, semi-structured interview and observation indicated various types of community infrastructure CSR initiatives undertaken by mining companies at MKLM to improve socio-economic condition of the surrounding communities. It is important to note that although majority of community infrastructure projects had not been completed by the time the study

was undertaken, many rural communities have indicated that they have not benefitted from them. Sampled mining companies Social and Labour Plan (SLP) has also indicated number of future community infrastructure projects that will be executed in the next coming years to benefit surrounding communities.

The findings of this research disclosed that CSR projects implemented by different mining companies at MKLM share similar characteristics. Most of the projects are characterised by stakeholder approach with the participation of local government and other entities. However, mining companies' rarely partner together in rendering these community infrastructure CSR projects. The most important CSR partnership has been between mining companies and the local municipality in the community infrastructure projects. With respect to the communities, it was found that mining companies are not sufficiently consulting with the communities regarding projects planning and implementation due to over reliance on municipality IDP. It was also found that although communities are benefitting through employment opportunities created by these projects, local companies are not considered for tendering in most cases.

According to Mensah et al (2014), the success of community infrastructure projects by mining companies is dependent on the extent of partnership and collaboration with local government. Documents analysis has shown that most of the mining companies' infrastructure projects were implemented in partnership with the local municipality. This is done through implementing projects that are listed as a priority in the municipality IDP. The IDP provides a starting point of the collaborative partnership between municipalities and mining companies for improved service provision and infrastructure development (Rogerson, 2011). Taking into consideration that municipalities consult with different stakeholders including communities during IDP public hearing meetings, this makes CSR projects relevant to community needs. In addition, even if the mining companies partner with provincial departments, projects should still be negotiated through the channel of municipality IDP. This applies to mining CSR projects around health and education (Rogerson, 2011). Municipality annual IDP reports gave the status of implemented projects and future plans. This is a clear indication that the municipality keeps track of the implemented projects and by so doing the risk of failure might be detected on time.

The study shows that supply of portable water in many villages of MKLM remains a challenge. There is evidence that community infrastructure projects enhanced access to basic services such as water provision in the local communities (Moses Kotane Local Municipality, 2014; 2015; 2016). However, despite implemented water infrastructure projects, majority of mining doorstep communities still do not have running water and have been receiving water from the tanks as temporary arrangement. These tanks have been provided by mining companies but a responsibility to fill them with water lies with the municipality. Majority of water infrastructure projects are implemented in phases depending on the availability of funds and thus most of them are still incomplete. In some communities, the

main pipeline has been installed and communities are waiting for the municipality to do household connections. This is the indication that for the community infrastructure to bring about the needed development, all stakeholders must play their role. Mining companies should also be encouraged to form a collaborative partnership in some projects to speed up the delivery of much needed services such as supply of water.

The different community infrastructure projects implemented in each community have also led to the creation of job opportunities to local communities. Most of the jobs created have been temporary in nature because community development projects jobs were not sustainable. After completion of the project employment contracts are terminated. However, community members who were employed in infrastructure projects therefore acquired skills that increase their employability potential.

Even though mining companies are implementing various CSR initiatives, they often do not understand the community needs, and mostly rely on needs identified by local municipalities which sometimes fall short of meeting community requirements (Lane *et al.*, 2015). This has been revealed through interview that some of the infrastructure projects prioritised by the mines are not what local communities want.

4.4 Conclusions

This case study has demonstrated that mining companies can improve the lives of rural communities in Moses Kotane Local Municipality through implementation of various community infrastructure CSR projects. Various community infrastructure projects were implemented ranging from roads and water infrastructure, community centre, housing for destitute and underprivileged to establishment of recreation parks. Majority of these projects were implemented in collaborative partnership with the municipality but not in consultation with local communities. As a result, the type of community infrastructure CSR projects implemented were largely influenced by the priorities in the municipality IDP. The collaborative partnership between mining companies and MKLM has resulted in the success of many crucial infrastructure projects. However, majority of projects aimed at improving water infrastructure are still in progress and are expected to benefit more communities once they are completed in the provision of water supply.

Despite claim by mining companies that they are taking into consideration the interests of the communities in the planning and implementation of their projects. It is argued that mining companies' reliance on IDP in selecting projects to be implemented has taken away the opportunity for local communities to engage directly with the mines so that the projects implemented are based on the felt need. As a result, majority of respondents have indicated that they have not benefitted from implemented projects. This study recommend that mining companies must consult with the local communities from planning to implementation rather than relying completely on municipality IDP.

CHAPTER 5: CHARACTERISTICS AND PERCEIVED BENEFITS OF MINING INDUSTRY EDUCATION AND HEALTH CARE SUPPORT CSR PROJECTS

5.1. Introduction

This Chapter contains the results of a study designed to determine the characteristics and perceived benefits of mining industry education and health CSR initiatives, as well as to draw general conclusions on whether projects have benefitted the surrounding communities. Education and health CSR projects are among the most reported projects implemented by mining companies at MKLM. The case study presented here of mining companies education and training, and health support CSR projects shed lights on the nature of benefits accrued to rural communities. The findings from the case study given here are based on documents review, household survey, semi-structured interview with local community leaders, education and health officials and other key stakeholders.

5.2 Results

Table 5.1 and 5.2 presents the results of mining industry education and health support CSR related activities implemented at MKLM.

5.2.1 Education and training CSR activities

Education and training CSR programmes were cited as the most important mining companies' strategy to train and recruit new staff members from the surrounding communities. Due to lack of necessary qualifications and skills required by mining companies many community members from nearby villages failed to secure jobs in the mines. For example, Pilanesberg platinum mine indicated that they had to source labour from other villages because communities' closer to the mines lacked required skills. This has resulted in some discontent among members of villages closest to the mine which include Motlhabe whose residences are directly affected by the mines (Sedibelo Platinum, 2010). Through education and skills development CSR programmes, local communities directly affected by mining operations can acquire necessary skills required by mining companies.

Table 5.1 presents the results of education and training CSR activities at MKLM. Education and skills development projects implemented by mining companies include adult based education and training (ABET), building and refurbishment of schools, teachers support and training, bursaries, learnership and internships. They were implemented in partnership with North West Department of Education.

a) Adult based education and training (ABET)

Almost all mining companies surveyed in this study were undertaking ABET initiatives. The main objective of ABET is to improve reported low level of numeracy and literacy in the surrounding communities. ABET programmes were undertaken by external service provider funded by the mines. From 2013 to 2016, Wesizwe Platinum Mine funded around 180 community members from Ledig

and Mahobiskraal to acquire NQF level 1 certificate through ABET. Pilanesberg platinum mine built a school inside the mine premises and have enrolled more than 148 students for ABET of which majority are from doorstep communities. The mine also provided community members with transport to and from school every day for free. Similar programmes were implemented by Anglo American Amandelbult and Union Section has benefitted employees and communities surrounding mines including Mokgalwaneng, Ramokokastad and Sefikile.

b) Improvement of school's infrastructure

Mining companies in partnership with North West Department of Education (DoE) have improved school infrastructures in the area. This includes, among others, building of libraries, administrative blocks, ablution blocks, science laboratories and refurbishment and renovation of old classrooms. In all communities sampled, mining companies have implemented education CSR projects in the form of infrastructure improvement.

In 2014, Wesizwe Platinum Mine funded renovation of eight schools in Ledig community to ensure conducive learning environment. Renovation focused on the interior of classrooms, administration and office buildings, computer laboratories and toilets. These projects benefitted about 4 270 learners and 140 educators. Pilanesberg Platinum Mine renovated 10 classrooms of Motlhabe primary school. Work done include floors tiling, electrical wiring fixing, repairing of windows and ceilings, providing new cupboards and chalk boards and erection of fencing around the school and paving. Approximately, 371 learners and 14 teachers have benefitted from this project.

Anglo American Union Mine refurbished Okomeleng Primary School in Sefikile village. Work done include floors tiling, electrical wiring fixing, repairing of windows and ceilings. In Mokgalwaneng village, Anglo American Union Mine funded building of administration blocks at Gaopotlake secondary school. The school was operating without administration block. This project has made it possible for teachers to conduct their work effectively. Anglo American Amandelbult mine, provided Kwena Tlase High School with a computer laboratory equipped with fully functional 20 computers, with five years' internet connection and four years' service management. The company also funded classrooms repainting, provision of desks and chairs. Anglo American Union Section Social and Labour Plan (SLP) indicated the company planned to build admin block and provide green recyclable sanitation with self-sustainable biological water-borne toilets.

Pretoria Portland Cement (PPC) Beestekraal mine through Adopt a School Foundation relocated primary school in Ramokokastad that was located away from the village. Some children were walking 14km each away to school. The first phase involved relocating school closer to the village community and building new modern school that can accommodate 230 learners. Additional classrooms, library and administration block were constructed during second phase. The school was launched in September 2011 and caters for grade R to 6.

Table 5. 1: Summary of mining companies' education and training CSR activities

Project Name	Beneficiary Community	Project Description
Adult based education and training (ABET)	Ledig	To improve literacy and numeracy, Wesizwe platinum mine have so far funded ABET for more than 180 community members from Ledig and Mahobiskraal
	Motlhabe	PPM funded enrolment of more than 148 ABET students of which majority are from doorstep communities. They were provided with transport to and from school everyday
	Mokgalwaneng	Anglo American Platinum have funded ABET for employees and community members coming from Mokgalwaneng, Ramokokastad and Sefikile villages
	Ramokokastad	
	Sefikile	
Schools infrastructure improvement	Ledig	Wesizwe Platinum mine funded renovation of six schools
	Mokgalwaneng	Anglo American Platinum funded construction of Gaopotlake secondary school building of administration block to make it easier for teachers to conduct their effectively
	Motlhabe	PPM funded renovation of 10 classrooms, paved the surrounding and erected the fencing of Motlhabe primary
	Ramokokastad	<ul style="list-style-type: none"> • PPC Beestekraal mine relocated and built Ramokokastad primary school closer to the village community • Anglo American Platinum refurbished, built admin blocks and provided desks and chairs for Kwena Tlase • Anglo American Platinum provided computer laboratory at Kwena Tlase High School equipped with 20 computers
	Sefikile	<ul style="list-style-type: none"> • Anglo American Platinum refurbished Okomeleng Primary School in Sefikile village
Teachers support and training	Ledig	Wesizwe Platinum Mine funded implementation of foundation phase literacy and numeracy support programme for teachers and learners since 2014
	Mokgalwaneng	To address poor results in mathematics, science and technical subjects. Mine funded DoE teachers training to improve pedagogical knowledge and supply of supplemental learning and teaching support materials
	Ramokokastad	
	Sefikile	
Bursaries, learnerships and internship	Ledig	<ul style="list-style-type: none"> • Wesizwe Platinum mine awarded bursaries to more than 11 school-leavers interested in mining disciplines, such as mechanical engineering, chemical engineering and geology • Wesizwe Platinum mine offered more than 186 unemployed youth an opportunity to improve their employment potential. Internship and learnership were offered in the mining related field.
	Motlhabe, Sefikile, Ramokokastad and Mokgalwaneng	PPM offered 15 learners' bursaries in the fields associated with mining, agriculture and commerce around from Motlhabe and surrounding communities were awarded learnerships in boiler making, diesel mechanic, electrical, fitting and turning and instrumentation. Anglo American Platinum have offered many bursaries, learnerships and internships to youth of the communities surrounding their operations

c) Teachers support and training

Wesizwe Platinum Mine funded implementation of foundation phase literacy and numeracy support programme since 2014. The project was designed to improve literacy and numeracy at foundation level. New teaching resources were provided and teachers were trained in the new teaching methodologies on literacy, numeracy and promotion of reading and writing. This project benefitted 37 educators and 1408 learners in Grade R to 3. There was reported improvement in literacy and numeracy and teachers moving to acceptable classroom practice standards as a result of this project. In order to address poor results in Mathematics, Science and Technical subjects, Anglo American Union Mine funded teachers training in schools from surrounding communities to improve pedagogical knowledge and supply of supplemental learning and teaching support materials.

d) Bursaries, learnership and internships

Best matric students were selected from the local communities and were awarded bursaries to further their education at tertiary institutions in careers in mining related fields. In Ledig, more than 12 school leavers interested in mining disciplines, such as mechanical engineering, chemical engineering and geology were awarded bursaries. Most of them have graduated and integrated into formal employment with the company. Around 15 learners from Motlabe and surrounding communities benefitted from Pilanesberg Platinum Mine bursaries in the fields associated with mining, agriculture and commerce. Anglo American Amandelbult and Union section mine have also offered bursaries to learners from the surrounding communities but reports are no specific in terms of numbers per village.

In order to improve employment potential, unemployed youth were offered learnership and internships. Successful candidates were employed with the mine or other service providers. From 2012, Wesizwe Platinum Mine have afforded 86 unemployed youth from Ledig an opportunity to improve their employment potential through internship and learnership in the mining related field. Pilanesberg Platinum Mine awarded learnerships in boilermaking, diesel mechanic, electrical, fitting and turning and instrumentation to more than 30 unemployed youth from Motlabe and surrounding villages from 2012. Although Anglo American sustainability reports are not specific in terms of numbers of learnership and internships offered to each community, youth from surrounding communities have benefited from these projects.

5.2.2 Health Care Support CSR activities

Table 5.2 presents the results of health CSR activities at Moses Kotane Local Municipality. Health support is another key focus area for mining CSR activities at MKLM. Health focused projects implemented by mining companies include construction and refurbishment of clinics, paramedic training, supply of emergency response vehicles and HIV/AIDS and cancer awareness.

Table 5. 2: Summary of mining companies' health support CSR activities

Project Name	Beneficiary Community	Project Description
Construction and refurbishment of clinics	Ledig	Maseve Platinum mine funded extension and refurbishment of Bakubung clinic
	Motlhabe	PPM refurbished Motlhabe clinic
	Ramokokastad	Anglo American Platinum funded relocation and building of brand new clinic closer to the village community
	Sefikile	Anglo American Platinum funded building of brand new clinic closer to the village community
Improvement of emergency response	Ledig	To improve emergency response in the community Wesizwe Platinum mine funded procurement of one transportation ambulance and two SUV for Moses Kotane hospital
	Motlhabe	Five unemployed community members' paramedic training course to improve clinic emergency response
HIV/AIDS and cancer awareness	Motlhabe	PPM run public awareness and education campaigns to address HIV prevention, treatment and care and cancer diagnosis and treatment
	Mokgalwaneng	Anglo American continue to run awareness campaign addressing HIV/AIDS, STIs and cancer in surrounding communities
	Ramokokastad	
	Sefikile	

a) Construction and refurbishment of clinics

Mining companies have funded building and refurbishment of clinics in Ledig, Motlhabe, Sefikile and Ramokokastad. The main objective is to improve reported low standard of health service at the clinics and to comply with Department of Health National Standards. Maseve Platinum Mine funded extension and renovation of Bakubung clinic in Ledig. The project included the construction of new labour wards, a post-natal room, sluice room, counselling room, waiting area, medical store and staff rooms. Number of patients visiting the clinic has increased by 500 visits per month and 24 jobs were created during construction. Refurbishment of Motlhabe clinic by PPM includes plumbing, installation of smoke detectors, patient call system and vinyl sheeting. Anglo American Union mine handed over brand newly built Sefikile community clinic to North West Department of Health in 2016. The clinic is expected to bring health care services to the communities of Sefikile and other surrounding communities. Community of Ramokokastad also benefitted from building of clinic that was funded by Anglo American.

b) Improvement of emergency response

In addressing lack of medical response support at Ledig and surrounding communities, Maseve mine bought an ambulance and two double cabs vehicles for Moses Kotane hospital. Pilanesberg Platinum Mine sponsored unemployed community members' paramedic training course to improve clinic emergency response. Five candidates were successful and are currently employed by North West Department of Health and are registered with health professional council as paramedics.

c) HIV/AIDS and cancer awareness

Pilanesberg Platinum Mine developed public awareness and education campaigns to address HIV prevention, treatment and care. These projects were also intended to benefit surrounding communities rather than mine employees only. Also, included in the awareness campaigns is the diagnosis and treatment of cancer.

5.2.3 Perceived benefits of education and training CSR activities

Perceived benefits of education and skills training CSR projects include among others literacy and numeracy improvement, teachers training, school infrastructure improvement, and improvement of employability potential through training, internship and learnerships.

Figure 5.1 shows household's education and training CSR projects benefits satisfaction. When asked if they have benefitted from education and training, only 12 % respondents agreed that they have benefitted. The highest percentage of benefit acknowledgement was found to be 25 % from Ramokokastad community. All other four villages score less than 20 %. Indeed, the consensus among communities is that education and training initiatives have failed to benefit local communities. Socio-demographic data has also shown that majority of respondents (76 %) only have secondary education and only 10 % have tertiary qualification. A few elder's respondents have indicated that

very few youths in their communities further their studies in tertiary institutions due to lack of funds and their only hope is employment in the mining sector. This response is an acknowledgement that mining companies can assist well deserving student from poor families to further their studies.

Community leaders indicated that even though mining companies have provided training to the unemployed through internship and learnership, the same mining companies employed few. Expectation from the community were that after training they should be offered employment opportunity. In support of this statement, one respondent said:

“Our youth were given internships but only to be dumped at the end of the year. They are unemployed as we speak” (Mokgalwaneng community leader)

Recipients of mining companies’ education and training initiatives were left disappointed when their expectations of permanent employment with mines were not met.

The finding of this study has also shown that some community members participate in education and skills development initiatives not aware of what is expected from them. For example, one community leader spoke of community members who were selected for ABET and later dropped out because they expected to be paid at the end of the month. Community perceive benefits if it produces immediate monetary gains.

Lack of transparency in selecting beneficiaries for bursaries, learnerships and internship is cited as problematic by many respondents. Sustainability reports indicated that mining companies in the area consult with tribal authorities regarding bursary offers and recruitment for learnerships, internships and permanent employment opportunities. This is to make the process transparent to avoid discontent within the community. However, some respondents alleged that people who are not local are considered over the local because of their relationship with tribal council members and mine officials. There are also concern that mine officials were allegedly bribed by people who are not local to be considered for opportunities when available.

Interview with two youth who were beneficiary of mining companies’ bursary has revealed that mining companies were very professional throughout until completion of their studies. They have also been paying tuition fees to the universities on time and students were given vacation work during school holiday to gain experience in the career of their choice. Although one youth was not employed by the company that sponsored her studies, she acknowledged that mining companies played an important role of educating her after the passing away of her parents.

Interview with local education officials and communities revealed that they were not fully involved in the projects planning. They have indicated that comprehensive planning and consultation is done with municipality, heads of provincial departments and district officials. In as much as other community members and local official raised complains regarding education and training projects, teachers were happy with the construction and refurbishment of schools. They acknowledged that improvement of school infrastructure has improved learning and teaching in their schools. The only

expressed dissatisfaction was around sanitation and toilets facilities. This problem emanates from municipality lack of water and sanitation infrastructure facing rural communities. However, mining companies SLP show that there are plans underway to deal with water and sanitation in schools.

5.2.4 Perceived Benefits of Health Care Support CSR Projects

Figure 5.2 show household's health support CSR projects benefits satisfaction. Perceived benefits of CSR health care support projects include improvement of health facilities infrastructure, standard of health services offered, HIV, TB and cancer awareness, and hospital emergency response. Despite reported positive benefits in mining companies' sustainability reports, analysis of household survey data revealed that 72 % of respondents perceive that they have not accrued any benefits from health CSR projects. Compared to the other CSR projects implemented by mining companies, health care support is the only projects which scored 28 % of respondent who indicated that they have benefitted. This is a clear indication that although the benefits delivered are not satisfactory, mining companies are making inroads in improving quality of health services.

Less than 20 % household's respondents from three villages, namely Ledig (18 %), Mokgalwaneng (7 %) and Motlhabe (0 %) have indicated that they have benefitted from mining companies' health supports CSR initiatives. In the villages of Ramokokastad and Sefikile, more than half of households' respondents agreed that they have benefitted from the projects; these are 65 % and 56 % from Ramokokastad and Sefikile villages respectively. In these two villages, mining companies have built clinics from scratch. In Ramokokastad, the mine acquired a land to build a new clinic to replace a small one that existed before. In Sefikile, the mine builds a new clinic to replace a two-room clinic that was built by the community. Majority of respondents from Ramokokastad and Sefikile expressed their appreciation to the mining companies for building the clinics from scratch.

Health officials were interviewed in clinics that were recipients of mining industry CSR initiatives. It was noted that because health department move staff around in clinics, some respondents were unable to describe the situation before mining companies implemented CSR projects. One of the longest serving member interviewed who saw clinic being refurbished revealed that they were not consulted about the plans to refurbish the clinic. They were surprised to see contractor coming to start with the work. They believe consultation was done with tribal council, municipality, and provincial health department. Community members also concur with this view because they too were not consulted about the plans to refurbish clinic in their community. Community members were dissatisfied in one village such that they had to approach the contractor hired to stop the work or employ the locals.

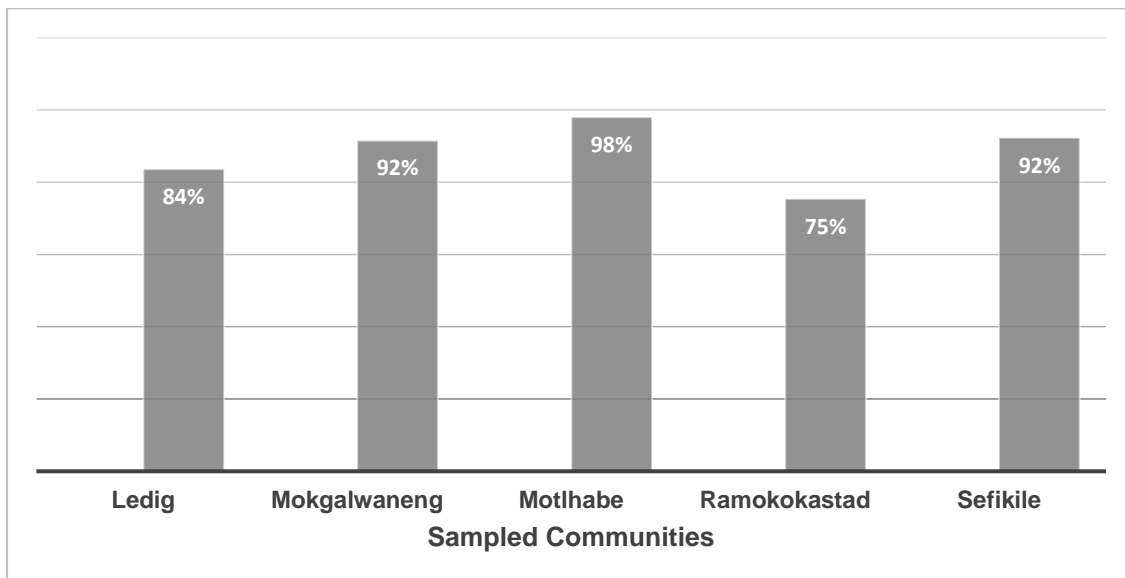


Figure 5. 1: Household respondents not satisfied with education and training CSR projects

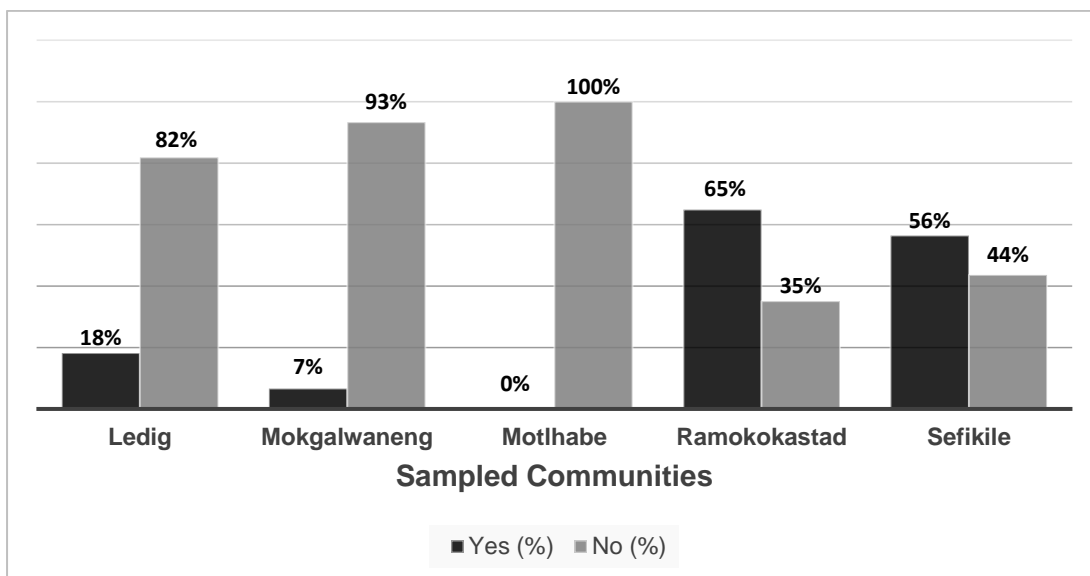


Figure 5. 2: Household respondents' health support CSR projects benefits satisfaction

Despite the health CSR projects implemented at MKLM, partnership between mining companies and North West Department of Health have failed to provide basic needs that community require in their clinics. For example, partnership has failed to provide water and sanitation infrastructure, address lack of staff and medicine and overcrowding. These are believed to be the main reasons why local communities perceive they have not benefitted from mining companies' health CSR projects.

Clinics built and refurbished by the mining companies still lack basic water and sanitation infrastructure. These concerns were popular in Motlabe and Ramokokastad. For example, Motlhabe and Ramokokastad clinics have been operating without proper water and sanitation infrastructure ever since they were opened. They depend on water from the tanks that are not filled by municipality regularly as required. Key informants interviewed agreed that not only mining companies can be blamed for poor water and sanitation because it is the responsibility of municipality to provide water to public institutions. Health officials complained that it was impossible to offer quality service under the current situation. For example, one health official interviewee was very angry with both mining companies and Health department, respondent said:

“You can go and look at the maternity ward and see for yourself. We have just delivered a baby yesterday in that maternity ward without running water and even a mere curtain. We are working under a very difficult condition. Some of the things you see here like heater we provided for ourselves” (Motlabe Clinic Professional Nurse)

Concerns over lack of staff and medicine and clinics not operating 24 hours were popular among respondents across all villages. Although it is not the responsibility of mining companies to hire staff and provide medicines to clinics, local communities are of the view that mining companies should work with the government to make this provision. In Ledig, despite donation of ambulance and two SUV for hospital medical response team, respondents argue that they have not seen any improvement in community health services. Community leaders are unhappy that they have no control over the ambulance and SUVs donated to help the community because North West Department of Health has taken them away and is not helping community bought for them.

Another concern is that implemented health care support CSR initiatives has failed to solve the problem of overcrowding. Household respondents attributed overcrowding in clinics as some results of immigration associated with arrival of mining in their communities. These concerns were popular in Ledig. It has also been observed that despite renovation and addition of new building, Ledig clinic is still too small to accommodate growing population. Some people have indicated that sometimes they have to que outside even during rainy season because waiting room built by mining company is too small.

Regarding HIV/AIDS and cancer awareness, community members indicated that they have never seen such campaigns in their village except in Motlhabe were community leaders acknowledged

that it exists. Majority of household's respondents have said that they only hear of such campaign being done at the mine for their employees. One sickly old men who worked at the mine before said,

“Government doctors rarely come to our clinics. Last time I consulted doctor was at the mine hospital while working for the mine. If mining companies can send their doctors to our clinics it will be good. They can help diagnose some of the diseases that we are no aware of because our community members are very poor and cannot afford to pay doctors’ fees”
(Mothabe community member)

5.3 Discussion

The study findings have shown that in line with education and health CSR, mining companies has delivered a lot of community development projects in MKLM. For example, document review, interview with community members and other key informants revealed that as part of education CSR initiatives, mining companies have built and refurbished about eleven schools. Many school teachers and learners have benefitted from foundation phase literacy and numeracy support programmes run in schools. Adult based education and training has helped to improve numeracy and literacy in nearby communities. Bursaries were offered to potential matriculants from poor families interested in studying mining related fields in tertiary institutions. Furthermore, unemployed youth were awarded internships and learnerships to improve their employability. Successful youth were employed within funding mining companies after the completion of the programmes. It is without doubt that mining companies' education CSR programmes have contributed to the improvement of education services in MKLM rural communities.

In terms of education and training CSR projects, it appears that projects benefitted hundreds of community members especially youth. Community members have gained skills and education qualifications through their involvement in internships, learnerships and bursaries offered to youth to further their studies at the universities and colleges. According to Mbirigenda and Msoka (2015), CSR activities should put more emphasis on empowering local community members with skills so as to get jobs in the companies present in their areas. Mining companies realised that education and skills development play an important role in community development. Due to lack of necessary qualifications and skills required by mining companies many community members failed to secure jobs in the mines. This was the main cause of many conflicts between mining companies and surrounding communities resulting in protests and mine closure. Education and skills development CSR projects are important in the community to reduce lack of skills and improve employability of community members in mines.

Through mining health support CSR initiatives clinics from rural communities were built and refurbished. Other community health programme the company is involved in awareness and education campaigns to address HIV/AIDS prevention, treatment and diagnosis and treatment of cancer. The companies also reported improvement of emergency response in communities through

training of paramedics and sponsor of emergency response vehicles. These projects have had an impact on the quality of health services received by communities.

Education and health CSR initiatives improved the services that according to the mining companies are open to all members of the communities and not just employees. Analysis of the responses revealed that community members are satisfied with education and health infrastructure when mining companies build them from scratch rather than renovating existing buildings. This is observed in Ramokokastad and Sefikile where mining companies have built clinics from scratch and as results more than 50 % respondents agreed that they have benefitted from the projects. In communities where mining companies have refurbished and extended existing structures, majority of respondents complained that the projects did not make an impact in their life. Based on the interview data it seems like local communities would have been satisfied if mining companies built new clinics and schools.

The study has captured that education and health CSR projects have failed to deliver tangible benefits because of lack of co-ordination between stakeholders. For example, community complained of lack medicine and required staffs in clinics refurbished by mining companies which is the responsibility of the government. In fact, community leaders agree that although mining industry have partnered with the municipality to improve community water infrastructure, it is the responsibility of municipality to supply water. The failure by the municipality to provide water has made some projects implemented by mining company's CSR projects in-effective. This is consistent with Besharati (2014) findings of case study of Anglo American Platinum's CSR education projects in the Limpopo and North West provinces. New science laboratories, libraries and toilets were unusable due to lack of running water. This is because municipalities lacked capacity to carry out their key mandate of providing water to communities. The same concerns have been expressed concerning refurbished and built clinics that lack running water. Local communities view the failure of mining companies and municipality in providing necessary water infrastructure and sanitation in schools and clinics as purely lack of concern for rural communities.

Interestingly, the mining companies whose representatives were interviewed blamed communities for demanding things that are not part of their responsibility. The concern of local communities for health services in their village includes lack of staff and medicine in clinics. Communities are of the view that mining companies should intervene in these issues to avoid projects implemented to be unusable. Mining companies' officials have argued that it is not their responsibility to hire staff and provide medicine.

5.4 Conclusions

Document review and interview data has revealed that education and health CSR projects have had a positive impact on surrounding communities. However, household survey has shown rural communities from MKLM perceive the benefits of mining education and health CSR initiatives to be

insignificant. Despite concerns raised, there is an acknowledgement of the existence of education and training and health support CSR initiatives in within communities.

This study underscores the importance of education and skills development initiatives, perceived benefits, and the need for such initiatives. These initiatives will allow communities to capture employment opportunities created by mining companies' operations. Mining companies need to initiate training programmes that prepares community to take advantage of job opportunities in mines and other sectors to solve a problem of high employment. This study suggests that well deserving students from nearby communities should be given bursaries to pursue careers in mining industry so that they can be employed after completion of their studies.

While there is minimal improvement in health services, it can be concluded that mining health CSR initiatives have failed to satisfy the needs of the surrounding communities. This is due to lack of co-ordination between Department of Health, municipality and mining companies. The refurbished and newly built clinics lack running water, and plagued by shortage of medicine and staff.

CHAPTER 6: CHARACTERISTICS AND PERCEIVED BENEFITS OF MINING INDUSTRY LIVELIHOODS RELATED CSR ACTIVITIES

6.1 Introduction

Mining companies at Moses Kotane Local Municipality (MKLM) have a record of implementing livelihoods related CSR projects in rural communities. Livelihoods related CSR projects have been identified as one of the critical community development projects implemented by mining companies at MKLM to deal with mounting unemployment rate. For example, according to Statistics South Africa (2011), 47,4 % of economically active youth at MKLM are unemployed, thus livelihoods related CSR projects can be used to create employment opportunities for unemployed community members especially youth.

This Chapter presents and discusses characteristics and perceived benefits of mining companies' livelihoods related CSR projects. All companies surveyed in this study have implemented a wide range of livelihoods related CSR projects.

6.2 Results

6.2.1 Characteristics of Livelihoods Related CSR Activities

Table 6.1 presents the results of mining industry livelihood CSR related activities implemented at MKLM. Implemented community livelihoods are mainly income generating projects, portable skills training provided for unemployed, local entrepreneur training and support. In implementing livelihood CSR projects, mining companies collaborate with the municipality, North West Department of Agriculture and Department of Trade and Industry (DTI).

a) Income generating projects

Data gathered from literature review, reports, interviews and observation indicated that agricultural projects, brick making workshops, art making cooperatives and newspaper production were the main livelihood income generating projects implemented by mining companies at MKLM. The main objective of income generating projects is to empower communities to create sustainable income. It is believed that the income generating projects were run by local communities' members receiving funding, training, and mentorship from the mines. Tables 6.1 below indicate the different types of implemented income generating CSR projects in the targeted communities. In general, the results indicate that, most projects were implemented in three nearby communities, namely Ledig, Mothlabe and Sefikile than in distant villages of Ramokokastad and Mokgalwaneng. Most projects were established within mining companies lease area or in land bought by mining companies for communities.

Table 6. 1: Summary of mining companies' livelihoods related CSR activities at Moses Kotane Local Municipality

Name of Project	Activities	Objectives	Target Communities
1. Income generating projects	Agricultural farming	<ul style="list-style-type: none"> To provide alternative grazing land for livestock farmers Provision of both food security and income to people To create sustainable income generating project through selling farming products 	Ledig and Motlabe
	Brickmaking workshop	<ul style="list-style-type: none"> To create employment opportunities 	Motlhabe
	Art making co-operative	<ul style="list-style-type: none"> To create sustainable income for local women 	Ledig
	Local community newspaper production	<ul style="list-style-type: none"> To inform communities about mining CSR initiative To create sustainable income generating project through selling of the newspaper Training unemployed youth in journalism 	Ledig
2. Portable skills training	Training in computer skills, Bricklaying, Carpentry, Plumbing, lame and palisade fencing	<ul style="list-style-type: none"> To train unemployed community members to remain financially sustainable 	Ledig, Mokgalwaneng, Motlhabe, Ramokokastad and Sefikile
3. Local entrepreneur training and support	Mentorship programme Training courses in writing business plans and financial management	<ul style="list-style-type: none"> To encourage community members to start their own businesses To train unemployed community members to remain financially sustainable 	Ledig and Motlabe

Agriculture

Data collected indicated that agricultural related projects were dominantly livelihoods CSR activities implemented by mining companies at MKLM. Almost all mining companies supported agricultural initiatives such as organic crops and livestock farming. For example, Pilanesberg Platinum Mine (PPM) in partnership with DTI implemented agricultural farming project on 3600m² land provided by the mine. The project started in 2010 and its chief objective was poverty alleviation through employment creation. The Agri-farm is located adjacent to the mine in Motlhabe village. It is owned by a community trust which is jointly run by PPM and members of Bakgatla ba Kgafela Tribal Council. Since most of the cooperatives members are inexperienced, Umtali consulting was brought in to as project managers to run day to day operation of the farm (Sedibelo Platinum, 2010).

Pilanesberg Platinum Mine spent ZAR1.4 million in the start-up phase of operation in 2010 and continued to support the project with the transportation costs of vegetables produced to the retailers' markets (Sedibelo Platinum, 2010). The DTI provided grant of ZAR2.5 million in 2014 to extend the farm to address capacity and capability. The funds were used to construct 18 fully fledged farming tunnels equipped with automated irrigation and fertigation units. It also included cold room storage (PPM, 2014). The project currently produces vegetables that are sold in the local villages, schools, and local retailers (Bakgatla ba Kgafela Tribal Administration, 2015). Ten cooperatives members are working on site on a permanent basis and have attended AgriSETA accredited training. Temporary workers are employed to assist when necessary especially during harvesting season. According to Moses Kotane Local Municipality IDP 2014/2015, about 49 community members have benefitted from temporary employment opportunities created and most of them were from Mothlabe village.

In addition, Wesizwe Platinum Mine in partnership with North West Department of Agriculture and Moses Kotane Local Municipality implemented Bakubung farming project in Ledig to provide alternative grazing land taken for mining operations for six local livestock farmers. The mine bought the farm at a cost of ZAR11 million (Wesizwe Platinum, 2015, Moses Kotane Local Municipality, 2016). The farm is also equipped with dipping infrastructure and farmers were supported with medicine for cattle vaccinations. To benefit other community members who were not livestock farmers, the farm was developed into sustainable agricultural project which included vegetable farming, food processing, and poultry farming. The harvested crops are being sold to local retailers and community members. Wesizwe also recruited a farm manager to manage day to day activities. To date about 30 unemployed communities from Ledig and Phatsima have benefitted from temporary and permanent employment opportunities. Participants were learning skills to develop and manage commercial agricultural projects. The farm products are currently being sold to local retailers and schools. By 2015 the crop and livestock budget spend was ZAR6,2 million (Wesizwe Platinum, 2015). The application for additional funding for project expansion from DTI is underway (Moses Kotane Local Municipality, 2015).

Brick making workshop

Pilanesberg Platinum Mine (PPM) in partnership with DTI implemented community brick making project at Motlhabe village. The aim of the project was to create employment. Project involved construction of brick making plant equipped with front-end loader, forklifts, a weigh bridge, screens, and conveyors to the crusher. The project produces cement stick, maxi blocks, and interlocking paving bricks. This co-operative supplies the materials to local small-scale buyers and mining companies in the wider region. About 35 beneficiaries from Motlhabe and surrounding villages were employed and trained in brick making.

In addition, Maseve Platinum mine had a budget of ZAR715 000 between 2012-2014 to implement brick manufacturing project in Ledig (Moses Kotane Local Municipality, 2015). The main objective was poverty alleviation and job creation. However, the project was never implemented due to lack of suitable land. As a result, all funds were re-directed to the housing projects for underprivileged community members. Maseve Platinum mine is committed to re-launch the project once the suitable land is found (Moses Kotane Local Municipality official).

Art making cooperative

In 2008, Wesizwe Platinum mine initiated Sebenya art co-operative to create sustainable income for local women through manufacturing and selling handmade beads and crafts. Nine local women were trained in producing transparent and opaque's glass beads from recycled bottles (Wesizwe Platinum, 2008). The products produced were supplied to retail outlet and completed corporate orders such as rosaries for companies. The project was disrupted by community faction which intimidated project members claiming that they were not consulted (Wesizwe Platinum, 2008, Ledig Ward Councilor). There were plans by Wesizwe Platinum mine to revive the project.

Ledig newspaper production

Wesizwe Platinum mine in partnership with Media Diversity Development Agency (MDDA) established Ledig community newspaper since 2013. The mine secured ZAR434 000 funding from MDDA. The funds were used towards project salaries, newspaper development, IT equipment's, printing, distribution and staff training. The actual money spent to date is ZAR154,576.26 (Wesizwe Platinum, 2015). The main objective of Ledig Sun newspaper was to inform communities about mine development and community development projects initiated by the mine. However, the long-term goal was to make it sustainable and income generating project through selling of the newspaper. Apart from local communities learning about mine community development projects, about six youth from Ledig community were employed. They have received training in media journalism, marketing, photography and bookkeeping.

b) Portable skills training programmes for unemployed

Wesizwe Platinum mine located in Ledig provided portable skills training programme to benefits Ledig and surrounding communities since 2008. Local communities interested in portable skills training were requested to submit their curriculum vitae at Ledig information centre. Although people from other village were allowed to apply, preference was given to Ledig community members. About 222 community members acquired skills to remain financially sustainable since 2008. Community members completed portable skills training programme in computer skills, bricklaying, tilling, carpentry, plumbing, lame cutting and palisade fencing (Wesizwe Platinum Mines, 2015). After completion of the training some have been employed by the mines while others are using acquired skills independently to remain financially stable.

In addition to portable skills training, Anglo Platinum Union mine selected unemployed people from surrounding communities including Sefikile to be trained in the hospitality services sector. Recruited people were trained in catering, baking and tourism (Anglo American, 2014). In Motlhabe, Pilanesberg Platinum mine donated 20 new computers to Kgalatloe high school to train local communities in computer skills.

c) Local entrepreneur training and support

Mining companies' enterprise support and training CSR projects were designed to generate income to the surrounding communities. Implemented projects created work opportunities for local communities to be able to support their families. For example, the following statement from Anglo American Sustainability Report (2013) confirms that enterprise development projects should create employment opportunities.

“Our enterprise development programmes are designed to build resilience within host communities and a more robust and competitive supply chain for Anglo American. Over the past six years, our existing schemes in South Africa and Chile have supported over 76,000 jobs” (Anglo American Sustainability Report, 2013).

Data gathered indicate that local entrepreneur training and support was a significant component of mining companies' livelihood related CSR initiatives at MKLM. Almost all mining companies surveyed have initiated programmes to encourage entrepreneurship. Thus, community members were encouraged to form companies that can-do business with the mines and other institutions. Local communities' entrepreneurs have received CSR enterprise development through coaching, mentorship, and sponsorships from mining companies (Sedibelo Platinum, 2010; Wesizwe Platinum, 2014; Wesizwe Platinum, 2015).

Pilanesberg Platinum mine established Bakgatla enterprise development centres to serve the surrounding communities. They collaborated with Umtali Consulting to offer business support, advice, and training to local community members (Sedibelo Platinum, 2010). Other services offered to local communities include registration with local business database and facilitation of funding

applications (Mine Official). Pilanesberg Platinum mine sustainability report has indicated that 169 community members successfully completed set of training programmes. Participants learned how to operate and market a business (Sedibelo Platinum, 2010).

Through entrepreneur development, mining companies implemented preferential local procurement of consumables which benefitted local communities' companies (Mine Official). For example, some mining companies PPE suppliers are procured from local communities' companies. Local companies are also offered contracts for cleaning services and renovating mine buildings. Local communities who many of them have never worked have been employed through these initiatives (Ledig Community Leader).

6.2.2 Perceived benefits of livelihoods related CSR activities

Household respondents were asked if any of their family members have benefitted from income generating projects, portable skills training and local entrepreneur training and support. Respondent were also asked if any of their family members have benefitted from the above three livelihoods related CSR activities in terms of employment creation. The answers were limited to Yes or No. Figure 6.1 to 6.4 presented the results of mining livelihoods related CSR projects benefits.

a) Income generating projects

In all villages, less than 10 % respondents acknowledge that their family have benefitted from income generating projects (Fig 6.1). Regarding the training of co-operatives members, only 8 % respondents acknowledged that mining companies have been taking them for business training courses to learn how to run a business. However, respondents have indicated that although training was offered to the members of co-operatives established, most of these income generating projects were still characterised by lack of empowerment. Community leaders argued that community members who are directors in those co-operatives are simply employees. They believe mines are running the co-operatives and not transferring skills to them. One community leader highlighted,

“We had a meeting with community members who are directors in one of agricultural farming co-operatives at the mine. They have no idea of how the co-operative is run and could not even tell us how much company is making monthly. They are just employees who are getting paid end of the month” (Motlhabe Community Leader)

The statement above highlights the fact that local communities feel they do not own these projects because mining companies still manage them. Municipal official highlighted that some community members were demanding that co-operatives be controlled by community leadership instead of members because they feel mines owns them. Furthermore, respondents also complained about location of some of the projects which were located within mining companies lease area. They complained that although mines had implemented these projects for the community they still don't have a say on how they those projects should be run. These concerns were popular among respondents in mining companies' doorstep communities like Ledig and Motlhabe.

b) Portable skills training programme

In terms of portable skills training for unemployed CSR initiatives about 13 % and 10 % of respondents from Ledig and Motlhabe respectively indicated that their households had benefitted. Less than 10 % respondents from Mokgalwaneng and Ramokokastad communities acknowledged that they had benefitted from skills training for unemployed CSR initiatives. The fact the Ledig and Motlhabe scored more than 10 % is an indication that doorstep communities have benefitted more compared to other distant villages except for Sefikile village. In Sefikile, no respondent acknowledged that their household had benefitted from these initiatives (Fig 6.2). In general, only 7 % respondents from five communities acknowledged that their family had benefitted from job training offered by mining companies. This is an indication that a lot still need to be done through portable skills training programmes.

Lack of community understanding of the objective of implemented portable skill training programme present a challenge. Some community members who were beneficiaries of the programme were disappointed when their expectation to be employed by mining companies on completion of the training was not met. However, the main objective of portable skill training programme is to train unemployed community members to remain financially sustainable rather than getting employment with mines.

c) Local entrepreneur training and support

Local entrepreneur training and support scored less than 10 % across all villages (Fig 6.3). In Ramokokastad and Sefikile communities, all respondents did not acknowledge having benefitted from local entrepreneur training and support. This was a clear indication that mining companies need to invest more on entrepreneur training, support and implement more income generating projects. Most respondents did not even know that these programme existed in their communities.

Mining officials and community leaders acknowledges that some local companies benefitted from tenders by the mines to implement infrastructure CSR projects. These projects include refurbishment of schools and clinics. In addition to implementing infrastructure CSR projects, some companies were given contracts by the mines to provide other services such as renovation of mines buildings and cleaning services (Mine Official; Ledig Community Leader). Due to high awareness of local entrepreneur training and support, many community members have grouped themselves and formed companies. However, most of the companies formed were still not operational because they rely on the mining companies to offer them work opportunities (Motlhabe Community Leader).

Interview with cooperatives members and community leaders revealed some challenges faced companies formed by local people. One of the challenges faced by local companies is getting vendor number with the mining companies. Respondents interviewed who were directors of some companies indicated that it was very difficult to get vendor number from the mines. Despite the training received, most of the local companies formed by community members were not getting

company vendor number. This had prevented them to do any business with mining companies. Another challenge is the lack of start-up funds should they be given tender by the mines. Cooperative member in one of the communities was in pain to explain how they failed to secure a tender to paint clinic because they did not have money to buy pain and equipment required to do the job.

d) Local employment creation

During interview, the most stressed expectations were that mining companies should create employment opportunities for local communities. Employment creation should be a pillar for mining companies' livelihood related CSR activities. The respondents had indicated that other projects implemented by mining companies such as building of school and clinics were important but they should contribute to the creation of jobs opportunities. For example, emphasizing the need for mining companies to create jobs, elderly respondent said,

*“Ga re je dikolo le mafelo la bookelo. Retlhoka mesebetsi gore re kgone go tlamela ba malapa a rona” – “We do not eat schools and clinics, we need jobs to provide for our families”
(Motlhabe community member)*

Respondents were asked if income generating projects, skills training for unemployed and entrepreneur training and support have benefitted them in the form of employment creation. Noticeable from this study is the fact that more than 10 % respondents from Ledig and Motlhabe acknowledged to have benefitted from local employment creation CSR initiatives than other communities. For example, figure 6.4 below shows that two nearby communities of Ledig and Motlhabe had the highest benefits of 15 % and 26 % respectively compared to only 10 % from Ramokokastad, Sefikile and Ramokokastad. Although the percentages appear to be less than 50 %, the results show that mining companies were making inroads in these communities. However, only 3 % of respondents from Sefikile communities acknowledged the benefits of local employment creation. This is not surprising because there is no income generating project implemented by mining companies in the area known by the community. Among three nearby communities sampled in this study, Sefikile village is the only one without any income generating project implemented.

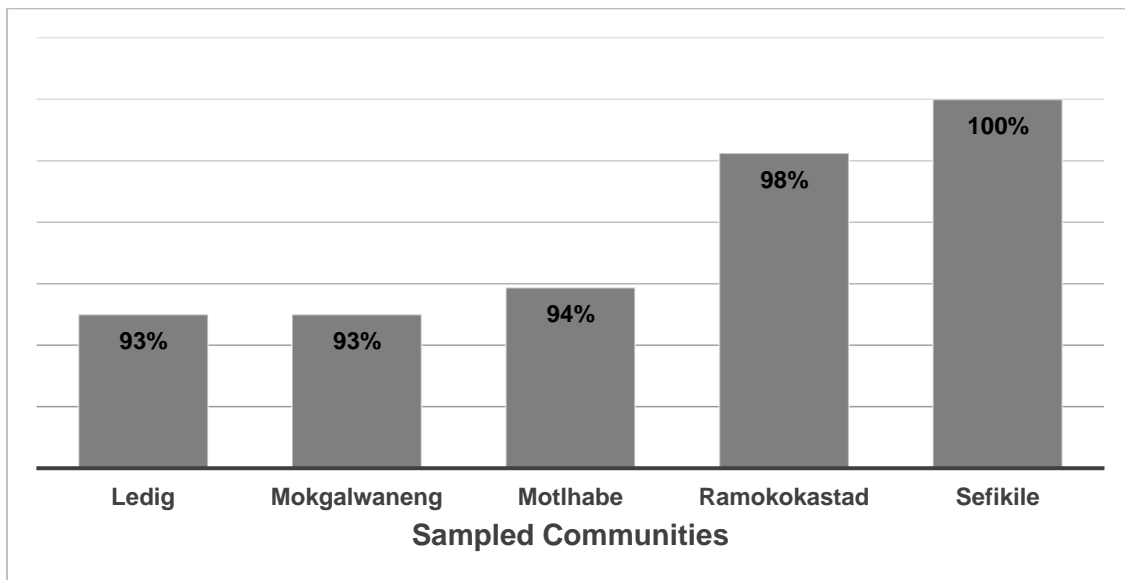


Figure 6. 1: Household respondents not satisfied with income generating CSR projects

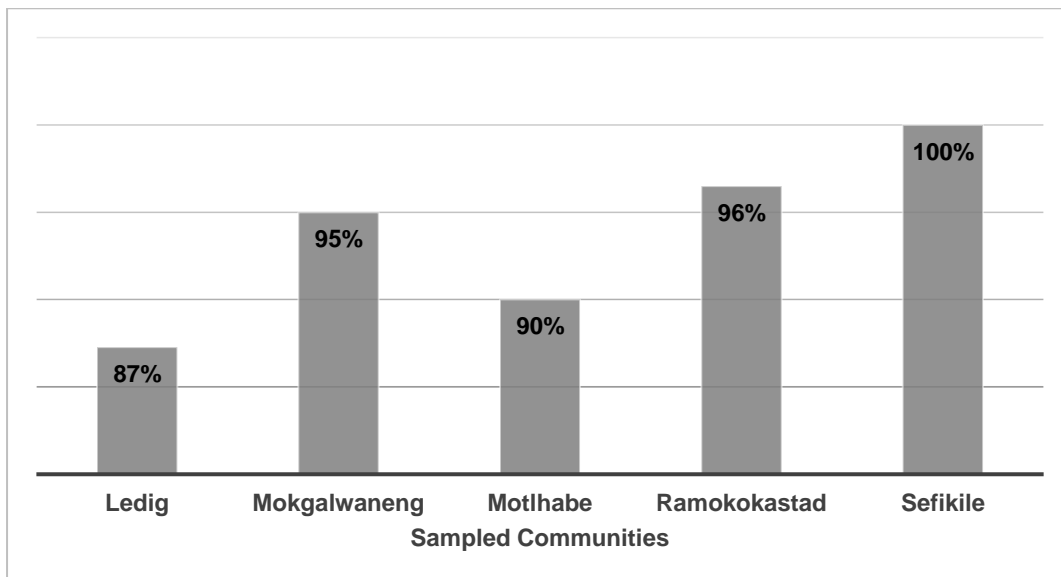


Figure 6.2: Households respondents not satisfied with skills training CSR projects

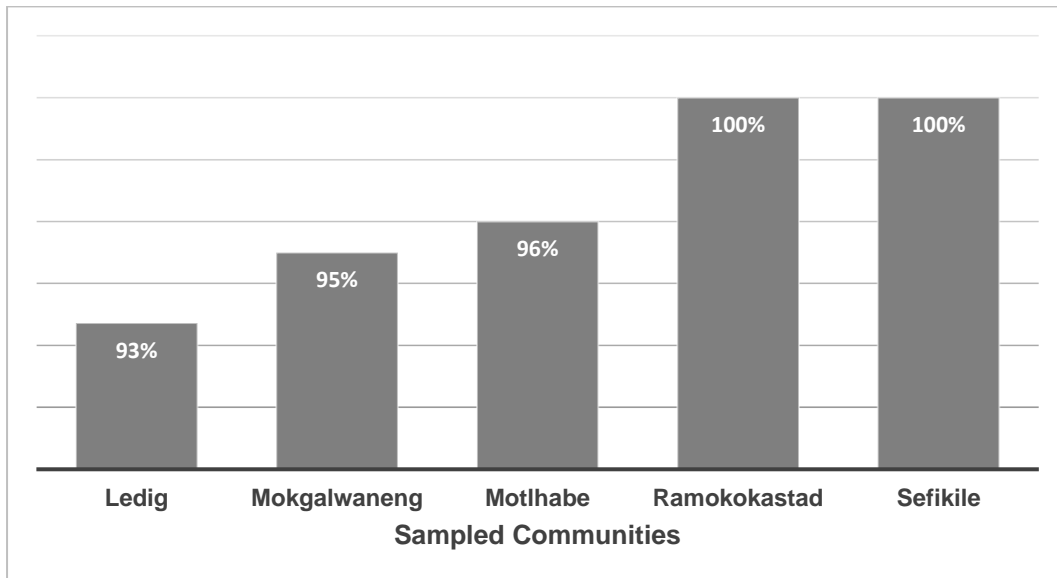


Figure 6. 3: Households respondents not satisfied with local entrepreneur training and support CSR projects

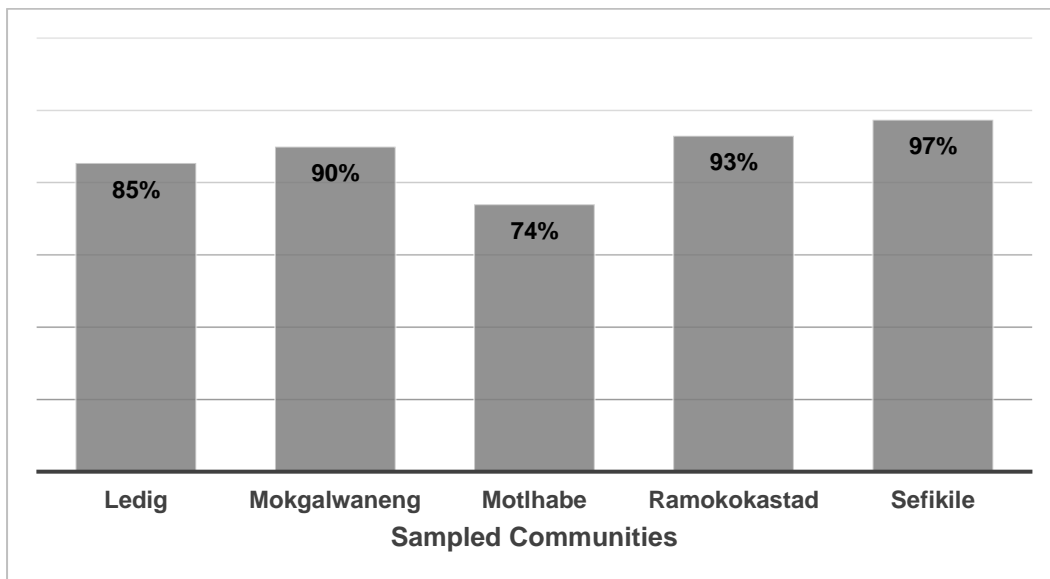


Figure 6. 4: Respondents benefits satisfaction on local employment creation

6.3 Discussion

Sustainable livelihoods related CSR initiatives have become very fashionable for mining companies in many countries as tool for community development. For example, in Ghana, large scale mining companies have made significant focus of community development through re-skilling local communities in alternative and sustainable livelihoods such as grass cutter farming, snail farming and the making of soaps and pomade among others Amponsah-Tawiah *et al* (2012). Based on the data presented in this study, it is evident that mining companies at MKLM have implemented various livelihood related CSR activities it has helped to establish and finance. This study demonstrated that livelihood related CSR initiatives implemented by mining companies at MKLM contributed to the creation of employment opportunities and training of local communities to remain financially sustainable.

The greatest promise that mining companies give for the local region is employment opportunities (Weber-Fahr *et al.*, 2001). Corporate social responsibilities programmes should put more emphasis on empowering local community members with skills to get jobs in the companies in their area (Mbirigeda and Msoka, 2015). However, due to capital intensive nature of the mining operations, small numbers of actual jobs are created (Horsley *et al*, 2015). For example, in Sefikile village there has been sporadic episodes of uprising against the mine since 1990. The uprisings were dominated by youth who were concerned about getting jobs in the mine and public infrastructure (Mnwana and Capps, 2015). Therefore, mining companies need to invest more in portable skills training so that local communities don't only depend on mines for employment opportunities. This study has shown that portable skill training could make a difference in communities to stand on their own. Although local communities were not satisfied with the benefits derived from portable skills training, a lot has been achieved to date.

Adoption of livelihoods related CSR initiatives by mining companies can also help to reduce community's dependence on the mine for economic sustenance (Amponsah-Tawiah *et al* (2012), Okan *et al.*, 2015). According to Mbirigeda and Msoka (2015), companies CSR should be independent and self-reliance of the people in the community. This would enable CSR projects to survive even after the companies stops the help it gives. Many respondents have questioned if the current income generating projects implemented by mining companies at MKLM would survive should the mine operation ceases or stop supporting them. Most of these cooperatives are still at development stage and therefore mining companies continue to provide financial and technical support. This has been given as a reason by mining companies why co-operative members do not fully control these projects. However, the fact that the members of these co-operatives lack knowledge of how these projects were run raises a question if mining companies were preparing them to take over in future. Community members claim that they were not actively involved in the decision making process and management of livelihood projects. Mbirigeda and Msoka (2015),

further indicated that to avoid dependency, local communities should be involved in the decision making from the beginning.

Some household respondents indicated that they were not aware of any implemented livelihood CSR initiatives in their communities. This is a clear indication that local communities were not fully involved in the planning and implementations of some of the CSR initiatives. This poses a challenge because community will not support a project planned for them without them being consulted. This challenge was observed in Ledig art co-operative implemented by Wesizwe Platinum mine. Sebenya art co-operative project was disrupted by community faction who intimidated project members. Communities' members were questioning the process followed in selecting nine women who were beneficiaries of this co-operative.

Study analysis shows that the majority of communities believe they have not benefitted from these projects. Many respondents were unhappy with the process used to select project beneficiaries. Although some did acknowledge the existence of these initiatives they were not aware of how community in general was benefitting. It is worth noting that these projects were not only intended to benefit communities closest to the mine. They also include other communities within 50km radius and this has created tension between the mine and the communities. For example, brickmaking cooperative in Mothlabe also include people from neighbouring Lesetlheng village. Respondents from Mothlabe village were asked to express how they feel about these livelihoods CSR related projects, they alleged that these projects are benefitting people who are not from their community. They alleged that people from far have been employed through interference of traditional councils without consulting local communities' leaders.

Lack of transparency by mining companies tendering system was another reason local communities believe they were not benefitting. It is for this reason that the members of some of the registered companies showed displeasure and bitterness about the selection of companies when tenders were out. They alleged that only companies owned by people who were not residence of their community are getting tenders because they are linked Bakgatla ba Kgafela Traditional Council members and the king. They complained that the process of selecting companies when tenders were out is controlled by corrupt mine official. According to Brew et al (2015), communities within which mining companies operate were important stakeholders and their views and concerns about CSR activities should be understood.

6.5 Conclusions

Based on the study, the following conclusions can be made. There is evidence that mining companies at MKLM has implemented different livelihood related CSR initiatives. However, the contribution of livelihoods related CSR in creating sustainable income and employment opportunities looks very minimal. There was contradicting information from what mining companies have revealed in their reports and what is revealed by the community as actual situation. For example, Anglo

American Union mine revealed in their reports that they have implemented income generating steel reclamation project for the benefit of Sefikile community, but not even elected community leaders are aware of it. Mining companies acknowledged that they have done a lot to improve community livelihoods but majority of respondents have indicated that they have not accrued any benefits from these projects.

The following were identified as the main factors that outweigh the positive impacts of implemented livelihoods CSR projects. Projects were designed in a way that encourages dependence on mining companies for survival. Local community members were not properly trained to take ownership of the project and run them without mining companies' interference. Most companies or cooperatives formed by local communities are not operational because they are waiting for tenders from the mines. Local companies formed should be designed in a way that they can do business with outside world including government other than relying on tenders from mines. Lastly, mining companies were implementing projects without consulting local communities who are beneficiaries of these initiatives.

CHAPTER 7: PERCEPTION OF THE SURROUNDING COMMUNITIES ON CSR PROJECTS

7.1 Introduction

The objective of this Chapter was to assess the perception of the surrounding communities on the CSR initiatives based on demographic characteristics. The study was triggered by the assertion of the mining companies claiming that local communities are deriving socio-economic benefits from their CSR projects. This was revealed by mining companies through annual financial reports; standalone sustainability reports, company presentations to financial analysts and other web-based issuance.

This Chapter presents findings from the study of local community members' perceptions on mining CSR projects from five sampled communities. The findings on the perception of the local communities on mining CSR projects were discussed and conclusions made. Determination of local communities' perceptions on CSR projects will assist in better understanding how surrounding communities think mining companies should improve their lives.

7.2 Results

Descriptive results of local community members' perception to mining CSR initiatives is presented in Table 7.1 and 7.2. The additional results of the data synthesis are presented in the form of tables in the Appendices D.

5.3.1 Respondents positive perception of mining companies' corporate social responsibility project

From Table 7.1, each of six positive constructs tested recorded a mean figure below 3.00. This means that majority of respondents do not accept the construct stated. For example, "Mining CSR projects has a positive impact on the quality of life in my village" and "mining CSR projects trained and supported local entrepreneurs in my village" recorded lowest mean figure of 1.75 and 1.74 respectively. A critical look at the same Table also indicates that the last construct "further mining CSR projects is beneficial to my community and should be encouraged" recorded mean figure of 2.91 (below 3.00 by 0.09). This construct can be used to check if community has lost hope in CSR projects as a tool for socio-economic development. This may suggest that despite limitation, sizable number of respondents still believe that further mining CSR projects is beneficial to my community and should be encouraged. The entire five constructs recorded an average mean figure of 2.04 which show negative perception of CSR activities.

a) Impact of corporate social responsibility initiatives on quality of life

Significantly, 61 % of the respondents strongly disagreed that implementation of mining CSR projects has positive impacts on the quality of life in their community, while 8 % disagree with the statements. Only 10 % were neutral, while 8 % and 3 % agree and strongly agree respectively with the statement (Table 7.1). This finding showed high degree of dissatisfaction of local communities

that despite claims made by the mining companies there is no perceived improvement regarding their livelihoods.

This view was also supported by traditional and elected leaders interviewed. For example, one community leader respondent, said,

“Communities are becoming impatient with this mining company (name removed). They have been mining here in our village for many years but nothing has improved. Our life remains the same”

b) Improvement in community infrastructure

The widely-held view is that mining CSR projects has not improved infrastructure in their village to the benefits of the community, with 49 % and 39 % strongly disagree and disagree respectively. About 13 % of the respondents were neutral, with only 3 % and 8 % strongly agree and agree respectively (Table 7.1). The results indicated that community perceived mining CSR projects not to have improved infrastructure in their village. Respondents opposed to the statement have pointed out that access to water was a major problem facing the community and they have not seen any progress made to improve water infrastructure. This was not surprising because the results showed that 59 % respondents do not have access to water in their households.

c) Improvement in education and health services

There was a strong disagreement about improvement of education and health services due to CSR projects implementation with 48 % strongly disagree and 20 % disagree with the statement. Only 17 % of the respondents were neutral. Only a handful of respondents agreed that there was improvement, with 5 % and 10 % strongly agree and agree respectively (Table 7.1).

Further analysis of the respondents revealed that despite acknowledgement of education and training CSR initiatives, local communities were displeased with the selection of those who finally get bursaries, internships and learnership. They claimed that the selection process was not transparent. Beneficiaries of mining companies' bursaries interviewees were satisfied with the way in which payments to the university were handled and living allowance were paid. However, in some cases beneficiaries of portable skills development were unhappy with the fact that mining companies failed to employ them after completion of the training.

In terms of health services, further analysis of respondents revealed the displeasure of the surrounding communities with the status of the health facilities built and refurbished by mining companies. The analysis showed community frustration about the failure of clinics to operate 24 hours and lack of inadequate staff. The most popular concern among health officials and community leaders was the lack of running water and shortage of medicine in clinics. Respondents in Ledig also complained that despite mining companies donating an ambulance and two SUVs to help in the

emergency response, the vehicles are nowhere to be found when needed. They claim that emergency response had not improved at all.

d) Employment opportunities attributed to corporate social responsibility activities

Typically, a bulk of respondents, 47 % and 22 % strongly disagreed and disagreed respectively that their community had benefitted from employment opportunities attributed to mining CSR projects. A total minority of 4 % and 10 % of respondents strongly agree and agree respectively that CSR projects have created employment opportunities in their community (Table 7.1). The reason for the bulk of respondents opposing the statement may be attributed to high unemployment rate in both communities. Those opposed to the statement raised the problem of high unemployment especially among the youth. Majority of the respondents showed displeasure that job opportunities created by CSR projects were temporary. Most jobs were created through infrastructure development projects and tend to be temporal. They also complained that mines had not implemented enough enterprise development projects that can assist in creating sustainable employment opportunities.

e) Development of local entrepreneurs

Majority of the respondents (55 %) indicated that they strongly disagree that mining CSR projects provided local communities with entrepreneur training and support. With 26 % disagree, 11 % neutral, 2 % agree and 6 % strongly agree (Table 7.1). The results showed that local communities perceive CSR projects were not promoting entrepreneur in the area for the benefits of the community.

Some respondents alleged that people who were benefitting from enterprise development were outsiders and they were given tenders by the mines under the pretense that they were local communities. It was also alleged that people who are benefitting are usually from Moruleng and are related to the chief. These reports of alleged nepotism are related to the residence from three villages under Bakgatla ba Kgafela Traditional council with head office at Moruleng. Majority of cooperatives members interviewed complained that even though community's members have formed cooperatives to benefit from mines through local procurement, they were not getting any opportunity.

f) Community benefits from CSR projects

The results are almost balanced between those who agree and disagree that CSR projects are beneficial to the community. With 24 % strongly disagree, 16 % disagree and 25 % neutral. 20 % and 15 % strongly agree and agree respectively (Table 7.1). These results show that there was a lack of appreciation that CSR projects resulted in the benefits accrued to rural communities.

5.3.2 Respondents negative perception of mining companies' corporate social responsibility project

Table 7.2, below show that out of five negative constructs tested, only two construct tested recorded mean figure below 3.00. The two constructs were, mining CSR projects benefits small proportion of

my community and mining CSR projects benefits to our community are overrated that recorded mean figure 2.81 and 2.67 respectively. The fact that only two out of five constructs recorded mean value below 3.00 but above 2.00 shows that majority of respondents agree with the construct. The construct “mining CSR projects are set up without consulting local communities” scored the highest mean figure of 3.94. This was not surprising because majority of key informants interviewed cited lack of community consultation by mining companies as one of the barriers preventing them from capturing benefits derived from CSR projects. In general, the average mean figure of 3.33 is recorded for the entire construct showing that local communities have negative perception about CSR activities of mining companies in MKLM.

a) Corporate social responsibility projects benefit small proportion

Almost half of the respondents strongly disagree (22 %) and disagree (22 %) that mining CSR projects benefit small proportions. Only 22 % of respondents took a neutral stand. In the same vein 15 % and 18 % strongly agree and agree respectively (Table 7.2).

b) Corporate social responsibility projects benefits are overrated

Only 30 % and 16 % strongly disagree and disagree that CSR projects benefits are overrated. About 25 % were neutral whereas 15 % strongly agree and 15 % agree.

c) Community not benefitting from corporate social responsibility community infrastructure projects

On the benefits from CSR community infrastructure, only 13 % and 16 % strongly disagreed and agree respectively. Only 13 % of respondents took a neutral stand. Majority of respondents strongly agree (39 %) and agree (13 %) that community has not benefitted from CSR infrastructure projects implemented by mining companies (Table 7.2).

d) Corporate social responsibility projects not solving problem of unemployment

Very few respondents disagree with the statement that CSR projects had not solved unemployment problem facing the community. With Only 15 % strongly disagree, 9 % disagree and 9 % took neutral stand. Bulk of respondents (41 % strongly agree and 26 % agree) that CSR project had not solved the problem of unemployment (Table 7.2).

As discussed in Chapter 3, mining CSR community development projects have created employment opportunities for the surrounding community. However most of these jobs created are temporary, after completion of the projects local residents face problem of finding jobs again. Many respondents cited this as one of the reasons why they believe mining CSR projects was not solving unemployment problem.

e) Corporate social responsibility project set without consultations with communities

As the results indicate, only 10 % and 6 % strongly disagree and agree respectively that CSR projects are set up without consultation with the local communities. Most respondents strongly agree (47 %) and agree (26 %). The result is significant as it indicates that bulk of the respondents believes that CSR projects are set up without them being consulted (Table 7.2) As results they do not benefit from these projects. Highlighting lack of consultations and awareness regarding CSR projects planning and implementation, community leader respondent has this to say concerning refurbishment of community clinic:

“We were not consulted when our clinic was renovated. They came and do their own thing with their own people. We were all surprised what is happening and that’s when we fought them that they must include us so that we can benefit from the project employment opportunities” (Motlabe community leader).

The statement above supports the fact that most mining companies were not consulting directly with communities regarding the community development projects especially those they are implementing with other stakeholders. However, minority who were not opposed with the statement were among the community leaders. They believe the reason why communities know less about mining CSR projects in the community is because they were ignorant and do not attend meetings.

Table 7. 1: Descriptive results of local communities' positive perception to CSR projects

Local community members' perception constructs	n	Mean	Standard Deviation
a) Mining CSR projects has a positive impact on the quality of life in my village	261	1.75	1.12
b) Mining CSR projects improved community infrastructure in my village	261	1.80	0.97
c) Mining CSR projects improved education and health services in my village	260	2.03	1.23
d) Mining CSR projects created employment opportunities in my village	258	2.01	1.18
e) Mining CSR projects trained and supported local entrepreneurs in my village	261	1.74	1.00
f) Further mining CSR projects is beneficial to my community and should be encouraged	258	2.91	1.44

Table 7. 2: Descriptive results of local communities' negative perception to CSR projects

Local community member's perception constructs	n	Mean	Standard Deviation
a) Mining CSR projects benefits small proportion of my community	259	2.81	1.36
b) Mining CSR projects benefits to our community are overrated	260	2.67	1.42
c) Communities are not benefitting from community infrastructure CSR projects	260	3.54	1.47
d) Mining CSR projects are not solving problem of unemployment in the communities	261	3.70	1.45
e) Mining CSR projects are set up without consulting local communities	261	3.94	1.30

7.3 Discussion

This study observed that majority of respondents from five sampled rural communities have negative perception about CSR initiatives that mining companies in MKLM have implemented. This is an indication that rural communities' respondents perceive that they have not benefitted from mining CSR projects. It is not surprising because in both communities sampled, demonstration has been reported in media and in all of them community members especially youth complained about the failure of mining companies to contribute to socio-economic development. Interview with community leaders in Ledig and Mothlabe revealed that negative perception is also related to high expectation from communities on arrival of mining companies. Mutti *et al.* (2012) also had similar findings in the study carried out in mining communities of Argentina, that exaggeration of the promises made by mining companies to win public support during early stages of prospecting, exploration and mine development led to negative perspective of CSR projects. This highlights the importance of managing community expectation from the early stages of mining to avoid a situation where communities will feel that mining companies have failed to keep their promises.

Lack of awareness of CSR projects and community consultations are the other reasons for negative perception of mining CSR activities. Despite record of CSR projects implemented in some communities, community members remain aware of these projects. Informal interview revealed that communities are not aware of the role mining companies have played in most of the infrastructure projects implemented by partnership between mining companies and MKLM. When researcher informed community members during household survey of some of the projects implemented by partnership between mining companies and MKLM, many confessed that they were not aware of mining companies' contribution. The reason for this could be the fact that community's members are ignorant and not participating in the activities of their community as stated by some community members interviewed. It could also be that MKLM claim projects to be theirs and fail to inform the communities about the role played by the mining companies in the projects implementation.

The study also revealed that planning and execution of CSR activities were done without full consultation of local people who are beneficiaries. Community leadership respondents further asserted that traditional leadership who in most cases not staying in villages and MKLM decides on behalf of the community without consultation with them. This is consistent with the study by Mnwana (2014), that traditional communities' interaction and engagement with mining companies are mediated and controlled by local chiefs as custodians of communal resources. For communities to support CSR projects, they should be part of planning and implementations.

Another interesting observation is that although community infrastructure including health and education infrastructure benefits everyone in the community, it is rarely perceived as benefit because it does not produce monetary gains or permanent employment. A considerable number of

respondents have indicated that they are facing difficulties in finding jobs. Although, community infrastructure projects created employment opportunities they were unhappy that they are temporary. Therefore, this calls for management of community expectation from the beginning of the projects to avoid disappointment. It is also significant to develop a plan in which communities are trained to enable them to find jobs in other sectors of the economy.

In terms of education and skills development, local community members were disappointed because they expected mining companies to hire them after completion of training. Expectation turned into disappointments if education and skills development initiatives cannot lead to permanent employment with the mining companies. Therefore, beneficiaries of education and skills development need to be aware that the main purpose of these initiatives is not necessarily to employ them but to increase their employability. Portable skills development should also empower the unemployed to be entrepreneurs.

It is evident that surrounding communities are dissatisfied with implemented enterprise development projects because only benefit large and medium enterprise. Their argument was that, because majority of corporative formed by local communities were not benefitting from tenders in the community infrastructure projects due to lack of start-up funds needed. However, they agree that enterprise development can provide much needed employment opportunities but lack of transparent process and nepotism in issuing of tenders is hampering to bring substantial benefits to locals. The study also acknowledges that income generating projects including those in agriculture have created employment opportunities. However, they are characterised by lack of empowerment and remain dependent on mining companies. This raises a question of whether these projects can continue to thrive without the support from the mining companies.

7.4 Conclusions

This Chapter focused on assessment of local community perception on mining CSR projects implemented at MKLM. This finding identified areas that local communities perceive as needing improvement. The results revealed that local communities have negative perceptions about the ongoing CSR projects. It can be concluded that the exaggeration of promises and community high expectations, lack of community awareness on CSR and consultation is the main contributor to negative perception. Respondents highlighted the need for local communities to be consulted in design and implementation of the projects. Local communities who are beneficiaries should be an integral part of CSR projects.

CHAPTER 8 COMMUNITY AWARENESS AND SATISFACTION LEVEL FROM MINING CSR PROJECTS

8.1 Introduction

Mining companies CSR reports contend that local communities are adequately consulted during planning and implementation of CSR initiatives. Therefore, local communities are aware of various CSR initiatives implemented by mining companies in their villages. This Chapter present and discuss the results from evaluation of community awareness and satisfaction from mining companies CSR projects.

8.2 Results

8.2.1 Community consultations on Mining CSR initiatives

Interview with key informants pointed out that mining companies are mainly consulting with tribal councils, municipality, and members of provincial departments with the expectation that they will consult at lower level with local communities but this seems not to be happening. Community members were only informed about the projects to be implemented and sometimes they were surprised to see projects implemented without their knowledge. A respondent from Sefikile community structure said:

“Anglo American Union Section mine consulted with municipality and Bakgatla Tribal Council during planning and building of community centre. We were only informed of the decision when they started with the building” (Sefikile community leader, 27 July 2017)

Interview with community leaders and ordinary community members reveal that mining companies, Tribal Councils and Municipality does not disseminate information about planning and implementations of CSR initiatives to local communities on the ground. The problem of lack of consultation was exacerbated by the fact that out of five villages sampled, in three villages, senior chief does not stay in the village yet he is the one who is consulted by the mining companies concerning issues of community development.

8.2.2 Communication and Awareness on Mining CSR initiatives

Mining companies publish sustainable reports outlining what the mine has done for the community in their respective website. In addition, mining companies are funding distribution of community newsletters to inform communities about planned and implemented community development projects. For example, local communities of Motlhabe and Ledig have been receiving updates on the mining companies' community development initiatives through newsletters and newspapers respectively. Pilanesburg platinum mines published Ikutlwele community newsletter from 2013 to 2014. This was replaced by Bua Kgabo newsletter which is published by Bakgatla ba Kgafela Tribal Council since 2015. These newsletters inform communities about community development issues especially reporting back on what mining companies are doing for the communities. Wesizwe

platinum mine have sponsored Ledig sun newspaper since 2013 as a training and income generating project. The newspaper reports on the community development issues in Ledig. All these published newsletters are written in English and Tswana reporting mainly on their CSR community development activities. Despite distribution of these community newsletters many community members are still uninformed about mining companies CSR activities.

In assessing community awareness from mining CSR initiatives, a frequency and cross tabulations were conducted. Figure 8.1 show the level of community awareness in five sampled villages. The highest awareness was found in Ramokokastad, Sefikile and Ledig villages with a score of more than 70 % of respondents. This is a clear indication that majority of community members in these communities are aware of implemented CSR initiatives. In Mokgalwaneng village, 69 % of household respondents were aware of mining companies CSR initiatives implemented. Despite distribution of community newsletter to ordinary community members of Motlhabe almost half of household respondents (44 %) are still unaware of any community development project implemented by mining companies. Some of respondents were surprised to be informed about projects implemented by mining companies as they thought it was government initiatives. Combining all villages, 60 % of the households' respondents were aware of CSR projects implemented by mining companies in their communities, while forty percent of the household's respondents are unaware of the implemented CSR projects. The findings indicated that community awareness on mining companies CSR projects is still not satisfactory. This is despite distribution of community newsletters, some community members at Motlhabe were not aware of projects implemented by the mine in their community.

It was also revealed that majority of household respondents were not aware of the role and responsibilities of mining companies, municipality and Tribal councils in planning and implementation of CSR projects. There are community members who expect mining companies to provide all services even those that can only be done by local municipality. Mining companies feel they were entering the sphere of local government. However, communities believe that mining companies should assist municipality in service delivery matters. One respondent from mining company respondent for example, said,

"It is the responsibility of the municipality to supply basic services to the communities. We are only partnering with them because we are aware that they have limited resources. So, it is problem when communities disrupt our operations because municipalities fail somehow to supply them with basic services" (Mining company official).

Mining companies feel they are hold hostage by the surrounding communities to perform responsibilities that can only be performed by local municipality. This was confirmed several times in the interviews with ordinary community members who demand that if mining companies failed to provide what they need they should close their operations.

8.2.3 Benefits Satisfaction

Despite good progress reported by the South African mining companies in their sustainability and annual reports, the local communities' feeling was that CSR projects implemented have delivered inadequate benefits. Households survey results indicated that majority of the respondents (92 %) were not satisfied with the benefits accrued from implemented projects. Only 8 % of respondents indicated that they are satisfied with the benefits thus far. One of the most striking findings of this study was the disappointment expressed by the respondents regarding failure of CSR projects to create employment opportunities. Arrival of mining companies was viewed as tool of socio-economic development of the community owing to high unemployment rate. However, reality of such expectations was not met and communities are dissatisfied with the progress made by mining companies to address socio-economic development challenges in their villages.

Household respondents not satisfied with the benefits accrued to them from the projects were asked to state their reasons. Majority of respondents cited among others, lack consultation, and nepotism and corruption by tribal councils. Allegation of corruption and nepotism by mine officials and tribal councils came out several times during interviews. Respondents acknowledged that some within their community were given training by the mines and later employed, but how they were selected remain a question. There is allegation that some people were recruited under the pretense that they were members of their community whereas they were not. It is for this reason that one income generation project was disrupted because community members questioned how members of the cooperative were selected. Allegation by community members against mine officials and tribal council of corruption and nepotism can be solved if mining companies give preference to locals in a transparent manner.

Respondents have cited high unemployment rate especially among youth as an indication that CSR projects has failed to bring about socio-economic development of the surrounding communities. As much as community appreciates mining companies building schools and clinics and upgrading community infrastructure, they have indicated that these does not solve immediate needs and unemployment. As a result, mining CSR activities were rejected due to their misalignment with community employment opportunities needs.

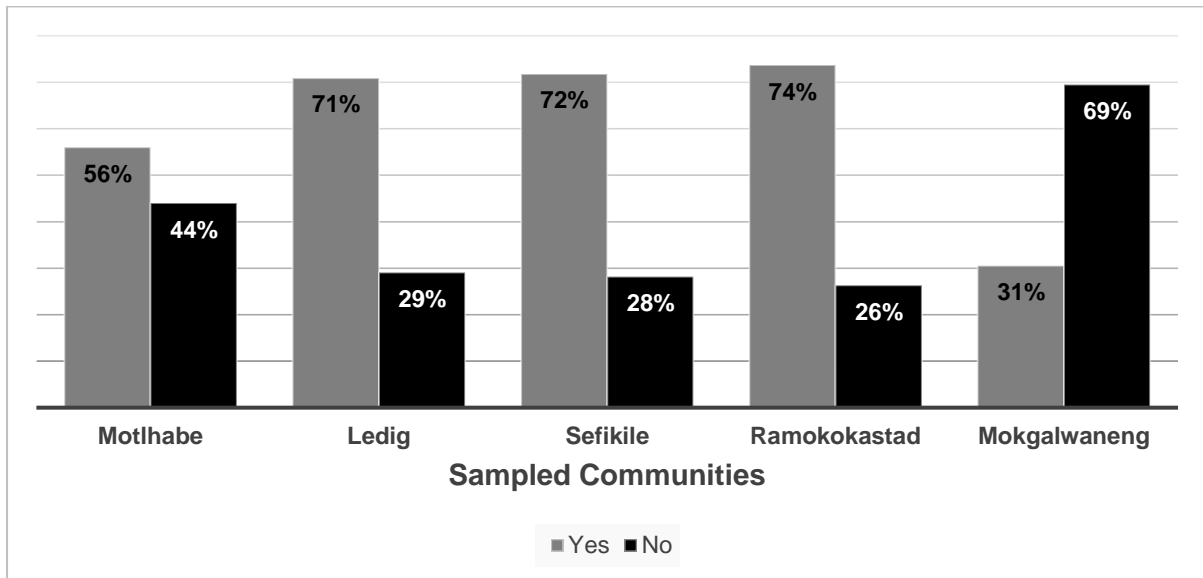


Figure 8. 1: Respondents households' awareness on CSR projects

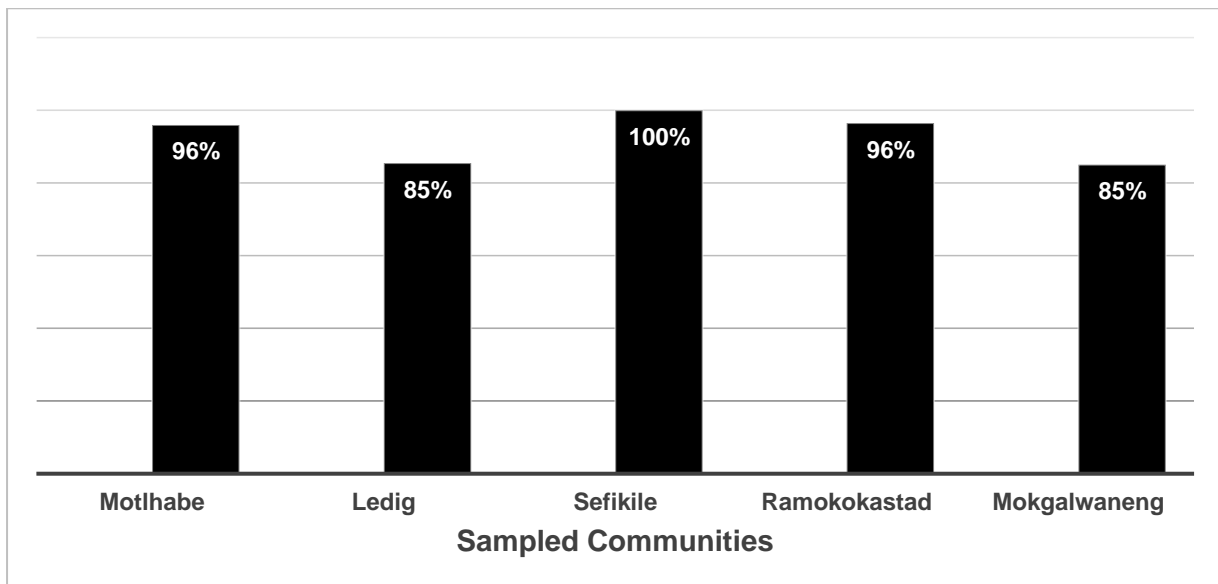


Figure 8. 2: Household respondents not satisfied with benefits accrued from CSR projects

8.4 Discussion

Despite mining companies publishing CSR reports in their website, most of the rural communities who were beneficiaries of the projects, have no access to these reports and therefore cannot validate whether what has been reported is exactly what has been delivered. This study underscores the importance of involving local communities and updating them on the progress made. According to Kotilainen et al (2015), the approach of mining companies using English on their web pages can be considered to hamper transparency because local stakeholders cannot access the information. It was noted in this study that Pilanesberg and Wesizwe platinum mines have taken an initiative to publish newsletters and newspapers written in native language to inform communities about the effort mining companies have made in improving socio-economic condition.

Bice (2013) investigated the on-ground implications of major mining companies CSR programmes implemented for the rural Australian communities and found that they are poorly or uninformed by community members. This is consistent with this study in which forty percent of the household respondents indicated that they are not aware of CSR initiatives implemented in their community by mining companies. The fact that almost half of respondents are not aware of CSR projects in their community, calls to question efforts made by mining companies and local municipality to involve communities in planning and execution of these projects. Lack of awareness might be the reason for bad perspective about CSR projects and may result in the lack of support. This is also consistent to the study by Ololade and Annegarn (2013) in Rustenburg Platinum mining region where majority of indigenous people indicated that they were not aware of mining companies' efforts to develop sustainable environment for their community. This was despite claim by mining companies that they hold meeting with communities as often as possible.

One of the most striking findings of this study was the disappointment expressed by the respondents regarding consultations regarding CSR projects. Mining companies in the area claim that they were implementing community development projects that were aligned with immediate community needs through consultation. Community leaders have complained that although CSR projects were implemented in their community, planning and operational decisions were taken without full consultation with local communities. Communities claim that they were not afforded opportunity to give input in the design and implementation of CSR projects. It appears that there were some projects that have been implemented but not endorsed by local communities. This is a clear indication that local communities were not involved from onset. For mining companies CSR initiatives to have a significant contribution towards socio-economic development, they should be aligned with local communities' immediate needs (Bice, 2013).

8.5 Conclusion

This study concludes that local communities were not adequately consulted in planning and implementation of mining CSR projects. Local communities do not have access to mining

companies' sustainability reports and cannot therefore validate if what is reported is what on the ground. However, it was noted that two mining companies have taken initiatives to publish newsletter and newspapers to inform local communities. Lack of awareness and poor communication and information sharing between mining companies, municipality and Tribal Councils with local communities has resulted in low benefits satisfaction. Although this study acknowledges that while it is important for mining companies to consult with local municipality and traditional leadership to legitimise the process, ordinary members of the community who are the beneficiaries must be given opportunity to give input.

CHAPTER 9 CONCLUSIONS, RECOMMENDATIONS, LIMITATION AND FUTURE RESEARCH

9.1 Introduction

The purpose of this Chapter was to summarise the findings and make conclusions on the nature of benefits accrued to rural communities from mining companies CSR projects in Moses Kotane Local Municipality as well as making recommendations. The Chapter also highlighted the limitation for the study and recommendations for further studies. Moses Kotane Local Municipality is a rural municipality with limited community infrastructure. Unemployment rate is high and majority of families are living below poverty line. There are different mining companies operating within the boundaries and at the border with the municipality. These mining companies have implemented various CSR programmes to contribute to the socio-economic development of the communities in which they operate.

9.2 Conclusion

The purpose of this study was to determine the nature of benefits accrued by rural communities of Moses Kotane Local Municipality from mining industries' CSR projects. The findings for three case studies selected for this study were presented in the first three Chapters, namely community infrastructure CSR projects (Chapter 4), education and health CSR projects (Chapter 5) and livelihoods CSR projects (Chapter 6). The analysis has demonstrated the characteristics of CSR initiatives implemented by different mining companies do not differ. These projects were implemented in collaborative partnership between mining companies, local municipality and provincial departments such as education, health, agriculture and trade and industry.

Chapter 4 provided analysis of community infrastructure CSR activities. The results indicated that CSR initiatives implemented appear to be directed in fulfilling municipality IDP requirements. Therefore, the selection of community infrastructure projects to be implemented by mining companies largely depend on the priorities of the municipality IDP. Respondents have argued that this has taken away the opportunity for community to engage directly with mining companies. This is the area where mining CSR projects made a huge impact in the communities especially in the improvement of water supply infrastructure.

Chapter 5 provided analysis of education and health CSR activities. The outcome of the study indicates that indeed mining companies have implemented various education and health CSR initiatives. However, majority of respondents from local communities perceive to have not benefitted from them. Respondents have given two reasons why they perceive to have not benefitted from them, firstly is the lack of transparency in selecting beneficiaries which resulted in benefits accrued to few, and secondly, lack of co-ordination between mining companies and municipality. For example, schools and clinics that were refurbished by mining companies still lack water supply which is the responsibility of the municipality. Clinics were constructed and refurbished but there is lack of medicine and staff. This is the responsibility of provincial department of health.

Chapter 6 provided analysis of livelihoods CSR initiatives that are aimed at creating alternative income for unemployed community members. Various projects were implemented but majority of them were still at development stage. The results indicated that majority of implemented projects are still dependent on mining companies for survival. Respondents have also indicated that local community members who were beneficiaries of these projects were not empowered by mining companies to run projects on their own.

Chapter 7 presented findings on the perception of surrounding rural communities with regard to the perceived socio-economic benefits of mining companies CSR initiatives. The results indicated that the local communities from sampled population have negative perception about mining CSR activities. The reasons given for negative perception are mainly lack of consultations and inability of CSR activities in creating sustainable employment opportunities.

Chapter 8 evaluated the level of community awareness and benefits satisfaction from mining companies CSR initiatives. The study findings show that some community members are not aware of mining CSR projects implemented by mining companies in their communities. This is because there is a lack of community consultation on CSR projects.

In view of the summary provided above, the objectives of this study have been achieved and the study has contributed to the available knowledge on the benefits of CSR projects to rural communities. Respondents negative perception with regard to implemented projects is an indication that local communities are not satisfied with the benefits derived from the projects. This study revealed that mining companies and municipality designed most of the projects without involving local communities. Local communities should be allowed to determine the projects that should be implemented in their communities. However, although majority of surrounding rural communities indicated that they have not benefitted, this study conclude that mining CSR activities does have significant socio-economic benefits for the surrounding rural communities of Moses Kotane Local Municipality.

9.3 Recommendations

The fact that majority of respondents believe they have not benefitted from CSR projects raises a question about what local communities expect from CSR projects and how these expectations should be managed.

This study offers the following recommendations:

- a) Encouraging mining companies to actively participate in IDP preparatory process. This will give mining companies opportunity engage with local communities directly rather than depending on the final IDP document. It has been observed in this study that mining companies are not actively participating in IDP preparatory processes and relied completely on the final IDP product.

- b) Improved consultation with the communities from planning to implementation. Currently, mining companies consult with municipalities and tribal councils regarding CSR projects implementation.
- c) Educate and communicate to communities about the positive impacts of CSR activities. Due to limited awareness among MKLM rural communities of the benefits that can be derived from CSR projects, mining companies and the local municipality put more effort in educating and communicating the positive impact of CSR initiatives.
- d) Reduce dependency of local communities on employment opportunities from mines by implementing income generating projects that can create sustainable job opportunities. Mining companies should also consider CSR projects that will empower local communities to reduce community dependency.
- e) Monitoring and evaluation of CSR projects should be implemented. Elected community leaders and municipality must participate in monitoring and evaluating implemented CSR projects. There is a need for government or local municipality to appoint external auditing firm to verify if all projects reported were implemented on the ground and benefits accrued to rural communities.

9.3 Limitations of the Study

This study was undertaken in rural villages of Moses Kotane Local Municipality in North West. It is acknowledged that the other projects implemented in different environment such as urban areas may have different characteristics and outcomes.

Section 3.61 in Chapter 3 highlighted difficulties in securing interview with mining companied CSR managers. Most of the cited their busy schedule and the fact that due to mining companies' confidentiality policies, they need approval from their senior managers to participate. Because of this challenge, only two mining CSR managers were interviewed but the other one refused to be recorded. Therefore, the results from two interviews conducted with CSR managers should be interpreted with caution.

9.3.2 Recommendations for Further Research

There are other areas of research identified in this study which were not explored due to the limited scope but require further investigation. The following areas require further research:

- a) The examination of the nature and extent of surrounding community members' participation in the design and implementation of CSR projects seems vital. Exclusion of surrounding communities could hamper socio-economic development.
- b) It would be useful to conduct a research that explores the role of traditional councils in representing marginalized communities as custodians of rural land and other tribal properties.

This is in light of the rural communities' activists accusing traditional councils of not representing the interests of the community in negotiations with the mines.

- c) A comparative study of large and small scale mining companies could be conducted to determine similarities and differences in implementation approaches. Despite some small-scale mining companies operating in the area, community attention seems to be on large scale mining companies CSR initiatives.

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APPENDICES

Appendix A: Request for permission to conduct a study



University of Venda

University of Venda P. Bag X5050
Thohoyandou, 0950
Limpopo, South Africa
26 July 2016

Bakubung Traditional Council
Ledig

Dear Sir/ Madam

RE: REQUEST FOR PERMISSION TO CONDUCT STUDY AT LEDIG COMMUNITIES

I am a Masters student at the University of Venda in South Africa. As part of fulfilment of the Masters in Rural Development qualification, I request permission to conduct research under the topic: **BENEFITS ACCRUING TO RURAL COMMUNITIES FROM THE MINING INDUSTRY CORPORATE SOCIAL RESPONSIBILITY PROJECTS IN MOSES KOTANE LOCAL MUNICIPALITY OF THE NORTH WEST PROVINCE.** To get information about the topic I request to conduct households' survey and interviews with community leaders.

The purpose of this study of the study is to determine the nature of the benefits derived from mining industry CSR projects. The results of the study will provide better insights on the contribution of South African mining industry CSR initiatives, presumably leading to mining companies developing more informed initiatives to address socioeconomic challenges faced by the rural poor. Furthermore, the findings of the study will be made available to all relevant stakeholders through an organised feedback session which will be held at the end of the study.

Your consideration will be highly appreciated.

Yours faithfully

Mr. Azwimpheleli Bongwe
Masters Student: University of Venda
Institute for Rural Development
Cell No: 082 268 6922

Appendix B: Household questionnaire



University of Venda

SCHOOL OF AGRICULTURE
INSTITUTE FOR RURAL DEVELOPMENT

HOUSE NO.....

Dear respondent. We are researchers from University of Venda, Institute of Rural Development. We are undertaking the research survey on the "Benefits accruing to rural communities from the mining industry corporate social responsibility (CSR) projects in Moses Kotane local municipality". The results of the study will provide better insights on the contribution of South African mining CSR initiatives. We highly appreciate your participation in this research. All information collected will be held strictly confidential and shall be used only for the purpose of this research

Questionnaire Number: Enumerator Name:

Date:
Year Month Day

District: Local Municipality:

Ward: Village name:

Interview is administered to the household head
Interview is administered to a spouse
Interview is administered to a youth

SECTION A: BIO-DEMOGRAPHIC INFORMATION

1. Gender:	Male () Female ()
2. Age (in years):	18 - 25 () 26 - 35 () 36 - 45 () 46 - 55 () 56 - 65 () 66+ ()
3. Marital status:	Single () Married () Divorced () Widowed () Co-habiting ()
4. Ethnic group:	Tswana () Xhosa () Zulu () Sotho () Pedi () Venda () Tsonga () Other () Specify.....
5. Level of education:	No schooling () Primary () Secondary () College/University ()
6. Relationship with household head:	Spouse () Grandchild () Daughter () Son () Other () Specify.....

SECTION B: HOUSEHOLDS SOCIO-ECONOMIC CHARACTERISTICS

7. How long have you been living here as a family?	1 - 5 years () 6 - 10 years () 11 – 15 years () 15 - 20 years () 20+ years () All my life ()
8. If not born here, why did you move to this village?	Nearness to relatives () To look for a job () To start a new job () Other () Specify.....
9. How many people in the household?	1 - 3 () 4 - 6 () 7 - 10 () 11+ ()
10. What is your employment status?	Unemployed () Self-employed () Employed ()
11. If employed, which sectors are you employed?	Mining () Government () Agriculture () Private companies () Other () Specify.....
12. Are the other members of your family working? If Yes how many?	Yes () No () 1 - 2 () 3+ ()
13. If Yes which sector are they working?	Mining () Government () Agriculture () Private companies () Other () Specify.....
14. What is the main source of income in your household?	Salaries/Wages/Commission () Income from business () Pension () Grants () No income ()
15. What is the average income of your household?	0 - R3 000 () R4 000 – R7 000 () R8 000 – R11 000 () R12 000 + ()

SECTION C: HOUSEHOLDS SOCIO-ECONOMIC INFRASTRUCTURE

16. What is the type of dwelling of your household?	Traditional dwelling/hut () House of brick () Informal or shack () RDP () Other () Specify.....
17. What is the source of drinking water for your household?	Piped into the yard () Borehole in the yard () Public tap () Public borehole () Tanker truck () Other () Please state.....
18. Do you have any problem with water supply?	Yes () No ()
19. If Yes what is the problem with water supply?	Water cuts () How frequent..... Not clean () Difficult to access () Expensive () Other () Please state.....
20. Does your household have electricity?	Yes () No ()
21. Do you have any problem with electricity supply?	Yes () No ()
22. If Yes what is the problem with electricity supply?	Electricity cuts () How frequent..... Difficult to access () Expensive () Other () Please state.....
23. What kind of toilet facilities do you have?	No toilet () Pit toilet () Flush toilet () Other () Please state.....
24. Do you have any problem with toilet facilities you have?	Yes () No ()
25. If Yes what is the problem?	Sewage blockage () Other () Please state.....

SECTION D: PERCEIVED BENEFITS OF MINING CSR COMMUNITY DEVELOPMENT PROJECTS

26. Are you aware of any mining CSR community development projects in your village?	Yes () No ()
27. Have you or any family member benefitted from the following mining CSR community development projects?	Local employment creation Yes () No () Job training for unemployed people Yes () No () Local entrepreneur training and support Yes () No () Income generating projects Yes () No ()
28. Which of the above project have you benefitted most?	Local employment creation () Training unemployed people for work opportunities () Local entrepreneur training and support () Income generating projects () None ()
29. Have you benefitted from the following mining socio-economic infrastructure projects?	Road infrastructure improvements Yes () No () Water and sanitation Yes () No () Education institutions support Yes () No () Health institutions (clinic or hospital) supports Yes () No ()
30. Which of the above project have you benefitted most?	Road infrastructure improvements () Water and sanitation () Education institutions support () Health institutions (clinic or hospital) supports () None ()
31. Are you satisfied with the benefits derived by your household from mining CSR projects	Yes () No () If Not state why?.....

SECTION E: PERCEPTIONS REGARDING MINING CSR PROJECT

The following questions consist of statements. Please indicate to which level you agree or disagree with the statement by circling the appropriate number. 1 = strongly disagree, 2 = Disagree, 3 = neither disagree no agree, 4 = Agree, 5 = strongly agree

32. Mining CSR projects has a positive impact on the quality of life in my village	1	2	3	4	5
33. Mining CSR projects improved community infrastructure in my village	1	2	3	4	5
34. Mining CSR projects improved education and health services in my village	1	2	3	4	5
35. Mining CSR projects created employment opportunities in my village	1	2	3	4	5
36. Mining CSR projects trained and supported local entrepreneurs in my village	1	2	3	4	5
37. Further mining CSR projects is beneficial to my community and should be encouraged	1	2	3	4	5
38. Mining CSR projects benefits small proportion of my community	1	2	3	4	5
39. Mining CSR projects benefits to our community are overrated	1	2	3	4	5
40. Communities are not benefitting from community infrastructure CSR projects	1	2	3	4	5
41. Mining CSR projects are not solving problem of unemployment in the communities	1	2	3	4	5
42. Mining CSR projects are set up without consulting local communities	1	2	3	4	5

INTERVIEW GUIDE FOR YOUTH

Interviewee Gender	
Male	
Female	

Village Name	
Ledig Village	
Mokgalwaneng Village	
Mothlabe Village	
Sefikile Village	
Ramokokastad Village	

Date:
Year Month Day

Interview Start Time : Interview Finish Time

A. PROFILE

1. What is your name and where you were born?
2. How long did you stay in Ledig? Are you still leaving there?
3. Describe socio-economic condition of the Ledig community

B. CHARACTERISTICS AND PERCEIVED BENEFITS OF MINING CSR PROJECTS

13. Are you aware that the mining company has a social responsibility towards your community?
14. To what degree has mining companies been fulfilling this social responsibility?
15. Have you noticed any specific projects that the mining companies have initiated for the benefit of your community? What are they?
16. What are the benefits accrued to your community? Who are benefitting most?
17. In which area do you think mining CSR projects are failing to benefits the communities? How can this be improved?
18. How are mining companies involving your community in planning and implementation of CSR projects?
19. Do you think CSR project that mining companies are undertaking in your community will continue even after the mine has closed down? If not why do you say so?

C. PERCEPTION ON CSR PROJECTS

5. Do you think mining CSR project improved your communities' socio-economic condition? If Yes, how? If not, why?
6. Do you think mining CSR project improved your communities' infrastructure? If Yes, how? If not, why?
7. Are you satisfied with mining companies CSR projects contribution in education and health services? If Yes, how? If not, why?
8. Do you think mining companies CSR projects are promoting enterprise development in your community? If Yes, how? If not, why?
9. Are the job created by CSR projects sustainable? If No, why and how it be sustained?
10. Are you satisfied with mining companies CSR projects benefits? Why do you say so?

THANK YOU FOR YOUR PARTICIPATION

INTERVIEW GUIDE FOR EDUCATION AND HEALTH OFFICIALS

Education Officials	
Health Officials	

Village Name	
Ledig Village	
Mokgalwaneng Village	
Mothlabe Village	
Sefikile Village	
Sandfontein Village	

Date:

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Year Month Day

Interview Start Time

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 Interview Finish Time

A. HISTORICAL PROFILE

1. What is your name and position in the institution?
2. What is the name of your school/clinic?
3. How long have you been working in this position?
4. How long has this school/clinic been in existence?

B. PERCEIVED BENEFITS OF MINING CSR COMMUNITY DEVELOPMENT PROJECTS

6. Do you receive any support from the mining companies in your school/clinic?
7. Which mining company is supporting is supporting your school/clinic and when did they start?
8. What are the things that the mining company did for the school/clinic?
9. What are the communication arrangements between your office and mining companies with regards to education/health projects?
10. How are the projects implemented by mining companies? i.e. who decides what and how it should be done?
11. What has changed since the mine started supporting your school/clinic?
12. What is working really well with regards to the education/health project and the support from the company?
13. Describe your school/clinic relationship with the mine?
14. What was the kind of services you had before the mine started supporting your school?
15. What is it like now and please explain your answer?
16. Where do you think mine company need to improve in their CSR initiatives?

THANK YOU FOR YOUR PARTICIPATION

Appendix D: Summary results of positive perceptions of mining CSR projects

Questions	Strongly Disagree (SD)		Disagree (D)		Neither (N)		Agree (A)		Strongly Agree (SA)		Total	
	n	%Freq	n	%Freq	n	%Freq	n	%Freq	n	%Freq	n	%Freq
1) Mining CSR projects has a positive impact on the quality of life in my village.	158	61%	49	19%	25	10%	20	8%	9	3%	261	100%
2) Mining CSR projects improved community infrastructure in my village.	127	49%	82	31%	33	13%	15	6%	4	2%	261	100%
3) Mining CSR projects improved education and health services in my village.	124	48%	53	20%	43	17%	26	10%	13	5%	259	100%
4) Mining CSR projects created employment opportunities in my village.	121	47%	58	22%	44	17%	25	10%	10	4%	258	100%
5) Mining CSR projects trained and supported local entrepreneurs in my village.	143	55%	69	26%	29	11%	15	6%	5	2%	261	100%
6) Further mining CSR projects is beneficial to my community and should be encouraged.	62	24%	41	16%	65	25%	38	15%	52	20%	258	100%

Table 7.2: Summary results of negative perceptions of mining CSR projects

Questions	Strongly Disagree (SD)		Disagree (D)		Neither (N)		Agree (A)		Strongly Agree (SA)		Total	
	n	%Freq	n	%Freq	n	%Freq	n	%Freq	n	%Freq	n	%Freq
7) Mining CSR projects benefits small proportion of my community	58	22%	56	22%	60	23%	47	18%	38	15%	259	100%
8) Mining CSR projects benefits to our community are overrated	79	30%	42	16%	65	25%	34	13%	40	15%	260	100%
9) Communities are not benefitting from community infrastructure CSR projects	35	13%	41	16%	34	13%	48	18%	102	39%	260	100%
10) Mining CSR projects are not solving problem of unemployment in the communities	38	15%	25	10%	23	9%	67	26%	108	41%	261	100%
11) Mining CSR projects are set up without consulting local communities	25	10%	16	6%	31	12%	67	26%	122	47%	261	100%

Appendix E: Summary of Mining companies CSR projects

Summary of Mining companies CSR projects at Lidig community

Project Category 1: Education and skills development

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Foundation phase literacy and numeracy support programme	Wesizwe Platinum Mine – R319 206	North West Department of Education	Project designed to improve literacy and numeracy at foundation level. New teaching resources were provided and teachers were trained in the new teaching methodologies to teach literacy, numeracy and promote reading and writing.	37 Educators and 1408 learners in Grade R to Grade 3	Teachers moved to acceptable classroom practice, Learners improved in literacy and numeracy	2014 - Present
2. Adult Based Education and Training (ABET)	Wesizwe Platinum Mine – Approximately R1 000 000	North West Department of Education	To improve reported low level of numeracy and literacy in the Ledig communities, mine funded ABET. The programme was undertaken by external service provider.	Community members with low numeracy and literacy level	180 community members from Ledig and Mahobiskraal obtained NQF level	2013 - Present
3. Portable skills training programme	Wesizwe Platinum Mine – R2 670 215	None	Community members completed portable skills training programme in computer skills, bricklaying, tilling and carpentry. The main objective is for unemployed community members to remain financially sustainable.	Unemployed community members	222 community members acquired skills to remain financially sustainable.	2008 - Present
4. Maintenance and refurbishment of local schools	Wesizwe Platinum Mine – 3 390 944	North West Department of Education	Eight schools in Ledig community were renovated to ensure conducive learning environment. Renovation focused on the interior of classrooms, administration and office buildings, computer laboratories and toilets.	Learners, educators and community members in general	4 271 learners and 140 educators benefitted	2014
5. Bursaries	Not documented	None	Bursaries were awarded to 11 school-leavers interested in mining disciplines, such as mechanical engineering, chemical engineering and geology.	Youth	Integration bursars into formal employment with the company	2008 - Present
6. Learnerships and internship programmes	Wesizwe Platinum Mine – R6 745 224	AVENG Mining	The programmes afford unemployed youth an opportunity to improve their employment potential. Internship and learnership were offered in the mining related field.	Unemployed youth	86 youth improved their employment potential	2012 - Present

Project Category 2: Community Infrastructure

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Ledig water infrastructure	Wesizwe Platinum Mine – R753 604	Moses Kotane Local Municipality (MKLM)	The project involves building of water reservoir and water reticulation system to address water scarcity problem. This included installation of 2.3km water supply pipeline from reservoir to Ledig communities and yard connection.	Ledig and surrounding communities without running water	Local labour hired to deliver the project. Project benefitted approximately 5000 households.	2012-2015
2. Temporary water relief	Wesizwe Platinum Mine – R3 306 266	Moses Kotane Local Municipality (MKLM)	Communities were provided with 32 water tanks ranging from 5 000 to 10 000 and put an infrastructure. The tanks are filled twice daily. Mine also undertake maintenance to ensure that water tanks are clean and in good condition.	Ledig communities without running water	A total of 46 jobs were created. More than 15 000 residence without running water benefitted.	2012-present
3. Housing contribution	Maseve Platinum Mine – R2 376 192	North West Department of Housing MKLM	In response to a Ministerial request from the National Department of Housing (DoH), mine constructed of 32 houses for destitute and underprivileged families in Ledig.	Destitute and underprivileged families in Ledig	32 destitute and underprivileged families benefitted	2012-2016
4. Establishment of recreation parks	Maseve Platinum Mine – R720 000	Moses Kotane Local Municipality (MKLM)	In line with nature conservation areas identified by the Municipality, mine funded establishment of recreation park. The project involves fencing, planting of trees and supplying recreation park equipment's.	Ledig communities especially youth	Keep children's and learners during school holidays. Conserve environment	2012-2016

Project Category 3: Health

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Extension and renovation of Bakubung clinic	Maseve Platinum Mine – R3 245 721	North West Department of Health	To improve reported low standard of health service at the clinic, the mine funded extension and renovation of the clinic. The project included the construction of new labour wards, a post-natal room, sluice room, counselling room, waiting area, medical store and staff rooms	Ledig communities	Number of patients visiting the clinic has increased by 500 visits per month. 24 jobs were created during construction	2013-2014

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
2. Hospital emergency medical response improvement	Wesizwe Platinum Mine – R1 060 000	North West Department of Health	In addressing lack of medical response support at Ledig and surrounding communities, Maseve mine funded procurement of one transportation ambulance and two SUVs for Moses Kotane hospital	Ledig and surrounding communities	Emergency response has improved	2012-2014

Project Category 4: Enterprise Development

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Sebenya Art Co-operative	Wesizwe Platinum Mine – R701 822	None	Project created sustainable income for local women through manufacturing and selling handmade beads and crafts. Nine local women were trained in producing transparent and opaque's glass beads from recycled bottles. Project was disrupted by community faction who intimidated project members.	Local women	The project created 9 jobs for women through supplying retail outlet and completed corporate orders such as rosaries for companies	2008
2. Bakubung agricultural project	Wesizwe Platinum Mine – R3 232 879.	North West Department of Agriculture Moses Kotane Local Municipality	To support poverty alleviation initiatives, the mine bought the farm to provide alternative grazing land for 6 livestock farmers. The farm is also equipped with dipping infrastructure and farmers are supported with medicine for cattle vaccinations. To benefit other community members, the farm has been developed into sustainable agricultural project which include vegetable farming and food processing, and poultry farming.	Local crop and livestock farmers	A total of 20 jobs were created Participants are learning skills to develop and manage commercial agricultural projects Provision of both food security and income to people	2013 - present
3. Ledig Sun newspaper	Wesizwe Platinum Mine – R434 000	Media Diversity Development Agency (MDDA)	Established to inform communities about mine development and reports on community development projects initiated by the mine. Long term goal is to make it sustainable and income generating project through selling of the newspaper.	Local communities especially youth	Local youth received training in media journalism. Communities are learning about mine community development projects	2013 - present

Summary of Mining companies CSR projects at Motlabe communities

Project Category 1: Education and skills development

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Schools renovations	Pilanesberg Platinum Mine – R2 100 000	North West Department of Education	PPM renovated 10 classrooms of Motlabe primary school. Work done include floors tiling, electrical wiring fixing, repairing of windows and ceilings, providing new cupboards and chalk boards and erection of fencing around the school and paving	Learners and teachers	371 learners and 14 teachers including the principal have benefitted from the project	2014
2. Bursaries	Pilanesberg Platinum Mine – R1 000 000	None	Learners were offered bursaries in the fields associated with mining, agriculture and commerce.	Learners	15 learners benefitted so far	2012 - present
3. Learnerships	Pilanesberg Platinum Mine –	None	School leavers were awarded learnerships in boiler making, diesel mechanic, electrical, fitting and turning and instrumentation.	Youth	30 Youth from Motlabe and other surrounding communities have benefitted	2012 - present

Project Category 2: Community Infrastructure

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Water reservoir repairs	Pilanesberg Platinum Mine –	Moses Kotane Local Municipality	In addressing water shortages Motlabe PPM repaired 10 000 litres steel water reservoirs	Motlabe and surrounding communities	Residents without running water benefitted	2014
2. New boreholes drilling and renovation of old boreholes	Pilanesberg Platinum Mine –	Moses Kotane Local Municipality	12 new boreholes successfully drilled and older boreholes refurbished and new equipment's installed	Motlabe and surrounding communities	Residents without running water benefitted	2012 - 2014

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
3. Temporary water relief	Pilanesberg Platinum Mine –	Moses Kotane Local Municipality	15 water tanks (5000 litres) with stands have been distributed to Motlhabe, Lesetlheng and other surrounding villages	Mothlabe and surrounding communities	Residents without running water benefitted	2012 - present

Project Category 3: Health

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Refurbishment of clinics	Pilanesberg Platinum Mine – R770.500	North West Department of Health	Mothlabe clinic was refurbished to comply with Department of Health National Standards. The work done includes plumbing, installation of smoke detectors, patient call system and vinyl sheeting.	Mothlabe and surrounding communities	Mothlabe and surrounding villages are receiving better primary health care	2014
2. HIV/AIDS, TB and cancer awareness	Pilanesberg Platinum Mine –	North West Department of Health	PPM developed public awareness and education campaigns to address HIV prevention, treatment and care. Also, included in the awareness campaigns is the diagnosis and treatment of cancer.	Mothlabe and surrounding communities	Mothlabe and surrounding villages are receiving better primary health care	2014
3. Paramedics training	Pilanesberg Platinum Mine – R120,000	North West Department of Health	PPM sponsored unemployed community members' paramedic training course to improve clinic emergency response.	Unemployed community members	Five succeeded and are registered with health professional council	2014

Project Category 4: Enterprise Development

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Community brick making projects	Pilanesberg Platinum Mine –	Department of Trade and Industry (DTI)	The aim of the project is to create employment. Project involve construction of brick making plant equipped with front-end loader, forklifts, a weigh bridge, screens and conveyors to the crusher. The project produce cement stick, maxi blocks and interlocking paving bricks.	Unemployed community members in Mothlabe and surrounding villages.	Beneficiaries received training in brick making 35 community members were employed	2010 - present
Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
2. Agriculture farm projects	Pilanesberg Platinum Mine –	Department of Trade and Industry (DTI)	The farm is located few meters from the mine. It consists of 18 fully fledged farming tunnels equipped with automated irrigation and fertigation units. It also includes cold room storage. The chief objective of the project is poverty alleviation through employment creation	Unemployed community members in Mothlabe and surrounding villages.	49 community members employed. Vegetables are sold in the local villages, schools and local retailers	2010 - present

Summary of Mining companies CSR projects at Sefikile communities

Project Category 1: Education and skills development

Name of Project	Funder	Partners	Project Description/Objective	Target beneficiaries	Project Output	Project Duration
1. Refurbishment of Okomeleng Primary School	Anglo American Union Mine -	North West Department of Education	The main objective was to improve learning and teaching by improving school infrastructure problems Work done include floors tiling, electrical wiring fixing, repairing of windows and ceilings.	Learners and teachers	Learning and teaching improved	2015-current
2. Teacher and learner support	Anglo American Union Mine -	North West Department of Education	The project was introduced to address poor results in mathematics, science and technical subjects. Mine funded DoE teachers training to improve pedagogical knowledge and supply of supplemental learning and teaching support materials.	Learners and teachers	Learning and teaching improved	2015-current

