

**LOCAL PERCEPTION OF THE IMPACT OF CORPORATE SOCIAL
RESPONSIBILITY OF THE MINING COMPANIES ON LOCAL COMMUNITY
DEVELOPMENT IN FETAKGOMO-TUBATSE LOCAL MUNICIPALITY, LIMPOPO
PROVINCE**

by

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DECLARATION

I, Dilakane Abel Phasha, the undersigned, hereby declare that the work contained in this mini-dissertation is my own original work and that I have not previously, in its entirety or in part, submitted it at any university for a degree.

Mr Dilakane Abel Phasha

Signature:

A handwritten signature in black ink, appearing to read 'Dilakane Abel Phasha', with a horizontal line extending to the right.

Date: 20 March 2020

DEDICATION

I dedicate this master's degree to my children who encouraged me to complete my studies, for their patience during hard study times, and unconditional love and support. I owe from my heart much gratitude to my parents, Modipadi and Phaahla, who supported me throughout the difficult periods from humble beginning of my education journey. My grandparents, Sebotse sa Moshita, Modipadi, Halengwana and Bauba; may your souls rest in peace. To my niece Dimpho, I wanted you to attend my graduation ceremony but unfortunately GOD had other plans about your life, may you soul rest in peace. My family, for showing confidence in me, their words of encouragement, not doubting my capacity and abilities, gave me strength and confidence to carry on to the end. Most importantly, I am grateful to my extended family, my wife, Kutwadi a Notlo Ngwana Mampeule and my children Keratilwe, Phaahla, Modjadji and Mahlwaleopeng. You all gave me inspiration to continue studying.

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ABBREVIATIONS

BBSEE Broad Based Socio-Economic Empowerment

BEE Black Economic Empowerment

CDWs Community Development Workers

CSR Corporate Social Responsibility

HDSA Historically Disadvantaged South Africans

IDPs Integrated Development Plans

LPD Limpopo Development Plan

LPGDS Limpopo Provincial Growth and Development Strategy

MPRDA Mineral and Petroleum Resources Development Act

NGO Non-Government Organisation

PPP Public Private Partnership

SEZ Special Economic Zone

SLP Social Labour Plans

SD Sustainable Development

SMMEs Small, Medium and Micro Enterprises

UNDP United Nation Development Programme

WBCSD World Business Council for Sustainable Development

ABSTRACT

The purpose of this study was to analyse the local perception of the Corporate Social Responsibility (CSR) of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo, South Africa, adopting a qualitative research method. Interview transcripts and field notes represented the primary data from which thematic analyses, labelling and organising evidence in themes and categories as they emerged out of the data rather than being imposed on research participants prior to data collection and analysis. The findings revealed that mining companies are partially contributing to the development of the communities where they do their operations and their impact is minimal. Their CSR projects lack sustainability and are not primarily changing the lives of the people due to high levels of under-development, illiteracy levels, lack of skills, unemployment and structural abject poverty in their mining communities.

KEY CONCEPTS.

Corporate Social Responsibility, Community Development, Mining Companies, Mining Communities, Integrated Development Planning.

CHAPTER 1: CONTEXT OF THE STUDY

1.1 Introduction.

In his state of the Nation address, the President of the Republic of South Africa Cyril Ramaphosa pronounced that the mining industry is an area that has massive unrealised potential for growth and job creation (SONA, 2018). The President further committed the South African government to work with mining companies, unions and communities to grow the sector, attract new investment, create jobs and set the industry on a new path of transformation and sustainability. Social development and sustainability in the mining sector is a critical factor as outlined by the Mineral and Petroleum Development Act 28 of 2002, affirming the state's obligation to protect the environment for the benefit of present and future generations, to ensure ecologically sustainable development of mineral and petroleum resources and to promote economic and social development. The Act further recognises the need to promote local and rural development and the social upliftment of the communities affected by mining through Corporate Social Responsibility.

Corporate Social Responsibility (CSR) is the process by which companies integrate social and environmental concerns into their business operations and transactions with stakeholders on a voluntary basis (Dahlsrud, 2006:7). From the above definition, apart from making a profit, mining companies should equally concern themselves with the activities that can improve the lives of the communities which touch operations. However, efforts made to operationalise CSR in the mining industry have often had little impact, especially in developing countries (Kapelus, 2002:275). It is frequently argued that this stems primarily from the inability of practitioners to agree on a universally accepted definition of CSR. CSR has great potential in addressing socio-economic challenges and meeting the development goals of a developing nation (Busisipho, 2015:4). This can be exemplified by the large CSR budgets of major mining companies. Between the years 2012 and 2014, Anglo American Platinum spent ZAR 100 million (\$9.4 million) on education programmes in Limpopo and North West provinces. This demonstrates the significant financial capacity that mining companies can contribute towards developing the education sector, among many other causes they support. The CSR agenda and practice of mining companies faces many challenges that militate against the effective realisation of their stated primary CSR objectives. These challenges include the lack of co-

ordination and co-operation with relevant stakeholders, weak policy alignment with key official development plans, and poor monitoring and evaluation once the projects have been initiated (Busisipho, 2015:4).

CSR has been enshrined as one of the most crucial aspects for justifying the sustainable growth of humankind from the aspect of firm growth (Michael, Ashwin, & Vedvyas 2014:45). In terms of mining, we can closely associate CSR with the strategic decisions that need to be taken, from the exploration stage to closure, which are associated with uncertainty and risk. CSR must not be perceived as an idea, rather as an aim to incorporate our present mining operational schedule and be viewed as a long-run social investment programme. This is because the economic considerations of CSR have lost its importance because they compromise or undermine other key aspects like the environment and hence, in recent years, mining companies have assessed alternative ideas for sustainable development. This opens the aspects of environmental, social and legislative responsibilities towards a healthier tomorrow and places proper appreciation on safety concerns (Amit & Wernerfelt, 1990, in Michael et al., 2014:45). Every firm glorifies the image of CSR as a practically implemented action towards sustainability. This helps firms maintain relations not only with stakeholders and potential investors, but also with the community (Michael et al., 2014:45).

The relevance of CSR policies in mining industries has always been intended to create overall development. We have been oblivious to the social and ecological premises of growth. Cost benefit analyses have assumed the most importance, with human development ascertaining minimal value (Jenkins, 2004). The social and ecological legitimacy of projects has never been taken into consideration and this is the primary reason why many mining companies are now beginning to generate broad proper plans not only to augment ecological concerns, but also to justify social needs.

The new South African state, post 1994, emphasised the need to implement appropriate CSR policies which would lead to accountability and transparency (Mukwarami, Nyirenda & Fakoya 2017:140). The pressures for reporting and the implementation of new mining legislation have brought many changes (Mabuza et al., 2010 in Mukwarami et al., 2017:14) which led to a well-co-ordinated CSR adoption. In response to the public calls on attitude change in the mining sector, the

South African government put in place legislation to regulate CSR in the mining industry, both internally and externally. The emergence of new mining codes and regulations specifically targeting the governance of natural resources (known as fourth generation) has been witnessed in recent years (Baseda & Martin, 2013, in Mukwarami et al., 2017 :140). However, the South African government continues to introduce a variety of ways of encouraging and enforcing mining firms to comply with CSR policies. The wealth distribution mechanisms, such as BBBEE and MPRDA, have been implemented to ensure compliance with the economic transformation process.

Fetakgomo-Tubatse Local Municipality is endowed with mineral resources and has 22 mining companies actively operating, with more new mines to open in the near future. The mining sector contributes to or accounts for 34 % of the municipal Gross Value Add (Fetakgomo-Tubatse Local Municipality IDP 2017/18). The mining industry has been viewed as a key driver of economic growth and the development process, as lead sector and economic well-being (David, 2008:88). With a period of more than two decades of mining operations in Fetakgomo-Tubatse Local Municipality, the research aims to analyse local perception of the impact of the mining industry's Corporate Social Responsibility (CSR) on local community development.

1.2 Problem statement

The socio-economic problems in South Africa seem to be a permanent feature due to the dark history which is coupled with untold hardships (Mukwarami, Nyirenda & Fakoya 2017:137). Particularly in the South African mining communities, socio-economic challenges such as: poverty, diseases, uncontrollable migration, and family breakdowns are a cause for concern (Saksenberg, 2013, in Mukwarami et al.: 137). The effects of economic imbalances have continued to widen the gap between the rich and the poor, in addition to the extractive industry's negative economic, social and environmental impacts. This has resulted in CSR becoming an important theme among mining firms in South Africa (Hamann & Kapelus 2004).

The socio-economic problems mentioned above are no longer a secret in South Africa. This is evidenced by the Marikana massacre which Saksenberg (2013, in Mukwarami, 137) claims was triggered by the growing dissatisfaction of the mine

workers and communities with the lack of development in several key areas that mining policies are meant to address. The stakeholders' utterances regarding lack of socio-economic concerns by the mining sector will, without doubt, lead to implosion and eventually explosion if necessary or corrective actions are not taken in time. The concept of CRS is not entirely new to business organisations (Ako, 2009). The modern formulation of CSR obliges organisations to consider the interests of society and take responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

Despite contributions of the mining industry to the South African economy, this industry has impacted negatively on the environment and society for many decades. Instead of contributing to society, the mining industry is found more often neglecting their CSR, mostly in pursuit of financial profit (Bester & Cronje, 2014:201). Bester and Cronje (2014:201) further state that it is mostly local populations living close to the mining operations that pay the price of social and environmental damages and degradation, while the industry benefits are measured in economic and political terms. Such an imbalance between the economic, environmental and social factors makes Sustainable Community Development impossible to achieve. The mining sector in South Africa has enjoyed decades of profiteering and unchecked neglect of the developmental needs of surrounding communities.

Several academic studies show that mine-related conflict revolves around six issues, namely: (a) land ownership; (b) 'unfair' compensation; (c) inequitable resource distribution; (d) environmental degradation; (e) mine-induced poverty; and (f) conflict over human rights abuses (Willice, 2015:485). Because there tends to be an expectation that mine developers will finance tangible projects and services, CSR could be an important vehicle for pacifying local communities and minimising the impact of the above mentioned issues. Most of the communities surrounding South African mines experience social problems that include poverty, poor health, unemployment, adult illiteracy, poor housing, family disorganisation and a high influx of unaccompanied migrant labour (Mathabatha, 2011:2). The government, through the Mining Charter and the Mineral and Petroleum Resources Development Act (MPRDA), has put pressure on mining organisations in South Africa to start behaving like corporate citizens, taking social responsibilities and working towards sustainable development in the areas in which they operate (Cronje, Theron & Chenga, 2005).

This is because the mining industries are not permanent economic institutions in the communities. They exist primarily for business objectives and profit making. When the mineral resources are exhausted, the mining industry will move out of the communities, leaving shallow holes, a dilapidated environment and distressed communities and townships.

The problematic primary social practical behaviour in mining communities is that the establishment of a mine tends to change the socio-economic and political factors of the mining communities as if there was no life before the mine started its operation. The socio-economic and environmental livelihoods of the community must not be dependent on the mining companies. Through CSR, the mining companies needs to develop integrated and sustainable community development programmes which must enable community members to have a broader life outlook outside the mining sector, environmental rehabilitation and survival beyond the mining closure.

The study aimed to analyse the impact of the mining companies CSR in the communities of Fetakgomo-Tubatse Local Municipality, Limpopo. This municipality is endowed with exceptional mineral resources in its rural nature and status. While the mines promise jobs and development, it is unusual for a community that is affected by the mining to see these benefits (Centre for Environmental Rights and lawyers for Human Rights: 2014). There is a high level of community dissatisfaction at the local level evidenced by monthly demonstrations and road blockading to the mines in demand of jobs, skill development, community development and business opportunities. The Centre highlighted that before a company can start mining, it must prepare a social and labour plan (SLP). The social and labour plan defines what jobs will be available at the mine and what steps the mining company will take to develop the skills of mine workers. The SLP includes the infrastructure development and poverty eradication project that the mines will support in line with the local integrated development plan and these can include job creation projects.

1.3 Aim of the Study

The aim of the study was to analyse the local perception of the impact of corporate social responsibility of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo. This is because local mining communities are mostly left out on the decision making on CSR leading to its impact

in the communities minimal. The study wanted to understand the perception of the local communities, whether they are consulted and satisfied with the support they receive from the local mining companies through CSR.

1.4 Research Objectives

The primary objective of the research was to analyse the local perception of the impact of corporate social responsibility of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo.

As outlined in the study context above there are many mining companies in FTLM but there has not been any comprehensive study to analyse the perception of the local communities in relation to the impact of the mining companies CSR on local community development.

The secondary objectives were:

- To determine the types of community development projects by mining companies.

There are different interventions or support by different mining companies across all the mining communities of FTLM through CSR. This objective therefore aimed to determine the types of CSR in the local communities. Understanding and determining the types of CSR by the mines in the local communities will assist the study in analysing their relevancy to local community needs.

- To analyse the impact of the CSR on community development.

It is not enough just to determine the types of CSR in the local communities but to further analyse the level of impact in the local communities on a variety of aspects like jobs creation, skills development, community infrastructure support and other socio-economic interventions which has potential to change the lives of the local communities. Undertaking socially responsible initiatives is truly a win-win situation. Not only will the company appeal to socially conscious consumers and employees, but the company will also make a real difference in the world. Stephens (2014: 6) says companies need to understand what their core social purpose is and how that aligns with their stated mission, to create a cohesive CSR strategy.

- To identify strategies and approaches to enhance sustainable community development through corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality.

The purpose of any research is to find solutions to a given problem. It is imperative that the study suggest guidelines in terms of policies and strategies to all affected stakeholders in the mining sector through CSR to enhance its impact in the local communities.

1.5 Research Questions

The research posed several questions, including the following: -

- What are the types of community development programmes by mining companies in Fetakgomo-Tubatse Local Municipality?

The question probed for different interventions by different mining companies across all the mining communities in order to determine the types of CSR in the local communities.

- What is the impact of the CSR on local community development?

The question aimed to analyse the perception of the local people about the level of impact in the local communities development on a variety of aspects like job creation, skills development, community infrastructure support and other socio-economic intervention relevant to change the lives of the local communities by mining companies CSR.

- What strategies and approaches can be suggested to enhance sustainable community development through of corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality?

This question advanced the study to suggest possible strategies and guide policy makers and all affected stakeholders on how to enhance mining companies CSR impact to local community development.

1.6 Significance of the Study

The research provided a detailed insight into the activities of mining operations in the communities under study and evaluated the extent to which they are contributing to the development of the communities through their CSR. This may be useful in terms of policy development and review on the use of the country's mineral resources.

The research added value to the academic environment, policy direction and social dialogue on evaluating the impact of the mining company's corporate social responsibility on community development and social upliftment of the people who live within the operating mining communities and beyond. It contributed to the body of knowledge on the mining companies CSR on local community development in Fetakgomo-Tubatse Local Municipality and the whole country.

Recommendations derived from the research findings were shared with key stakeholders in the mining industries, policy makers, the municipality mining forum, traditional leadership councils, community libraries, Thusong Service Centre, academic institutions, researchers, students and relevant government institutions and departments.

1.7 Definition of Concepts

Corporate Social Responsibility: There is no universally accepted definition of Corporate Social Responsibility (CSR). CSR means different things to different companies, their communities and their circumstances. It relates to important social, safety, health and environmental factors to which company management must have adequate regard in the communities where they are doing business (Iren-Marie, 2011:321). From a global perspective, the World Business Council for Sustainable Development (WBCSD) has revised its definition of CSR over time (Buisiphon, 2015:2). Initially, CSR was referred to as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". Later, the WBCSD changed this to "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life". This definition confined CSR as an approach by the business

sector to care for the community around their business area across the environmental, economic and social aspects. Deepankar and Priya (2013:4) say that CSR is a means by which companies can frame their attitudes and strategies towards, and relationships with, stakeholders, be they investors, employees or, as is salient here, communities, within a popular and acceptable concept.

Community Development: Swanepoel and De Beer (2011:36) argue that community development is the educational process by which people change themselves and their behaviour and acquire new skills and confidence through working in co-operation. Community development is a process where community members come together to take collective action and generate solutions to common problems. Community well-being (economic, social, environmental and cultural) often evolves from this type of collective action being taken at a grassroots level. Community development ranges from small initiatives within a small group to large initiatives that involve the broader community (PeerNetBC 2012:1). This is a process in which community-based groups manage their existing resources to stimulate economic activity in an economic area focusing on alleviating poverty and the redistribution of wealth (Akpalu and Parks, 2007).

It is a collective activity in that a group of people sharing mutual problems, need, sentiment or concern act together and share in concert and share a certain responsibility for the action. Such a collective action is a human activity, dealing with human problems and needs (Akpalu and Parks, 2007).

It is the deliberate process wherein small, geographical communities are assisted by the more developed communities to achieve in enhancing their standards of socio-economic life. Community members take the centre stage through their intellectual and indigenous efforts. Community participation, mobilisation and empowerment takes the centre stage following all project management life cycle to enable communities to become increasingly self-reliant.

Development: Swanepoel (1990:67) defines development as a process by which the members of a society increase their potential and institutional capacity to mobilise and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations. The word

'development' can have several implications. For the sake of this research however, it is understood to denote welcomed progress in the political, economic or social situation in an area of the world caused by growth, change or elaboration (Lamin, 2004:1). A common theme within most definitions is that 'development' encompasses 'change' in a variety of aspects of the human condition. Development means changes which allow human beings, both as individual persons and as members of groups, to move from one condition of life to one which is more humane in some meaningful way (Goulet, 1960:14).

Sustainable development: The Brundtland Report defines sustainable development as the satisfaction of present needs, without compromising the capacity of future generations to satisfy their own needs (WCED, 1987). Hjorth and Bagheri (2005:76) gave a summary on the origin of sustainable development when they point out that it was the Brundtland Commission that gave momentum to the concept of Sustainable Development and this momentum was further added to the Rio summit, through its Agenda 21, joining the three dimensions of environment, economy and society. Sustainable development introduces a process to save basic natural resources from being ruined and emphasises the forgotten key role of the environmental services in the improvement of livelihoods and incomes.

Mining is the extraction of minerals (such as platinum, gold, coal, diamonds, sand) from the earth. This may happen in different ways, including underground, opencast and re-mining of old mine waste (Centre for Environmental Rights and lawyers of Human Rights: 2014).

1.8 The legislative and policy framework of mining CSR

The systematic marginalisation of many South Africans, facilitated by exclusionary policies of the apartheid regime, prevented Black Persons, as defined herein, from owning the means of production and from meaningful participation in the mainstream economy. To redress these historic inequalities, and thus give effect to section 9 (equality clause) of the Constitution of the Republic of South Africa, 1996 (Constitution), the democratic government enacted, inter alia, the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002). The objective of the MPRDA is to ensure the attainment of the Government's objectives of redressing historical, socio-economic inequalities and ensuring broad based and meaningful

participation of Black Persons in the mining and minerals industry. Section 100 (2) (a) of the MPRDA provides for the development of the broad-based black economic empowerment charter for the South African mining and minerals industry as an instrument to effect transformation with specific targets. Ministry of Corporate Affairs (MCA) has made Corporate Social Responsibility mandatory for certain class of Companies from 01.04.2014 as per the provisions of Section 135 of Companies Act 2013 along with Companies(Corporate Social Responsibility Rules) 2014 & Schedule VII. CSR cannot be termed as charity. It is a way to make social good towards various aspects of society and environment. CSR also helps company to make brand name towards its customers and bolsters the goodwill & growth amongst the general public.

The days when the government was the exclusive social change agent and the absolute macro problem solver are becoming part of the past. Different role players, particularly the private sector, have a bigger role to play in community development through CSR. There is a need to comply with relevant regulations and to satisfy the public scrutiny, among others, and to address the community socio-economic ills which are concerning within the South African mines (Mkwanazi, Nyirenda & Fakoya, 2017: 142). In any case, for one reason or the other, the consideration of the so-called “triple-bottom line”, that incorporates people, planet and profit, is a reality within the corporate world that cannot be ignored by corporations claiming to have good governance policies and high moral standards.

A shift took place at the turn of the century in which notions of sustainability and corporate social responsibility (CSR) further modified the role of the state, emphasising the adoption of voluntary forms of regulation in which corporations would voluntarily modify their conduct in exchange for further deregulation (Suzanne, 2010:67). Key to this was the engagement of community groups that are supposed to provide enhanced local level regulation. This approach is heavily promoted by the World Business Council for Sustainable Development (WBCSD) (Walker & Howard, 2003). The United Nations Development Programme (UNDP) adopted a similar notion of business in development by encouraging a 'triple bottom line' in which corporations were expected to reconcile environmental and social considerations with financial profitability. This required that they obtain not only an operating licence from government but a social licence from the community (UNDP, 2004).

CSR is more prominent in the Companies Act of 2008. Section 7(d) confirms that one of the purposes of the Act is to reaffirm the concept of the company to achieve economic and social benefits. Companies should analyse the prospects of CSR in the same way they do their core business choice. Companies should choose a point of intersection between society and their businesses, choosing social issues to address, creating a social agenda and adding a social dimension, making social impact integral to the overall strategy. The most strategic CSR occurs when a company adds this social dimension, making social impact integral to the overall strategy (Demetriades & Auret, 2014:10).

The mining companies in Fetakgomo-Tubatse Local Municipality are operating in silos and are uncoordinated, taking a larger role and passively participating in social, economic, environmental and community projects under the concept of CSR for many intentions, but primarily on community development. This is because not all CSR efforts in South Africa result from voluntary or indirect business decisions; some of them are the product of corporate compliance with the Black Economic Empowerment (BEE) legislation. Over and above the variety of different dimensions and approaches to CSR, Iren-Marie (2011:317) contends that CSR is based upon the concept of good citizenship.

In supporting the above statement, Iren-Marie (2011:321) outlines CSR as a general voluntary and legal involvement, or investment of companies in social projects. This involvement helps in advancing community development in areas such as health care, housing, education, economy, safety, the environment and food security, among others. The King III (2009) report indicates that because a company is so integral to the society, it must therefore act as a responsible citizen. The King report further extrapolates the statement on companies being integral to the society through construed involvement following the triple-bottom line approach by considering social, environmental and economic factors when managing their businesses. The King III reports emphasises CSR principles and that companies must act as responsible corporate citizens.

1.9 Conclusion

This chapter outlined the background to our study by giving its context, the problem statement, aim of the study, research objectives, research questions, the legislative and policy framework. It further stipulated the significance of the study and definition of key concepts like CSR, development, community development and sustainable development. The next chapter reviews the literature on CSR of mining companies' impact with a focus on community development, theoretical framework to CSR, Social Labour Plans and IDP, intellectual crisis in the context of sustainable development and building a socially responsible business.

1.10 Structure of the report

CHAPTER TWO: LITERATURE REVIEW

This chapter focusses on the review of the previous research studies on relevant information on the CSR of mining companies on community development. Literature review included journal articles, conference reports, newspapers and books addressing the role of CRS mining companies in community development. In brief, the literature review covered both the primary, secondary and tertiary sources of literature. The literature review covered critical analysis from those who deemed CSR of mining companies as being effective to those who propose a more intensive approach to CRS of the mining companies.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

This chapter presented the nature of the study, research design, population and location of the study, sampling procedure, data collection methods and instrument, pilot testing, ethical consideration and data analysis. The chapter further gave a detailed description of the both the population, sampling method and how data was collected.

CHAPTER FOUR: PRESENTATION OF THE STUDY DATA

The chapter presented the study data collected by the researcher and focused on the presentation of the study findings. The presentation flow was in line with the methodology outlined in chapter 3 of the study.

CHAPTER FIVE: DIVISION OF THE STUDY RESULTS AND RECOMMENDATIONS

This chapter discussed study findings, recommendations and the conclusion of the study guided by aligned presentation of study data from the methodological approach and research objectives.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The primary objective of the research was to analyse the local perception of the impact Corporate Social Responsibility of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo.

The secondary objectives were to determine the types of community development programmes by mining companies, to analyse the impact of the CSR on community development and to identify strategies and approaches to enhance sustainable community development through corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality.

The chapter describes the CSR activities of the companies in the Fetakgomo-Tubatse Local Municipality (FTLM) by focusing on reviewing existing studies on the link between the CSR activities of mining companies and the development of communities in which they operate. The chapter outlines the CSR activities of the mining companies which operate in the Fetakgomo-Tubatse Local Municipality to have a better understanding of its nature and practice. It analyses the different theoretical approaches that attempt to explain the impact of CSR on community development. An important aspect of the chapter is the review and critical analysis of existing studies on the subject, focusing on their methodological approaches, key findings and recommendations. The purpose of the literature review is to assess what research has been undertaken about the study, to identify any knowledge gaps and the development of new information and trends in the study field. Finally, based on the review, the author explains how the investigation is expected to contribute to knowledge on the subject.

2.2 The types and practice of CSR in Fetakgomo-Tubatse Local Municipality

In line with objective one of the study the purpose of the section is to discuss the types and practice of CSR in the municipality. With different intervention by different mining companies across all the mining communities, this objective aimed to determine the types of CSR in the local communities and how the mines operationalise CSR compared to other areas.

Mining activities are supposed to offer opportunities for communities who live around them, and this may explain why governments in mineral-rich countries tend to invite mining companies to come and invest in the sector. Some of the potential benefits include the employment of local labour (skilled and un-skilled), the development of infrastructure such as roads, schools and clinics through the Corporate Social Responsibility (CSR) activities of the companies, the growth of small to medium enterprises through sub-contracting and other preferential procurement arrangements between the mines and these enterprises. Overall, there is potential to improve livelihoods of communities in mining areas (Ako 2009).

The following are some of the mining houses which have different operations across Fetakgomo-Tubatse local municipality: - Anglo American, Anglo Platinum, African Rainbow Minerals (ARM), Extrata Glencor, Impala, Samancor and Assore. The prevalent minerals mined are chrome, platinum and granite mining. The local municipality, through the mining forum structures, is in the process of facilitating effective governance structures and systems for effective formulation, implementation and monitoring of CSR. This is one of the grey areas that the research might assist in developing some strategy for CSR effectiveness. The local municipality is unable to facilitate and co-ordinate CSR by the mining companies through their IDP, leading to duplication of services and in some cases, poor and ineffective interventions.

CSR of the mining companies' decision making is championed by the mining companies. The community are playing a passive and reactive role in terms of which projects should be supported. The mining companies make CSR decisions based on their agenda to fund specific projects. There is a need for dynamic consultation and participation in decision making from the community on CRS, guided by community needs and priorities. The SLP, which are mandatory documents, should serve as a tool and baseline for community driven needs and CSR intervention.

The mining CSR in Fetakgomo-Tubatse Local Municipality ranges from building of school infrastructure, educational support like bursaries and curriculum support, roads infrastructure, community structure like halls, creches, clinics, libraries, SMME support and services like access to water and health facilities, as exemplified by the ARM 2017 annual report. According to FTLM IDP (2017/18), the following are

examples of the CSR carried out by mining companies in our study area as reflected by African Rainbow Mineral (ARM) which operates two mines, namely, Modikwa and Two Rivers mines. ARM reported the following CSR achievements in their annual report (2017: 37): ARM Platinum invested R29 million in LED in terms of their SLPs (Financial year 2016: R17 million). CSI expenditure was R11 million (Financial 2016: R5 million), bringing the total investment in CSR projects to R40 million (Financial 2016: R22 million). This information on annual spending and CSR reporting is published on the website and annual reports of all the companies mentioned above. FTLM has also established a forum called FTLM Mining Forum through their Local Economic Development Unit, chaired by the Mayor of the Municipality. It is at this forum where all the mines report on a quarterly basis about their programmes and projects in relation to community development and support.

The biggest challenge, as highlighted by the FTLM IDP (2017/18), is the exclusion of locals in local supply chain deals and transactions that often ferment local hatred against mining operations, poor co-ordination and monitoring of implementation of CSR programmes which are often not meeting or being driven by community needs and lack sustainability.

2.3 Review of studies on impact of CSR

The corporate social responsibility (CSR) agenda has been a part of the global debate on socio-economic development for many decades. Corporate Social Responsibility is perceived as a promising driver for development in developing countries (UN, 2006). Hence, CSR activities of internationally operating corporations (IOCs) are expected to constructively contribute to the eradication of developmental issues such as poverty, hunger and disease, while fostering education, values of equality, and economic prosperity in a sustainable manner (UN, 2006). Nevertheless, there is an on-going debate about the usefulness and effectiveness of CSR (Garriga & Melé, 2004), as there is still little evidence about the outcomes, while already known outcomes are questionable for the benefits of the poor and marginalised in developing countries (Blowfield & Frynas, 2005).

Yet the fact is that we know very little about the impact of CSR initiatives in developing countries, and what we do know raises questions about both the efficiency of CSR approaches and the tangible benefits for the poor and

marginalised (Blowfield & Frynas, 2005: 506). This quote represents and demonstrates critical voices and questions whether CSR brings about positive change in developing countries (Dobers et al., 2009). Therefore, scholars ask for further research that looks at the different societal outcomes of corporate responsibility (Aguilera et al., 2007). Considering the above theoretical debate and definition of sustainable development, it is therefore important to do a literature review on CSR studies and community development. While the advocates of social responsibility will continue to be grounded in tangible, operational elements such as ethical workplace practices or energy efficient companies, there are now demands to share more intangible values – such as what they stand for and what they are willing to stand up for. Recognising how important social responsibility, many companies now focus on and practice a few broad categories of CSR:

1. Environmental efforts: One primary focus of corporate social responsibility is the environment. Businesses, regardless of size, have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society.

2. Philanthropy: Businesses can also practice social responsibility by donating money, products or services to social causes. Larger companies tend to have a lot of resources that can benefit charities and local community programmes.

3. Ethical labour practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labour laws that differ from those in the United States.

4. Volunteering: Attending volunteer events says a lot about a company's sincerity. By doing good deeds without expecting anything in return, companies can express their concern for specific issues and support for certain organisations.

Community development has many characteristics, but the most fundamental characteristic of community development is that it follows an integrated approach to the problems of poverty and development, these being the eradication of poverty (Monaheng cited in Swanepoel, 2000:127). Monaheng, cited in Swanepoel (2011:127), states that integration in community development has two major

implications. The first is that the problems of development are multifaceted, and they should be tackled together in a co-ordinated fashion. The second element of integration is that different role players should co-ordinate their efforts.

In mining, local community involvement will ensure a reduction in the harm done to those in closest proximity to a mine while the mining company will contribute to the development of local business activities through the creation of small scale income-generating activities and micro-enterprises run by local community organisations and supported by the social development arm of the mining company, or via procurement contracts with entrepreneurial groups within the local community (Suzanna 2010:68).

The mining company will support greater training, public services, such as education and health, and the creation of public goods, such as clean water, transport, energy and infrastructure. It is also aimed at reforming small-scale mining, subjecting it to state regulation that will improve its environmental, health and safety records, and provide documented and taxable employment (World Bank, 2007). This approach would also contribute to improved community and employee relations, the development of supply linkages, reduced dependence on the mine for local economic wellbeing over time as well as bringing substantial benefits in terms of reputation, and good corporate citizenship (World Bank, 2007). The state would also benefit from increased revenues through enhanced mineral rent which it will direct to development, now defined as activities directed towards poverty reduction, in achieving its Millennium Development Goals.

In response to widespread and increasing criticism, the mining companies have started to pay serious attention to their environmental and social impact. This has recently manifested itself in the formulation of corporate social responsibility (CSR) policies and strategies and a proliferation of CSR, environmental, sustainability and community reporting (Jenkins, 2004:1). Through corporate social responsibility, the mines or any business identity has a responsibility to develop and support the communities in their juristic operation and beyond. The mining companies must be part of the solution to fight poverty, unemployment, inequalities and environmental challenges and through organised community development initiatives and not to be a problem to the communities where they operate.

Swanepoel and De Beer (2011:36) argue that community development is the educational process by which people change themselves and their behaviour and acquire new skills and confidence through working in co-operation. This definition may not be conclusive because there are different schools of thought about the definition of community development, but it gives the synopsis of what is community development. Mining communities form an integral part of mining development, which requires a balance between mining and the mine community's socio-economic development. A mine holder must meaningfully contribute towards the development of the mine community (with a bias towards communities where mining takes place) both in terms of impact, and in keeping with the principles of the social licence to operate. Mine community development projects, referred to above, must include infrastructure projects, income generating projects and enterprise development. District, metropolitan, and local municipalities as constitutionally mandated institutions for community development, have a responsibility to develop integrated development plans (IDP's) in consultation with all relevant stakeholders in a transparent and inclusive manner in terms of applicable legislation. A mine holder must contribute towards mine community development by identifying priority project/s as per the approved IDP.

The Broad Based Black Socio-Economic Empowerment Charter for the South African Mining and Mineral Industry, 2017 gives a summary of the role of the mining holders on community development as follows: -

- (a) In this regard a Holder's contribution towards Mine Community development must be proportionate to the size of the investment.
- (b) A Holder must meaningfully contribute towards Mine Community development in terms of its approved SLP which is to be published in English and other languages commonly used within the Mine Community.
- (c) All project management and consultation fees incurred during the execution of Mine Community development projects shall be capped at 8% of the total budget.
- (d) Holders may collaborate on projects where more than one right Holder operates in the same area informed by their SLPs, which are aligned to the district,

metropolitan and local municipality's IDP's for maximum socio-economic developmental impact.

Fetakgomo-Tubatse (2017/18 IDP) confirms that the level of poverty, inequality, unemployment, HIV/AIDS and social disparities continues to affect the people of Fetakgomo-Tubatse municipality. Solutions to the problems of poverty, population and the environment require active engagement of the private sector, especially the large multinational companies.

There has been a growing prioritisation of community related issues within the mining industries globally (Kemp, 2010). This can be attributed partly to escalating pressure from local level stakeholders to push mining companies to take greater responsibilities for social, economic and environmental impact of mining.

“CSR relates to important social, safety, health and environmental factors to which company management must have adequate regard” (Iren-Marie, 2011:317). CSR is a behaviour by businesses over and above the legal requirement, voluntarily adopted because it is deemed to be in the long-term interest of the company and the community where the company operates.

Corporations have come to realise that they cannot operate in isolation from the community and that good governance and social involvement go beyond the work performed in their own offices. Mining companies were mostly targeted for their alleged lack of consideration for the communities they worked in and to the environment. They need to follow accepted business trends and standards, potential enhancement of the company's image which can eventually translate into higher sales and lower employee turnover. Although generally, large multinational corporations are those that are more dynamic in the area of CSR, more and more companies from a variety of sectors and of different sizes are starting to show interest in socially responsible policies toward community development. This phenomenon should not only grow because of global growing trends and external pressures, but it can result in company efficiency gains.

2.4 Conceptual Framework on Corporate Social Responsibility

Social development and sustainability in the mining sector is a critical factor as outlined by the Mineral and Petroleum Development Act 28 of 2002, affirming the

state's obligation to protect the environment for the benefit of present and future generations, to ensure ecologically sustainable development of mineral and petroleum resources and to promote economic and social development.

The overarching theoretical framework of this research is sustainable development. The most widely used is the definition offered by the Brundtland Commission delivered on behalf of the World Commission on Economic Development: "to meet the needs of the present generation without compromising the ability of future generations to meet theirs" (Brundtland, 1987: 43). The notion of sustainable development has given rise to various visions of the future of the world, possible trade-offs and externalities. Although sustainable development requires the integration of the economic, environment and social dimensions of development, the economic considerations often override the environment and social considerations in most developing countries (Obiri, Preccious, Mattah & Phillip, 2016). While the current researcher focuses on the social component of sustainability, the three concepts are closely interdependent. Bansal (2004 :198) maintains that if any one of the three principles are not supported, economic development will not be sustainable.

Hjorth and Bagheri (2005:76) gives a summary on the origin of sustainable development when they pointed out that it was the Brundtland Commission that gave momentum to the concept of Sustainable Development and this momentum was further added to at the Rio summit through its Agenda 21, joining the three dimensions of environment, economy and society. Sustainable development introduces a process to save basic natural resources from being ruined and emphasises the forgotten key role of the environmental services in the improvement of livelihoods and incomes.

CSR, transparency and honesty about what one is doing is paramount to earning the public's trust (Stevens, 2014:9). The corporate world has more power than many realise and using that power to improve the world can bring people of all backgrounds, ages and interests together. Corporate social responsibility is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It is a concept with many definitions and practices. The way it is understood and implemented differs greatly for each company and country. Moreover, CSR is a very broad concept that

addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustainability.

Gasparatos, El haram and Horner (2007: 287) mentioned consensus on the debate on sustainability assessment as that it ought to:

- Integrate economic, environmental, social and increasingly institutional issues, as well as to consider their interdependencies;
- Consider the consequences of present actions well into the future;
- Acknowledge the existence of uncertainties concerning the result of present actions and act with a precautionary bias;
- Engage the public;
- Include equity considerations (intragenerational and intergenerational).

This consensus does not make concluding statements about the debate but is a collation of synergy from different scholars and scientists about their view on sustainability.

Despite CSR departments providing the main ‘interface’ between company and community, mining organisations are largely structured in a Western, industrial pattern and do not attempt to reflect or mirror the local cultural context, leading to an ethnocentric approach to engagement (Kemp & Owen, 2013:524). This theoretical imbalance of not considering the local cultural context for any type of development undermines the underlying principles of sustainable development and CSR approach to communities. Goulet (2008:9) in his work on the project of development ethics, emphasises that development ethics must start from how people in a given setting think and seek to make sense of the world and their lives and the forces and choices that face them. There should be the integration of the living experience of ordinary people with philosophical investigation and empirical social context. “Ethnographic attention shows up the unrealism of narrowly defined forms of realism found in various analysis in development economics, international relations and related policy studies” (Goulet, 2008:9).

CSR must consider the local cultural value systems and value change. It must posit to itself the existential core of the community that must be respected and built from and to have more internal and outer zones of flexibility where adaptation is real. To build development from the traditional is the very opposite of reactionary (Goulet, 2008:11). This is because the will of most Third World communities is anchored in the cultural values from which they derive their identity, integrity and sense of life's meaning. There can be no justification for labelling a development strategy founded on the latent dynamics in tradition, indigenous and local value orientation, as politically reactionary (Goulet, 2008:11). The local context which covers local cultural resources, skills and capacity must influence the decision-making process on CSR by mining industries.

Every mining firm has a pre-stipulated life, which determines the duration for which the mine affects the local community through sustainable benefits and the sustainable benefits are stipulated in the mining Social Labour Plans. Sustainability progresses in line with the decisions affecting the concerned community (Michael et al 2014: 46). The firm requires proactive policies and training with respect to mine employment and in the transfer of goods and services and must ensure that the three primary beneficiaries that govern the ultimate outcome, namely, the government, the community, and the company, work in parallel. The various impacts of mining on the social, economic and environmental structures, as well as sustainability issues, should be at the centre and hold maximum priority.

The mining industry's distribution of this wealth can be attained through income benefits on job creation, but these benefits also bring in or attract a lot of migrants, thus unbalancing economic harmony. "When it comes to evaluating environmental well-being, we look at availability prospects of clean air and water, the efficient utilization of the available resources and the adaptation of recycling methods for a better future" (Michael et al., 2014:46). The mining industry also needs to ensure the proper disposal of waste and attain zero discharge in a short space of time to mitigate factors leading to global warming. CSR policies should minimise remediation costs through progressive remediation and focus on re-vegetation for the post-mining use of land. On the social and cultural front, CSR policies should aim to develop the skills of local community members by providing them with

employment in all aspects of production. CSR policies should generate a sustainable amount of social capital to develop the community.

2.5 Intellectual debate on the role of mining in sustainable development

There is considerable scepticism over the role mining can and should play in developing countries moving forward and at the centre of the intellectual debate is the concept of sustainable development. The tone is often negative because of the evidence that points to “mineral-dependent states having significant higher levels of inequality than states with similar incomes: the more that states rely on mineral exports, the smaller the share of income that accrues to the poorest twenty percent of the population” (Pegg, 2006:377). This mineral dependent state translates to mineral dependent communities. Mining communities depend on the mines as if there was no life in their communities before the existence of the mines. Others believe this to be the case because they see mining as a new form of imperialism, specifically as a process in which foreign companies exploit resources at the expense of indigenes (Willice, 2015:487).

Some critics point to the quintessential manifestation of the exploitation and dominion of foreign monopoly capital over local interest (Graulau, 2008). However, as Mwanza (2014) cautions, local control of resources does not necessarily translate to locals’ economic well-being, for, as often happens, the local elite end up taking control of the process and enriching themselves at the expense of others. This control of resources increases economic disparities and inequalities between the elite and poor working class in the mining communities. In the developing world, few mining projects have generated lasting benefits for local economies, reinforcing claims of ‘Dutch Disease’ and the resource curse (see Arellano-Yanguas, 2008; Bebbington et al., 2008; Richani, 2004; Auty, 1998). Some scholars, such as Haber and Menaldo (2011), have rejected these hypotheses, instead pointing out that mineral exploitation can yield positive benefits.

Bebbington et al. (2008:969–970) argue that the main reason why there seems to be an inverse relationship between mineral wealth and development is the low level of governance found in developing countries, manifested as a lack of transparency,

corruption and the misappropriation of state revenue. Karl (cited in Bebbington et al., 2008) attributes this under-performance to the interference of politics in matters that are economic. In other words, if the so-called Dutch Disease or resource curse is inevitable, then mineral-rich countries, such as Botswana and South Africa, would have suffered immensely as well, which has not been the case.

The terms Corporate Social Responsibility, Sustainability, Sustainable Development and Corporate Responsibility all broadly refer to the same concept which covers environmental, social and economic performance in varying levels of detail (KPMG, 2005). The World Business Council for Sustainable Development (2004) cited by KPMG (2005:10) defines Sustainable Development as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life”.

The intellectual crisis in the context of sustainable development is premised by the conflicting historical backgrounds and thinking definition attempts made by many scholars and researchers. “The call for sustainable development was a redirection of the enlightenment project, a pragmatic response to the problems of the times. While the broad goals were widely embraced, critics argued that steps towards their implementation would be thwarted, first by fundamental contradictions between the renewed call for economic growth in developing countries and enhanced levels of ecological conservation; and second by the inattention to power relations among the local to global actors and institutions supporting unsustainable development” (see Lele, 1991 in Sneddon, Howarth & Noorgaard, 2005:254). “SD is a thinking model and simulation methodology that was specifically developed to support the study of dynamic behaviour in complex systems” (Hjorth & Bagheri 2005:80).

2.6 Mining and Development: Blessing or Curse?

Before the discovery of minerals in Fetakgomo-Tubatse Local Municipality, the communities were living in rural cultural and traditional settlement like any other community in the rural Sekhukhune District, Limpopo of South Africa. For many centuries, agriculture and farming were their livelihoods, survival and economic drivers. The relationship between mining and development has long been debated, with perspectives on mining's role in national development relatively polarised (Littlewood, 2013:40). On the one hand are the mining industry, mining advocates

and many international institutions, including the World Bank Group, who continue to advocate mining as a national development strategy (Campbell, 2009 in Littlewood, 2013:40). They suggest that mining creates employment, provides taxation revenues for developing country governments, creates opportunities for value addition and beneficiation, and that through CSR charitable giving, mining companies are now making a more direct contribution to development and poverty alleviation.

The proliferation of mining has a macro national beneficiation value more than the micro community level where mining operations takes place. For CSR to make an impact, it must be elevated above charity and be more on community local context impact driven. It requires high levels of participatory engagement which must lead to sustainable community development and empowerment.

However, in counterpoint to these claims, there is a well-developed body of critical academic and wider literature, disputing the positive role of mining in national development. Drawing upon 'resource curse' theories, it is suggested that resource abundance creates a series of economic and political distortions (Littlewood, 2013:40). It is argued that natural resource abundance can be bad for economic growth, can foster mineral dependency and market vulnerability, can stunt the development of non-mineral sectors, and that resource extraction occurs within enclave economies limiting multiplier effects (Szablowski, 2002 in Littlewood, 2013:40). The current declining state of socio-economic development, skewed settlement and poor infrastructure amidst the mining boom in Fetakgomo-Tubatse Local Municipality attests to this academic analysis by the above-mentioned scholars. The office of the Presidency in South Africa declared this Municipality as one of the prioritised mining towns for the revitalisation of distressed mining towns programme (Presidency 2015 June 30). The growth and development of mining companies has put more stress and pressure on the local authority to deliver services due to the high influx of people, drawn by mining economic opportunities. Over-population, traffic congestion, lack of housing and broadly, service backlogs, are becoming the order of the day in Fetakgomo-Tubatse Local Municipality.

The ambiguity which surrounds the contribution of mining to national development is replicated in relation to its role in regional and local economic and social development (Littlewood, 2013:40). Advocates of mining argue that it creates local employment, provides economic opportunities, and that mining companies often

invest considerable resources in improving local health and education services, while also investing in 'host' communities through charitable giving (IIED 2002). They furthermore suggested that given the frequent geographic isolation of host communities, mining often represents the only viable option such communities have for socio-economic development. The advocates of mining are making an ideal analysis which is not realistic, guided by the mining communities' socio-economic status in many rural areas of South Africa. They tend to forget that rural communities had their own indigenous ways of survival for many centuries in different socio-economic circumstances.

However, mirroring earlier discussions, there is a counter body of academic, NGO and activist literature that draws upon the idea of a local level resource curse, and highlights the social, economic and environmentally deleterious impacts mining can have on communities (Manteaw, 2007; Muradian et al., 2003; Newell, 2005 in Littlewood, 2013:41). These impacts may take the form of pollution and environmental degradation because of mining activity, may manifest in conflict over land-use and the rights of indigenous groups, or may play out in the longer term in relation to life after mine closure and its economic, social and environmental legacies (Kemp, 2010; Kapelus, 2002; Hamann & Kapelus, 2004). Debate regarding the role of mining in local and national development can be conceived as a continuum with pro-mining advocates at one end, and at the other, resource curse critics inside and outside academia (Kemp, 2010).

Despite the global mining companies' growing engagement with CSR, many questions remain unanswered about the role of mining in socio-economic development and how through CSR, the mines can fully manage and mitigate the social and environmental impact of its activities. The most common criticism of CSR in the mining industry is that it is often just doing corporate greenwash and a cover of business as usual and in many instances, provides a cover for unethical and irresponsible business behaviour (Littlewood, 2013:41).

2.7 Building a socially responsible business

CSR has increasingly demanded priority on corporate agendas and is rapidly becoming a requirement to do business in the private sector. According to the University of Amsterdam and KPMG (2005: 7), the number of large international

companies producing separate corporate responsibility reports has tripled since 1993. KPMG (2005:9) states that over 52% of the world's top 250 companies on the global Fortune 500 produce separate in-depth corporate responsibility reports along with their annual financial statements. The reason given for this rise was both economic and ethical. Economic drivers included the proliferation (KPMG 2005:4) of such factors such as building a good brand, positioning as employer of choice, reinforcing market position, building strong relationships with financial markets and increasing shareholder value.

Undertaking socially responsible initiatives is truly a win-win situation. Not only will the company appeal to socially conscious consumers and employees, but the company will also make a real difference in the world. Stephens (2014: 6) says companies need to understand what their core social purpose is and how that aligns with their stated mission, to create a cohesive CSR strategy. This includes the policies, practices and initiatives a company commits to govern themselves with honesty and transparency and that have a positive impact on social and environmental well-being.

Deepankar and Priya (2013:4) say that for mining companies, CSR is the manifestation of a move towards greater sustainability in the industry i.e. the practical implementation of the goals of sustainability. CSR is a means by which companies can frame their attitudes and strategies towards, and relationships with, stakeholders, be they investors, employees or, as is salient here, communities, within a popular and acceptable concept. In the mining industry, progress within the three dimensions of sustainable development (economic, environmental and social) could be achieved through economic development investment of generated revenues to ensure the future development and long-term livelihood of the communities; environmental protection minimising the environmental impact of natural resource exploitation and land rehabilitation to allow successive use; and social cohesion, reducing the social and cultural disruption to communities.

Given these challenges, the literature review has highlighted how the current CSR agenda and practice may be unsuitable for effectively addressing social problems and supporting the objectives of socio-economic development plans. Considering the above, specific recommendations pointed to in this analysis can help to better direct the conduct of CSR towards effectively and efficiently helping South Africa meet its

socio-economic development targets and transformation objectives. The most critical gap in the literature of CSR is lack of co-ordination by the mining companies, and lack of monitoring and evaluation of the effectiveness of CSR programmes by the local municipality. The governance structure and systems for CSR formulation, implementation and monitoring is a primary factor for the poor impact of mining companies CSR. The study aimed at analysing the impact of CSR of the mining companies in the communities and it was important to work towards the above-mentioned issues. "Who develops, should protect; who destroys, should recover, who uses, should compensate" (Boa, 2006:7).

For the mining companies, it remains to be answered on what type of external posture are we reflecting to the mining community and the external countries. What type of CSR message are we carrying? Critics of the sector routinely point out the use of 'greenwash' in corporate reporting where companies take a pragmatic approach to selling their CSR efforts to key stakeholders (O'Faircheallaigh & Ali, 2007; Manteaw, 2007; Hilson, 2006; Hamann & Kapelus, 2004 in Kemp & Owen 2013:524). Companies and the mining industry tend to use CSR, limiting their exposure to risk, rather than engagement more broadly. This is because at times, mines tend to use CSR as a tool for damage control when the relationships between the mine and community is no more mutual.

Outside of corporate spin, responsibility for social performance at the operational level most often resides with a community relation. There has been reluctance on the part of scholars to accept CSR efforts made by mining companies as a legitimate attempt at improved social performance, and the emergence of this function is no exception (Kemp & Owen, 2013:524). This view of CSR may well be because scholars and other external observers have tended to examine results rather than attempts to perform. Nonetheless, the nature of CSR practice and related internal processes within mining operations is poorly understood within academic and practice realms.

These studies highlight that despite CSR departments providing the main interface between company and community, mining organisations are largely structured in a Western, industrial pattern and do not attempt to reflect or mirror the local cultural context, leading to an ethnocentric approach to engagement (Kemp & Owen, 2013:524).

2.8 Monitoring and evaluation of CSR programmes

In the area of education support, most schools and education officials did not know the purpose, principles and strategy of mining companies' CSR education projects. The provision of basic services such as water and electricity are the responsibility of local municipalities (Siyobi, 2015:03). These types of basic services should not be confused to mean or expect CSR from the mining companies to intervene. This can be seen in the provision of water to schools. This challenge may have been addressed had the company engaged in shared planning ahead of implementing the project and undertaken the necessary follow-up with the municipal authorities responsible for providing water to the schools. However, at times, local municipalities lack capacity to carry out their own key functions, such as providing water to communities (Siyobi, 2015 :4). The general assessment is that the CSR of mining companies are not monitored or evaluated by the public or the mines because often, times their set annual targets are not publicised. The municipality, mining communities and the mining companies must develop sustainable integrated CSR plans for medium to long term planning through participatory processes. This approach will clear service delivery roles and responsibilities, mitigate duplication of services and avoid the roll-over of resources.

2.8.1 Policy Direction

It has become a priority for all South African businesses to implement policies and strategies to manage and minimise social problems within the communities in which they conduct business (King III Report, 2009). The King Code of Corporate Governance further emphasised that gone are the days when boards could merely pay lip service to concerns such as corporate responsibility, ethical business practices and sustainability. It is important to explore the level of commitment displayed by top management of the business in terms of its stakeholder theory in addressing the CSR issues like unemployment, lack of education and poverty (Mariri & Chipunza, 2011:98).

In support of the National Development Plan's initiatives of fostering the creation of employment and economic growth through industrialisation, the Limpopo Economic Development Agency (LEDA) is now focusing on the creation of special economic zones (SEZs) in Tubatse (LEDA annual report 2017:5). The Tubatse SEZ which is driven mainly by the booming mining sector is gaining admirable traction with

satisfactory investment commitments in the pipeline. The mining industry is indisputably the municipality's leading job creator and key economic growth driver. With all major mining houses fully represented in the municipality, locals pin their hopes for jobs and income security on the sector (Fetakgomo-Tubatse IDP 2017/18:172).

2.9 Conclusion

The literature review has enabled an overview of several important concepts relating to the research. An overview of the corporate social responsibility and sustainable development by the mining companies to the communities formed a strong theoretical background. Social engagement, partnerships and linkages are prominent in developing positive outcomes for corporate social responsibility. While the mining company's organisational orientation and industrial structure are of western orientation there is a need to move towards the alignment of local cultural context and total emancipation from a CSR "greenwash" approach. The proliferation of mining has a national macro beneficiation value rather than the community micro level while the mining operates at community level. For CSR to make an impact, it must be elevated above charity and be more on large scale community local context impact driven. It requires high level participatory engagement which must lead to sustainable community development and empowerment.

The literature review further exposes a huge gap and lack of effective mining companies' CSR governance structures and systems for CSR formulation, implementation and monitoring. The CSR programme should be a vehicle to assist in maintaining the social, traditional and cultural systems of the community, enhance a basic good social lifestyle with active and healthy living conditions, address teenage pregnancy and substance abuse.

The following chapter focuses on the research methodology for the study, analyses the theoretical outlook, the research design, population, study area and sample methods and size. To assist in getting to the core of the research outcomes, the chapter focused on the data collection instrument aligned to the theoretical outlook, data analysis and some key ethical issues to consider for the success of the research.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Humanity makes social inquiries in both formal and informal ways, trying to align, understand and participate from the past, present and the future social activities. Through social research, more concerted formal efforts are put in place through different research approaches to investigate different phenomena by gathering and analysing data that will assist in drawing conclusions to different research problems and purposes. Research methodology signals to the reader how the research was conducted and what philosophical assumptions underpin the research (Quinlan, Babin, Carr, Griffin & Zikmund, 2015:399).

This chapter presents the research methods and approach, population and location of the study, sampling procedures, data collection methods and instruments, ethical consideration and data analysis.

3.2 Research Methodology

3.2.1 *Research Paradigm*

There are different perceptions about how we know what we know (epistemology) and how we perceive reality (ontology) and there are different paradigmatic approaches to research. The positivist paradigm is founded on the philosophical notion that the world can be objectively understood through empirical scientific research. The interpretivist paradigm, on the other hand, is based on the notion that the world can only be known or understood as a subjective phenomenon because it depends on how different individuals conceptualise it.

In this study, the interpretivist paradigm was used to analyse the objective facts since the researcher seeks to analyse how communities perceive the role of the mining companies and the impact of their CSR, therefore the primary reason on invoking the interpretivist paradigm. This paradigm thus guides the data collection and analysis around community views on what the impact of the CSR has been. “The core idea of interpretivism is to work with these subjective meanings already there in the social world; i.e. to acknowledge their existence, to reconstruct them, to understand them, to avoid distorting them, to use them as building blocks in theorizing”(Goran, 2015: 5).

3.2.2 Research Design

Bryman (2004: 33) identifies five different types of research designs which are experimental design, cross-sectional or survey design, longitudinal design, case study design, and comparative design. Whereas there are many mining industries across South Africa, this research focused on the case study of Fetakgomo-Tubatse Local Municipality in Limpopo Province of South Africa. The aim of a case study is usually to “generate an intensive examination of a case”, and then “engage in a theoretical analysis” in relation to this (Bryman, 2004:52). Thus, in this case study, the researcher identifies two main actors: the communities of Fetakgomo-Tubatse Local Municipality and the mining companies. The research questions presented under the research problems above seek to address the positive change and improvement in the social, environmental and economic status of the people in the communities of Fetakgomo-Tubatse Local Municipality in Limpopo.

3.2.3 Research Method

Research method may be understood to constitute one of the central pillars of the research methodology. The choice of an appropriate method was as important as the success of the research. The most basic three research approaches in social science in recent times are the qualitative, quantitative and the mixed methods. Bryman (2004: 27) defines a research method as a technique for collecting data. The study adopted qualitative research methods. More about the procedure and instrument is discussed under data collection methods. The study also used a qualitative approach using a face-to-face interview method because it was important

to understand the perceptions of community members regarding the impact of CSR in their local community development.

3.2.3.1 Qualitative approach

Collodel, De Beer and Kotze (2012:37) describe that the qualitative approach evolved as recognition of the uniqueness and meaningfulness of human behaviour grew. The emphasis of this approach is on people and their constant interaction to make sense to their own world. The research participants in this approach takes the centre stage of the research and determines the research. Babbie (2014:303) points out that qualitative field research is the most obvious method of making observations and it is done whenever we observe or participate in social behaviour and try to understand it. The qualitative research approach is very comprehensive because it deals directly with the social human phenomenon; through observation, it helps the researcher to develop a deeper and fuller understanding of it. “As such, this mode of observation is especially, though not exclusively, appropriate for research topics and social studies that appear to defy simple quantification” (Babbie 2014:304).

In qualitative social research, the following methods and techniques are used and appropriate for data capturing: unstructured and open interviews and questionnaires; participant observation; case studies and ethnographic studies and life histories, including the use of diaries and autobiographies.

3.2.4 Comparison of qualitative, quantitative and mixed methods approach

Creswell (2014:17) make a clear and simplified comparison of the above research methods in the following tabular format.

Table 1: Comparison of Research Methods

Quantitative Methods	Mixed Methods	Qualitative Methods
Pre-determined	Both predetermined and emerging methods	Emerging methods
Instrument based question	Both open and closed ended questions	Open-ended questions
Performance data, attitude data, observational data and census data	Multiple forms of data drawing on all possibilities	Interview data, observation data, document data and audio-visual data
Statistics analysis	Statistics and text analysis	Text and image analysis
Statistical interpretation	Across databases	Themes, patterns

Creswell (2014:17)

3.3 Study Area.

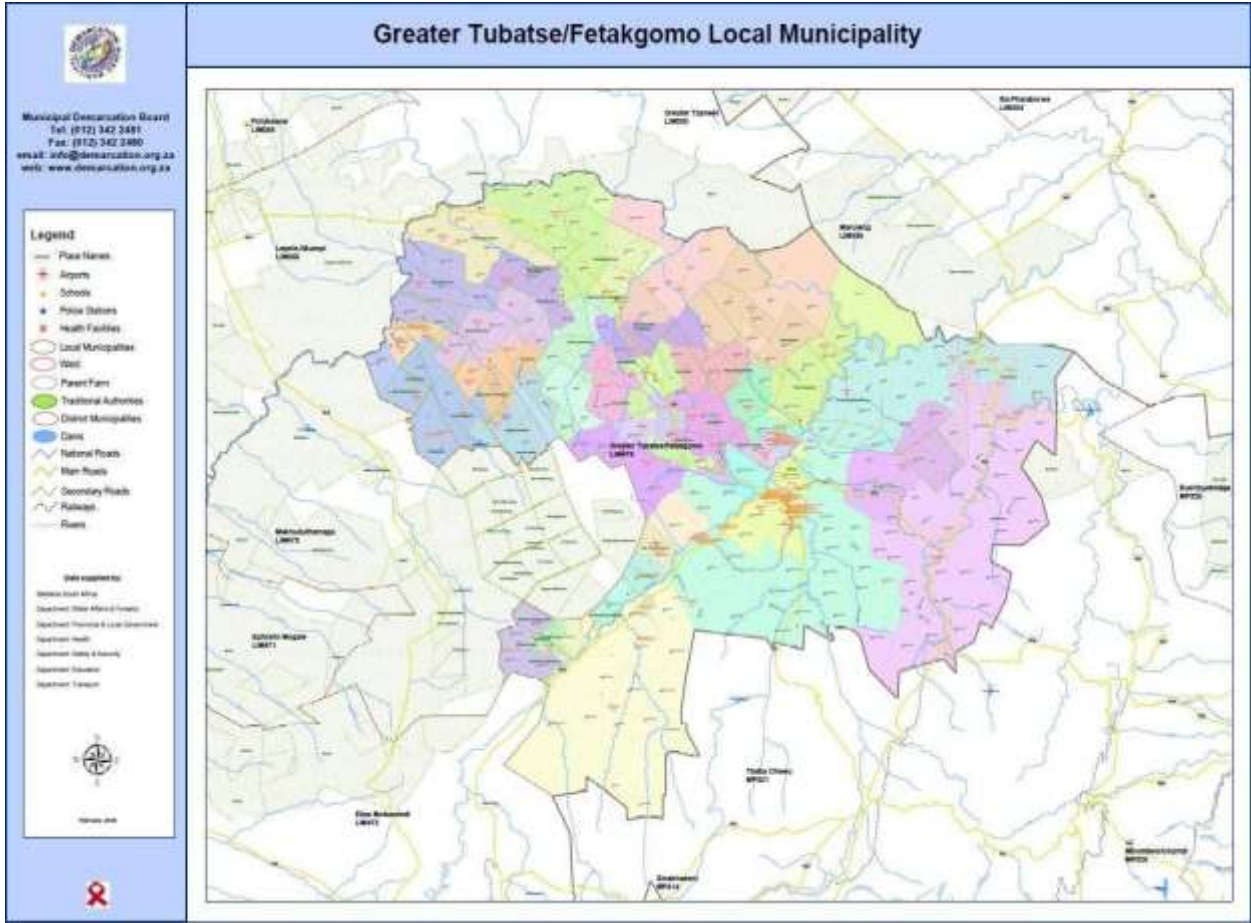


Figure 1: Map of Municipal Demarcation Board (MDB 2018)

Fetakgomo-Tubatse (LIM 476) Local Municipality is a category B4 Municipality which is mainly rural, located in economically depressed areas and struggling from the revenue generation perspective (Fetakgomo-Tubatse IDP 2017/18). The municipality is largely dominated by a rural landscape with only six proclaimed townships and approximately 342 villages. According to Statistics South Africa community survey 2016, this municipality has a population of 490 381 with 106 050 households, the biggest in Sekhukhune district and the third largest municipality with 39 wards in Limpopo Province. The Limpopo 476 municipality is located north of N4 highway, Middleburg, Belfast and Mbombela; and east of the N1 highway; Groblersdal and Polokwane. Its jurisdiction covers approximately 4550.001105 square kilometres or 45500.1105 ha. It is located within Sekhukhune District Municipality of the Limpopo

Province. The area to be studied depicted by the map above covers all 19 mining companies and communities falling under the Municipality.

3.4 Population

Population represents the totality of all the units participating in the study (Polit & Hungler, 1999:37). The population of the study comprises 95 mining communities from the mining companies. The number of mining communities was guided by the FTLM IDP (2017/18) on demographics and population. It covered all mining companies' houses, traditional authorities who are the custodians of land ownership, ward councillors, public institutions like libraries, clinics, schools and the Thusong Service Centre, NGO/CBO, and community stakeholders. It extends to community development workers (CDW), business forums and organised labour or trade unions.

3.5 Sampling Method and Sample Size

For qualitative method sampling in the community, multiple stakeholders sampling was applied to select a sample of 26 research participants across the study area within the framework of the population. The selection covered the Municipal officials (3), Organised labour (2), School Principals (3), Ward councillors (6), Community Civic Leaders/Forums (3), Traditional leaders (3), Public Institutions (clinic, library, SMME and service centre) (4), and circuit managers (2).

Table 2: Sampling criteria table for research participants.

Item	Stakeholders	Criteria for selection	Sample No.
1	Public Institutions: BO/NGO, SMME	They are in many occasions, direct beneficiaries of mining companies CSR programmes.	4
2	Traditional leaders	Mines operates under the land and communities upon which they have administrative rights	3
3	Community/Business Forum	These are recognised organised community structures representing community interest in the area of study	3
4	Ward Councillor	Six ward councillors across all the mining houses. There a more than one mine is one ward	6
5	Organised Labour	They represent all workers in the mines. These workers are members of the communities and resided in the same mining communities before they became	2

		employees in the mining sector	
6	Circuit Managers	Circuit managers manage more than 25 schools per clustered area and education is one sector that has seen more intervention from the mines on CSR	2
7	School Principal (Primary or Secondary)	Seven local schools falling within each mining community (primary or secondary)	3
8	Municipal Officials	They are responsible for needs analysis, project integration and sustainability of the CSR projects by the mines in the communities	3
	Total research participants		26

The inclusion of the different categories of stakeholders is based on their knowledge and potential to add value to the study. Specifically:

- i. **The Mining Forum:** They are elected by the communities to serve and champion their interests in the mines.
- ii. **Traditional Leaders:** They are the custodians of land administration under which the mines and the communities are found.
- iii. **Ward Councillors:** Represent community interest in the municipality and all sectors of development.
- iv. **School Principals:** They are some of the potential direct beneficiaries of CSR from the mines.
- v. **NGO/CBO:** They are some of the potential direct beneficiaries of CSR from the mines.

3.6 Data Collection

Lawal and Sani (2013:40) explain that data collection techniques allow the researcher to systematically collect information about their object of study (people, objects, phenomena) and about the setting in which they occur. In the collection of data, the researcher must be systematic because if he collects data haphazardly, it will be very difficult for him to answer questions in a conclusive way.

Data collection represents a major step in scientific research. Generally, there are two types of data to be collected in research i.e. primary and secondary data. The former may refer to the original data collected afresh and for the first time, although

the latter may refer to the already existing data generated by someone else (Kothari, 2007:94). For the purpose of this study, primary data was collected using the interview guides; one for municipal officials and the other one for community stakeholders.

Silverman (2001:11) outlines four main techniques for data collection, which are observation, analysing text and documents, interviews, and recording and transcribing. Interviews helped in reaching the saturation point of the research data collection. Babbie (2014:302) adds that when a qualitative field research is conducted, it is sometimes appropriate to ask questions of the respondents and record their answers. Interview data, observation data, document data and audio-visual data were all the sources of data used.

Guided by the primary objective of the study in chapter one, the interviews sought to find out from participants how they saw and analyse the role and the local perception of the impact of Corporate Social Responsibility of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo. Objective two was to determine the types of CSR and objective three to suggest strategies that will enhance CSR in the local community development. The following is a sample of data collected through interview guide as set of questions in order to achieve the study objectives in chapter one: -

1. What types of CSR projects have the mines supported in your communities?
2. Explain the process by which CSR projects are identified.
3. Explain the role that you played in the decision on which CSR projects should be implemented.
4. As a community, what are your expectations from mining companies?
5. Give example of CSR projects where you think the mines have made the most impact in the community.
6. In your opinion, are these projects addressing the root causes of underdevelopment in the community? Explain your answer.
7. If the projects are not addressing the root causes of the problems in the community, what do you think should be done?
8. What can you do as a community to ensure that CSR makes a fundamental difference in the quality of your life?

9. What are recommendations and strategies to ensure the effectiveness and efficient of CRS of the mining companies in the communities.

Consistent with research objectives and questions, local perception of the impact CSR on local community development was measured using important variables such as SMME development, infrastructure projects like water, roads, clinics and libraries, job creation, livelihoods of households, empowerment of women, business opportunities in the mines, youth and people living with disabilities.

Secondary data was collected through journals, academic books, government legislation, Integrated Development Plans, Statistics South Africa, and other recent materials which were readily available online, in bookshops and through physical requests, like the IDP. Data collected was filed or coded per strata of participants and presented to the supervisor for permission to proceed with data analysis.

3.6.1 *Semi-structured interview tool*

Before the commencement of the interview, the researcher developed a semi-structured interview guide. The semi-structured interviews tool assisted the researcher to extract in-depth understanding of CSR of the mining companies by different respondents that can be contrasted and compared with information sourced from various respondents.

Subsequent to that, the researcher prepared an interview schedule for participants at their respective communities on an individual level, guided by community stakeholders' structure (see table 3). Lastly, the researcher interviewed participants at a given time as per the prepared schedule. Each interview on the semi-structured tool took a minimum of 35 minutes and a maximum of 45 minutes. The interview tool was not translated into the local language because all research participants understood English as a medium of instruction. The researcher, as a local person knowing the local language, was equal to the discussions where the research participant had to express their inputs using their mother tongue.

3.7 Data Analysis

The process of identifying patterns and themes in the narrative information was aided and illuminated by the theoretical framework. The qualitative data was coded

according to research participants, primary data transcribed, data coded and interpreted according to themes and analysed according to the qualitative framework. Thematic method was used by organising collected unprocessed data into categories and creating themes. Themes may also emanate from the research questions and help the researcher to avoid becoming entangled in the raw data details (Neuman, 2014:480). Questions solicited the use of inductive analysis procedures, which, according to Patton (1990:306), involves the determination of patterns, themes, and categories as they emerge out of the data rather than being imposed on them prior to data collection and analysis. For the purpose of this study, interview transcripts and field notes represented the primary data from which thematic analyses - examining, labelling and organising evidence in themes – to test the formulated propositions (Yin, 2003:109). Themes assist in capturing the essence of the data relative to the research questions in a form of identifying a pattern of responses into conceptual categories of rich data (Braun & Clarke, 2006:82).

The key process in the analysis of qualitative social research data is coding - classifying or categorising individual pieces of data coupled with a retrieval system (Babbie 2014:409). Using Atlas.ti software, collected qualitative data was analysed in the following steps

- Familiarisation of the data: sorting interview guide and data transcription.
- Assign preliminary codes to data in order to describe the content. This was assigned by clustering respondents and coding key research question
- Search for patterns or themes in your codes across the different interviews and organise them together.
- Review themes to ensure data accuracy, validity and reliability.
- Define and name themes by reorganising them, give titles and subtitles.
- Loading data on the software to produce report

Typology is a classification system, taken from patterns, themes, or other kinds of groups of data (Patton: 393,398). It is basically, a list of categories, acts, activities, meanings, participation, relationships, settings. Content Analysis, as defined by Weber (1990), looks at documents, text, or speech to see what themes emerge. What do people talk about the most? Are there any similarities and differences? This assisted in aligning how themes relate to each other, finding latent emphases,

raising of critical views, political views of journalists, which is implicit or looking at surface level overt emphasis.

3.8 Ethical Consideration

Anyone involved in social science research, then, needs to be aware of the general agreements shared by researchers about what is proper and improper in the conduct of scientific inquiry (Babbie 2014:64). The first ethical consideration was to seek research ethical clearance from the University, which was granted. The committee which granted clearance was the Turfloop Research and Ethics Committee (TREC). The researcher made application to conduct the study at Fetakgomo-Tubatse Local Municipality and to some traditional leaders. Researchers have a duty to strike a balance to navigate through the human rights imperatives and values alongside scientific requirements of methodology (Bryman, 2008). Noting the temperament of the mining industry as a sector, the vulnerability of working in community development, consent permission for research from all respondents was obtained. Written consent was provided to all participants to ensure that they were well-informed about the study they were being asked to participate in, and clear and accurate information was given prior to commencing with the research. Some participants were more willing to sign the consent form after explanation of the research objectives and ethical considerations while other participants wanted the interviews to proceed without appending their signatures. Approval to proceed was verbal however, and high-level respect was discharged by explaining and seeking consent from every respondent. Safety and no harm to participants to consider the principle of respect, beneficence, justice, anonymity and confidentiality was ensured. This was done by explaining through the introduction of the research, all the research aims and objectives, giving assurance about anonymity and confidentiality of all the information collected from respondents.

Respect for the basic human rights of the individual as a human being as well as the right of groups and communities was shown. The ethics of justice, fairness and objectiveness was maintained. The researcher respected the dignity of the people involved and never exposed them to intentions and motives not directly attached to the research project, its methodology and objectives. Confidentiality and respected was ensured under all circumstances of the research. Documentation was safe guarded and viewed as strictly private in terms of the limits set by the research

project. The identity and information provided by the participants was kept confidential.

Babbie (2014:65) gives some critical considerations on research ethics by summarising these key principles:

- i. Respect for Persons- Participation must be completely voluntary and based on full understanding of what is involved. Moreover, special caution must be involved. Interview schedule was circulated to individual research participants in advance attached together with the interview guide for orientation before interview date. The researcher was physically meeting the participants in their own space, time and upon acceptance to be interviewed.
- ii. Beneficence-Subjects must not be harmed by the research and, ideally, should benefit from it. While the study did not have any possible harm, the definition, analysis of CSR and the whole study objectives was a knowledge accumulation for participants to be informed of certain role that the mining companies through CSR can play in their communities and for participants to take stock of the role played by the mines already.
- iii. Justice-The burdens and benefits of research should be shared fairly within the society. The application to collect data over and above getting approval from TREC was sought at the local municipality. In their approval they put it very clear that upon completion of the research I must give a report copy to the municipality. The report will also be converted into a journal article which can be viewed by any interested stakeholder in the field of mining and CSR for the local community development.

3.9 Conclusion

Methodology in research is primarily concerned about the rationale of the research study, definition of the research problem, how data was collected, which method/s was/were used to collect data, what justified a data analysis technique, what were the possible ethical pitfalls, and zoomed into the study area and limitation of the study. For the purpose of this study, a well-chosen research method was explained and justified. Subsequently, the research paradigm and design were well articulated, including the data collection instruments and analysis techniques. Having elaborated on the study roadmap, data was collected, analysed and interpreted. The following

chapter addresses the details of the data presentation and interpretation of findings. The chapter analyses the research results and discussion of findings.

CHAPTER 4: DATA PRESENTATION, ANALYSIS, AND DISCUSSIONS

4.1 Introduction

This chapter presents and interprets the main findings of the study. It attempts to answer the research questions which were posed at the beginning in chapter 1. The critical research questions aligned to the framework of research objectives were as follows: -

What are the types of community development programmes by mining companies in Fetakgomo-Tubatse Local Municipality? What is the impact of the CSR on community development? What strategies and approaches can be suggested to enhance sustainable community development through of corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality? Research questions were extrapolated using interview guide.

The chapter is structured as follows: Firstly, it presents the findings on the different types of CSR that are being implemented by the companies under study. The purpose of the section is to provide a background for subsequent analysis. Secondly, the chapter presents the findings on the impact of CSR projects on community development. Impact was measured through a number of variables, which include, but are not limited to the following: economic responsibility, ethical business practice, environmental sustainability, social consciousness, education and direct philanthropic giving. Finally, the chapter interprets the significance of these findings in terms of impact on community development. In executing the data analysis for this mini dissertation, a two-process approach was utilised, namely, presentation of data and discussion of results.

4.2 Presentation of findings

The title of the study is: *Local Perception of the impact of Corporate Social Responsibility of the mining companies on local community development using the case study of Fetakgomo-Tubatse Local Municipality*. Within-case analysis typically

involves detailed case-study write-ups for each site (Eisenhardt 1989:538). These write-ups are often simply pure descriptions, but they are central to the generation of insight because they help researchers to cope early in the analysis process with the often-enormous volume of data (Eisenhardt 1989:540). In addition, to gain a more intimate familiarity with the cases, as advised by Paterson (2010), an in-depth exploration of each case was conducted in order to discern how the processes or patterns that are revealed in each case support, refute, or expand the propositions that were introduced earlier in Chapter 2 and at the beginning of this chapter. An in-depth examination of the cases continues below.

4.2.1 Community expectations from the mines

The proliferation of the mining development in FTLM has created lot of expectation from the communities across all sectors of the society. The study summarizes diverse community expectations from the mines as ranging from economic responsibility, ethical business practices, environmental sustainability, social consciousness, education and direct philanthropic giving, aligned to measures of indicators of the mining companies' impact in the communities. Swanepoel and De Beer (2011:36) argue that community development is the educational process by which people change themselves and their behaviour and acquire new skills and confidence through working in co-operation.

The communities of FTLM are expecting the mines to give CSR support equivalent to their annual profit margins. One research participant says that:

“The mining companies are making more financial profits by mining daily in our communities destroying the environment and taking away our non-renewal mineral wealth but in return they give us little through CSR projects which comes once per village after five years.”

The demands and needs from the community are more than what the mines can afford through their CSR intervention. This is because the municipality and government have high service delivery backlogs and therefore the community convert their basic needs to be solved by the mining companies. The communities want stable employment, business support, empowerment, bursaries for the learners, skills development and learnerships, environmental rehabilitation,

integrated infrastructure support and to have anchored macro projects in the mines through procurement. The mining communities of Fetakgomo-Tubatse Local Municipality want to be part of the mining operations through ownership arrangements for a sustainability component and economic emancipation.

The communities are truly adamant when they say:

“These mines are not permanent economic industries, what they are extracting is not renewable, when minerals are finished in some years to come, they are going to move out of the communities.”

Other research participants say:

“Sometimes the mines implement CSR for compliance because the community is putting pressure therefore compromising quality and impact and, in some community, they support project for their own public relations”.

The participant further outlines that:

“CSR must lead to community empowerment and there should be accountability from the mines if they fail to deliver on their CSR mandate. CSR must be a well thought intervention guided by through intensive needs analysis and alignment with relevant authorities and departments for integration and greater impact on community development.”

Environmental management is becoming a fundamental priority which communities want the mines to focus on.

“Our environment is getting degraded, desertification is becoming a reality, we are losing out on our natural landscape and the atmosphere is becoming cloudy daily due to pollution from mining industrial activities, operations and transportation.”

Many community members are serious and worried about the pollution in their communities caused by the mines. They are maintaining that the mining companies should take responsibility for the pollution they are causing.

There is a huge education and knowledge gap in assisting and mobilizing the communities to formalize their expectations from the mining communities which will further assist in the development of massive socio-economic and environmental programmes which will be beneficial to the broad communities. The municipality is expected to champion these processes; however, the study finds that there is no active role played by the municipality in this spectrum.

To answer Research Question 2 which states: ***What are the types of corporate social responsibilities of mining companies in Fetakgomo-Tubatse Local Municipality? This question is linked to objective two on chapter 1 which was to analyse the types of CSR by mining companies in FTLM.***

The following categories were formulated and are discussed below.

4.2.2 Types of CSR by mining companies

The following figure summarised the types of CSR by mining companies in Fetakgomo-Tubatse Local Municipal which are discussed in narrative detail in the following section.

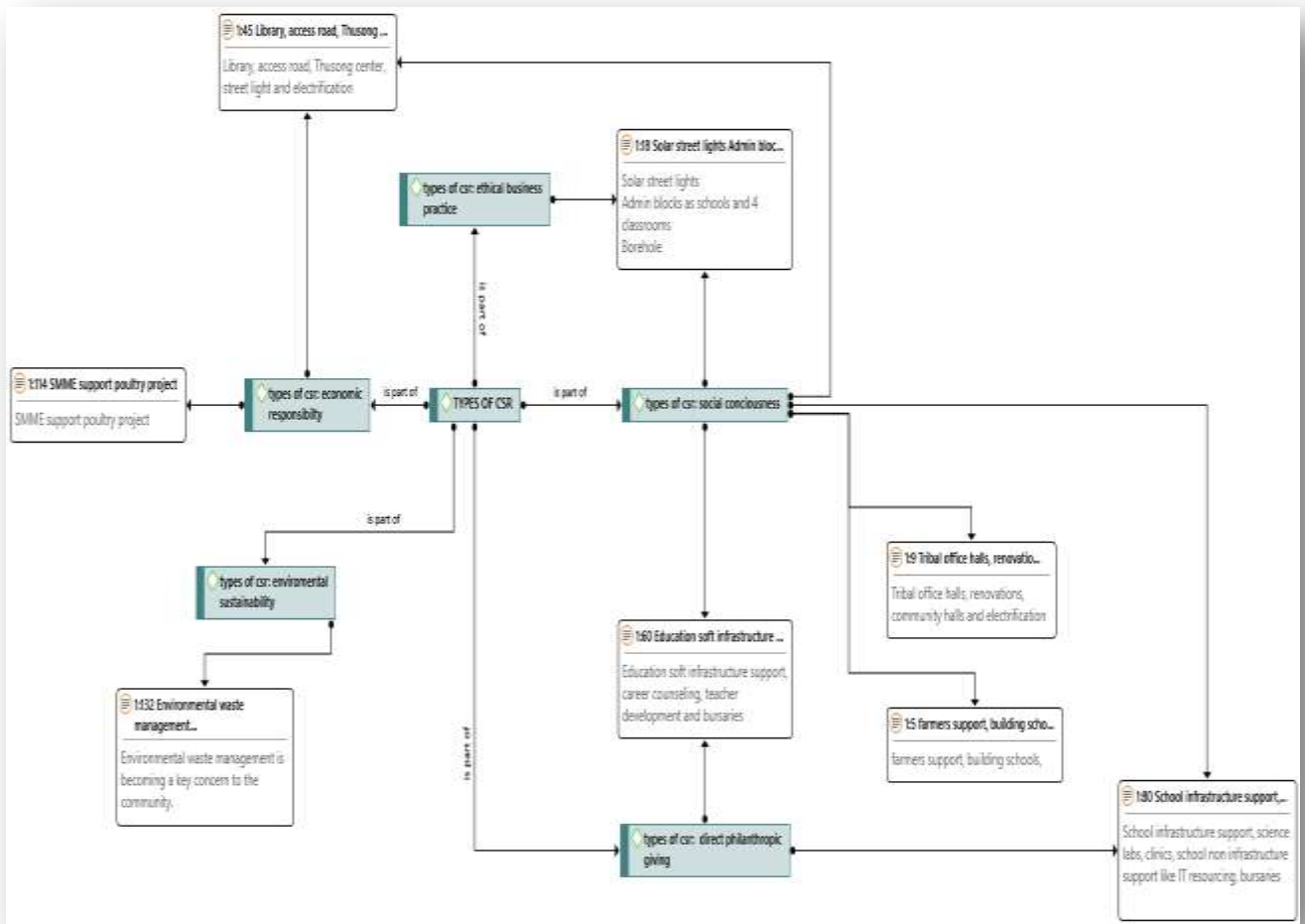


Figure 2: Types of CSR.

Source: Author's own computation based on data on CSR types.

CSR, transparency and honesty about what one is doing is paramount to earning the public's trust (Stevens, 2014:9). The mining companies have supported different types of CSR projects in Fetakgomo-Tubatse Local Municipality through individual requests by different community organizations, the traditional leaders, Private Public Partnerships (PPP) and community forums. These projects range from access roads, tar roads, bridges, household electrification, water projects, building of school infrastructure like classrooms and administration blocks, school science laboratories, learners and teachers' development support, tribal authority halls, community halls, street lights, community libraries, skills development, Thusong service centre, community clinics, sporting codes and SMME support. Anglo American is amongst the leading mining houses in this municipality having spent approximately R55 million on CSR projects from 2010-2015.

Through interviews with the Municipal Officials (MO), Ward Councillors, Community Forums, Schools Principals, Circuit Managers, Organised Labour, Public Institutions and Traditional Leaders in Fetakgomo-Tubatse Local Municipality, four types of CSR were cited by the research participants. These were:

- 1. Projects to promote Environmental Sustainability:** The mining companies have supported different types of CSR projects in Fetakgomo-Tubatse Local Municipality through individual request by different organisations, the traditional leaders, and Private Public Partnerships (PPP) and community forums. One of the major activities which was common among the mining companies includes limiting pollution and awareness by the mining companies to environmental issues. The mining companies have also established their own mining dumps, mineral processing and cleaning projects. This are some of the projects where stable jobs have been created. On that note, some of the research participants during the interviews, mentioned the following:

“One of the school principals mentioned that Anglo American built ablution facilities for a school in the community.”

“We are happy with our green projects supported by the mines because we are able to establish food vegetable gardens for our own households’ consumption and selling”

One tribal authority mentioned that *“the mines have supported the erection of a water reservoir which will supply and rehabilitate small scale farming to creating stable food for the farmers and their animals”*

The summary on CSR projects related to environmental sustainability includes supply of waste bins of economic active zones like townships and taxi ranks, school competitions on climate change, environment and water conservation, rehabilitation of reservoirs and community dams, support for commercial farming and small gardens, support on the erection of municipal landfill sites and tree plantations.

The mining companies can do better on environmental sustainability projects if they can put in place more educational projects, increase their CSR budget and integrate

their services with the local municipality and other sector departments focusing on environmental matters. The current support is scattered, minimal and skewed to really make an impact and address current and future environmental challenges. There are no programmes on open cast environmental degradation caused by the mines which is one of the major environmental challenge in the study area.

2. Economic Responsibility: Indeed, the principal role of businesses in the community is to produce goods and services that consumers need and want and make an acceptable profit in the process. In line with the main business goal, mining companies in Fetakgomo-Tubatse Local Municipality have not displayed any long-term growth of their companies through social consciousness of the community needs. The level of unemployment and poverty is very high, as confirmed by the municipal IDP. Few people who work in the mines are just labourers, others in small margins have access to mining procurement on a small scale. Several research participants mentioned these activities during the interviews:

“The mining companies are extracting our mineral wealth daily, but we are not benefiting, our children are unemployed, and we have remained in abject poverty and underdevelopment”

“Big trucks are on daily basis blocking traffic going up and down, but we don’t see the results of their business schedules which confirms economic growth. Only few individuals are benefiting out of the mining development”

Community forums, the municipality and traditional leaders are not holding the mines accountable for economic responsibility. The mines are doing as they wish and use CSR to defend the external posture of their industries when there is pressure from communities. There is a need for a radical approach from the communities of FTLM to hold the mines accountable through the development of economic objectives, long term and sustainable economic beneficiation of the communities from the mining companies. This is evidenced by some of the views from the research participants:

“We need shares as communities because this is our land, young people must hold high strategic decision-making positions in the mines and

procurement must on be on minor projects but big business ownership which will change the lives of the communities”

“If other people can own the mines what makes it impossible for us as the local people not to own some of the mines, our children must be taken to Universities to do mining related studies and later be supported to open our own mines, we cannot continue to be fed while we can feed ourselves using our God-given minerals, that is why some of us are now resorting to illegal mining”

New terms of reference must be development and the old signed Social Labour Plans be reviewed to ensure that communities are economically benefiting from mining companies. The current types of CSR aligned to economic responsibility are of a minor survivalist approach and small-scale business which cannot change the lives of the people. In summary, the economic responsibility support covers projects like community farming, dress making, bakery, brick making, car wash, chicken rearing or poultry farming and printing companies. These are purely livelihood survival self-help projects which addresses temporary food security and shall not lead to economic empowerment.

3. Ethical Business Practices: Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities in this study embrace those activities and practices that the mining companies are expected or prohibited by societal members even though they are not codified into law. Mining companies in Fetakgomo-Tubatse Local Municipality displayed good ethical business practices by provisions of fair labour practices and fair-trade standards. One of the respondents had this to say:

“The mining companies uses CSR to facilitate collaboration and partnerships with likeminded organisations for upscaling and cost sharing of resources and enhance greater impact on community development projects.”

Some of the mines like Anglo-American identified CSR to support based on their own needs’ assessment in their area of development interest. Communities and

schools in most cases, are targeted beneficiaries for recipients of the CSR support. An example can be given on the partnership between Anglo-American and XLEducation, a private company appointed to support E-education in Ngwaabe and Moroke circuits of education under Fetakgomo-Tubatse Local Municipality (FTLM).

Over the past few years, the Anglo-American Platinum-XL Education partnership has undertaken the learner development programme mostly through large-scale camps. These intensive camps and outreaches have reached over 1000 Grade 12 learners each year and saw a significant improvement in the pupils' marks, specifically in mathematics and science. XLEducation School Support Programme is supporting learners by working directly with the educators, providing on-going support and resourcing to assist each educator in offering the best teaching and learning experience to each learner. Through this programme, the educators in each school received support, resources, equipment and professional development opportunities. Each participating school was provided with some Classroom AV (audio-visual) equipment, namely: a laptop; a projector and a screen; a loudspeaker; all the necessary cabling; and a box for it all to be stored and transported in. This equipment will enable teachers to access customised content for their classes; print worksheets; show the videos in class and project examples to help explain concepts to the pupils, or for the pupils to do themselves.

A Public Private Partnership (PPP) approach was applied when a joint request through CSR of the mines for Thusong Community Centre and Community Library was established at Longtil Mapodile village. This was the partnership between the community, office of the premier, the municipality and the mines and the projects have been a success to date.



Figure 3: CSR Project Pic: Mapodile Library (exterior).



Figure 4: CSR Project Pic: Mapodile Library (interior)



Figure 5: CSR Project Pic: Mapodile Thusong Service Centre

- 4. Direct Philanthropic Giving:** Philanthropy in this study, encompasses those corporate actions that are in response to society's expectation that makes businesses good corporate citizens. This includes actively engaging in acts or

programmes to promote human welfare or goodwill. Examples of philanthropy by the mining companies in this study include business contributions to financial resources or executive time, such as contributions to the arts, education, or the community. This is evidenced in one of the respondents' quote below:

“Skills development and education support. The future is on the youth and development, any intervention to address that lead to great impact.”

“School infrastructure support, science labs, clinics, school non infrastructure support like IT resourcing, bursaries, Building of a clinic, Bakery project, Tribal office halls, renovations, community halls and electrification.”

When primary data was collected, the researcher found some of the following CSR projects across the communities of FTLM: - School administration block was erected at Metso Primary Morapaneng village ward 15, and a science laboratory was established at Moseki Secondary Makgopa Village, both by Anglo American (Twikkenem Mine). In ward 32, a full four classrooms were established by Chromex mine. The Modikwa mine (ARM) established a block classroom and supported the whole school renovations at Morwaswi Secondary. In Leolo circuit, a central science laboratory was established at Sehlaku village to serve as a hub for all clustering schools. Anglo American further established school administration blocks at Gobetse and Malekane.

On community basic needs services, the mines have built a clinic at Maseven village and community halls in the following villages: - Manyaka, Magakala, Sehlaku, Mampane and other villages. Access roads (Mongatana and Sealana connection), bridges, electrification, community projects like a nursery at Morapaneng village are amongst other projects that the mines have supported. A community library at Longtil Mmapodile village was supported by Samancor mine and PPP Thusong service centre was also established.

On non-infrastructure projects, the mines have consistently, for many years, supported education. This include programmes like school enrichment classes, leadership and management support to educators or teacher developments, provision of bursaries and supply of information technology devices to both learners and educators.

4.2.3 Impact of CSR Projects

The main objective of the study as outlined on chapter one was to analyses the local perception of the impact of CRS by mining companies on local community development. To answer Research Question 3 which states: ***What is the impact of CSR projects in the community?*** The following categories were formulated and are discussed in the narrative reporting and table below: Social development; nurturing talent, strong association; community and company interdependency and technology transfer. These identified categories serve as measures and indicators hence are used as a yardstick to evaluate the impact of CSR of the mining companies in the communities of FTLM.

Figure 6 summarises some of the CSR projects with impact in the communities

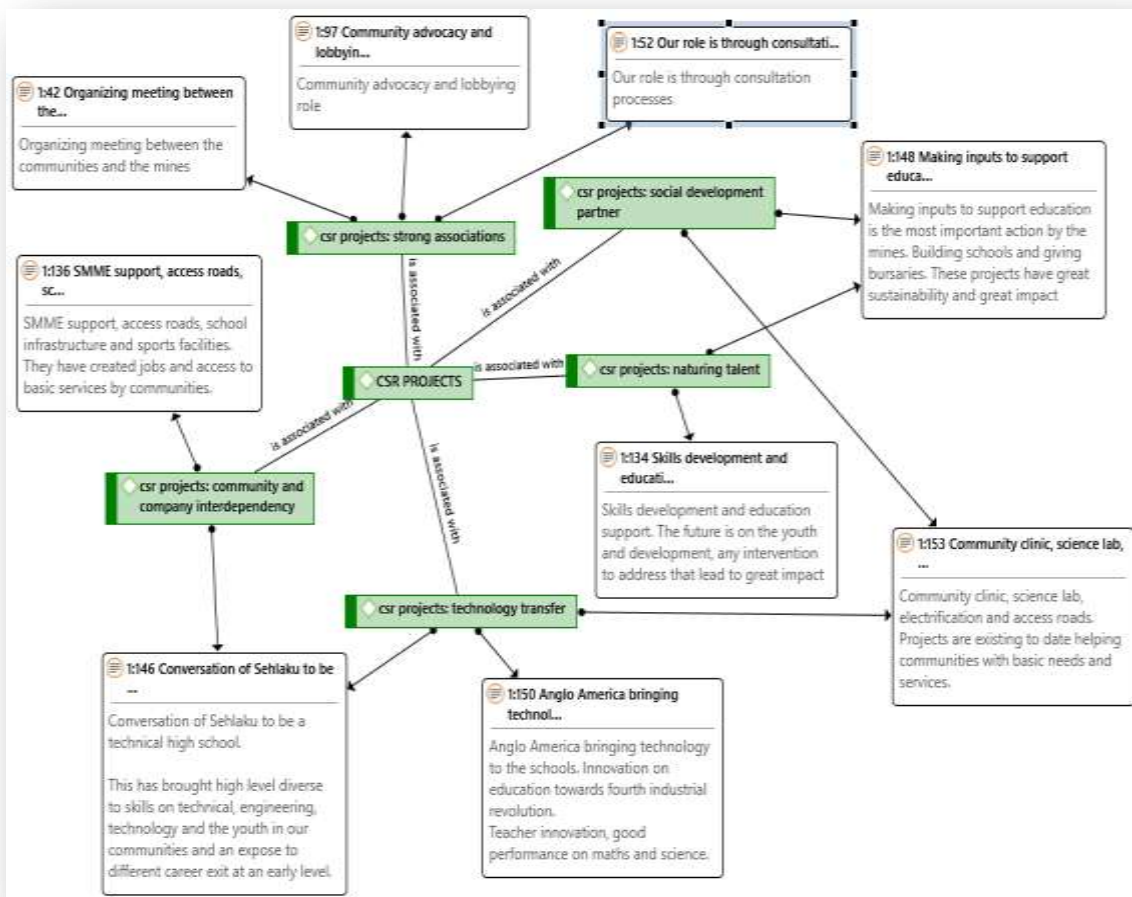


Figure 6: CSR Projects with impact.

Source: Author's own computation based on data of CSR projects with impact.

1. **Social Development Partner:** Through CSR, the existence of mining corporations in Fetakgomo-Tubatse Local Municipality is felt by the communities not only as a place to get employment. By doing so, this enables mining companies and community to stay in peace and harmony. It becomes a social capital that is essential in community development and making an impact on CSR.

“Making input to support education is the most important action by the mining companies, building of schools and giving bursaries, these types of support has great impact and sustainability”.

Building of schools, clinics, household electrification, access roads and science laboratories through CSR has assisted the communities and these projects are

defined by the communities as having great impact in changing their lives and the state of development.

The big challenge in our study area is that many research participants still see mining companies' primary role as being to create employment for the local people. They do not see any other avenues of development like CSR and business opportunities.

- 2. Nurturing of Talent:** Mining companies with a reputation for CSR in Fetakgomo-Tubatse Local Municipality have shown that they usually take advantage of their status and strengthen their appeal as an attractive employer by making their commitment part of their value proposition for potential candidates. From the study, it was also found that when employees view their organisation's commitment to socially responsible behaviour more favourably, they also tend to have more positive attitudes in other areas that correlate with better performance. Confidence in senior management is higher in other areas too, when employees give their company high marks for being socially responsible. Consequently, it can be said that, there is a correlation between a mining company's success in the marketplace and its capacity for innovation as it is also a factor in attracting talent.

Skills development and education support are main projects on this focus area. Across the whole municipality, mining companies are engaged on different skills development programmes like the learnerships, internships and supporting student with bursaries. Some of the mines like Modikwa platinum in Dilokong community has an ABET programme to support employees who do not have minimum literacy levels.

“The future is on the youth and development, any intervention on that level will lead to greater impact”

- 3. Technology transfer:** Closer ties between mining companies and community members in Fetakgomo-Tubatse Local Municipality has helped in the transfer of technology between the mining companies that give concerns on CSR and communities. The mining companies, for example, Anglo American, is a

Multinational Corporation (MNC) that has facilitated movement of other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralised head office where they co-ordinate global management. Through Anglo American, Fetakgomo-Tubatse Local Municipality had experienced international technology transfer: the flow of human resources; the flow of public-sector technology support; and the flow of private technology from MNC. Fetakgomo-Tubatse Local Municipality had gained in the various aspects of product development and marketing, such as better price and quality, as well as concern for people's wellbeing.

Samancor mine has converted Sehlaku high school into a technical college. The principal of the schools says that:

“This has brought new innovation, new skills, new career path and innovation in the schools through technical skills to young people at an early stage of the career.”

Anglo American has taken the whole education circuit at Ngwaabe in Sekhukhune East and introduced e-learning, an effort to introduce learners and educator to the fourth industrial revolution. One teacher said:

“This CSR intervention make us and our learners to be part of the global technological development and bring in new challenges.”

4. Community and mining companies Interdependency: The close link between mining companies and locals of Fetakgomo-Tubatse Local Municipality is another aspect of CSR role in community development because it facilitates sustainable development. The CSR projects through direct philanthropic giving also aids local organisation and impoverished communities. This certainly leads to sustainable community development.

By supporting projects in the communities through CSR, the mines deepen their relationship with the communities. Establishment of community infrastructure

projects like roads and electricity, SMME support and the creation of employment opportunities makes a strong bond between the mines and the community.

“We feel the mines are part of our communities and we cannot survive without them same as the mines sees the community as their partners in mining development.”

The level of satisfaction, relationship and interdependence between the mines and the communities differs from one community to the next. This is because these communities have different needs, the same as the mines differ in terms of the focus and budget on CSR.

- 5. Strong association which helps to protect environment:** Results from the study confirms that the mining companies in Fetakgomo-Tubatse Local Municipality have made a visible commitment to CSR, for example, with initiatives aimed at reducing their environmental footprint. The mining companies take the view that financial and environmental performance can work together to drive company growth and social reputation. This attitude can only serve to enhance the employment value proposition such as interest in “going green” gains traction which protects the local community.

Response from the municipality confirms that the mining companies have supported the municipality and their mining communities with several CSR projects related to the protection and management of the environment including waste management projects. This covers projects like the establishment of the municipal land fill site and equipment, waste bins, clean up campaigns, recycling and tree plantations in the communities. Through this support, many employment opportunities have been created and FTLM is rated as one of the best municipalities when it comes to waste management provincially.

There are different views from other research participants on environmental protection:

“The mines can do more especially because they are the polluters of the environment and destroying the land. Air pollution is becoming a serious

problem and the mines are not doing anything when it comes to land rehabilitation.”

Since the beginning of mining development in our study area, there has never been any land rehabilitation especially on open cast mining. This is a grey area that communities and mining companies must begin to direct their CSR resource to maintain and rehabilitate the environment.

4.3 Barriers to CSR

The next probe moved to challenges faced by mining companies when implementing CSR practices, using the previously set propositions in Chapter 2 and in the beginning of this chapter. The study evaluated the challenges regarding ambiguous bureaucratic channels, lack of resources, lack of social audit, lack of strategic vision and poor regulatory standards. Some of the barriers are discussed below.

Figure 7 summarises some of the barriers to CSR implementations which came out from the study

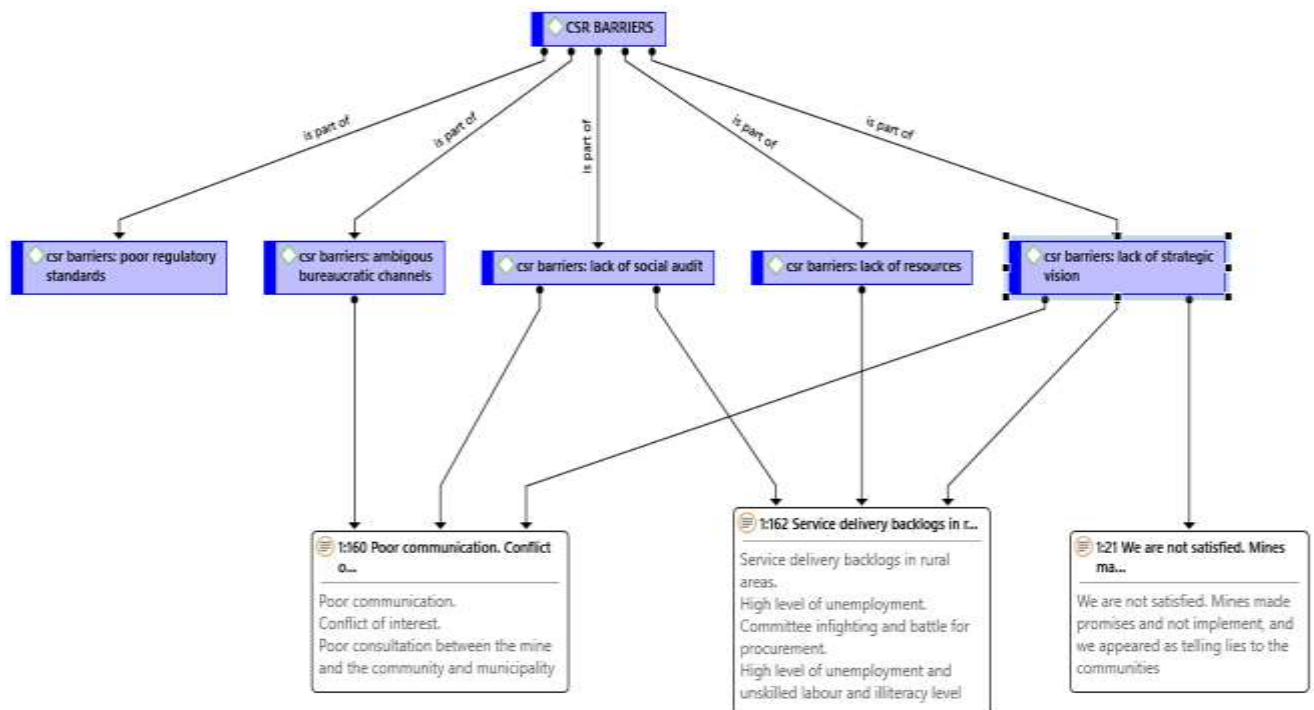


Figure 7: CSR Barriers

Source: Author’s own computation based on data on CSR barriers

1. Bureaucracy and poor regulation: The study confirmed that, in most situations, there are no clear-cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of the mining companies operating in Fetakgomo-Tubatse Local Municipality. It was found that the scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the bigger is its CSR programme. The study further confirmed that there is no standard procedure or policies which guide the relations between the mines, the community and the municipality. Figure 4.3 summarised some of the barriers to CSR as poor communication and consultation between the community, the municipality and the mines. Some of the research participants says that:

“The mines do their own needs analysis and the municipality facilitate their IDP process without alignment and integration with what the mines has done.”

“The mines are not accountable to the municipality nor the community when it comes to their CSR programme and the mining management are NOT accessible, we only meet their junior officials responsible for CSR at local offices.”

The municipality should be the champion on reduction of bureaucracy and improve the level of communication and consultation between all the affected stakeholders in the mining sector.

2. Lack of Resources and lack of community participation: The study established that in Fetakgomo-Tubatse Local Municipality, there is a lack of interest from the local community in participating and contributing to CSR activities of the mining companies. This is largely attributable to the fact that there exists little knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instil confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the mining companies, the municipality and the community at the grassroots on mining development matters.

The level of high unemployment, lack of skills, high illiteracy levels and service delivery backlogs makes the local people shift their needs focus from the municipality to the mines. It is the role of the municipality to provide basic services in the communities and the mines comes in through their CSR for intervention and support. Some of the councillors when interviewed says that:

“Service delivery and job creation cannot only be the responsibility of the mines; we have government across all the spheres to discharge their responsibility”.

The municipality, through the ward councillors, must educate the community to reduce pressure from the communities to the mines on carrying the burden and the role which does not belong to them

3. Lack of Social Audit and strategic vision: Lack of transparency is one of the key issues brought forth by the research. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programmes, audit issues, impact assessment and utilisation of funds.

The mines are unable to disclose their CSR budget to their mining communities. They use CSR to diffuse tensions in the community and make the community cool off.

“We need long term strategic visioning and support to CSR for greater impact, not just random piecemeal support”.

The mining companies have no standard form or system on budgeting and support to communities. Different mines do as they wish, guided by their budget and level of community engagement.

The study found that communities which are more organised through their tribal authorities and community forums seems to have more CSR support in an integrated focus and these are making a great impact. An example can be given on the mining

companies CSR support at Longtil village where there is a library, Thusong centre, roads networks, households electrification and other services.

4.4 Strategies and approaches to improve the effectiveness of corporate CSR

The last objective of the study in chapter one was to identify strategies and approaches to enhance sustainable community development through corporate social responsibility of the mining companies of community development. In this section, respondents were asked to share their views on the strategies and approaches which can be followed to improve CSR implementations by mining companies operating in Fetakgomo-Tubatse Local Municipality. This one was the most difficult subject to analyse, as there was never a direct answer, mainly because one would find one company doing an excellent job and the other not delivering as expected. Results which came out from the study are summarised below:

- (i) **Transparency and accountability:** Respondents suggested that if CSR processes, especially for the mining companies, are open to scrutiny and provide information on its activities to its stakeholders CSR implementations will be smooth and successful. Some of the respondents had this to say:

“There should be enforcement on code of good practice from the mining companies. Community to hold the mines accountable on CSR. Equity and fair share of CSR budget allocation to communities. The state as the regulator of the mining companies should play an active role in holding the mines to be accountable to their CSR responsibilities and to equitably share its resources with the communities. There should be transparency and accountability which should also be amended in the MPRDA. Well informed community structures which does not think on stomach but face real community issues. Community forums must not be easily corrupted by the mines and sell out the communities.”

“Accountability, monitoring and evaluation of CSR project by the mines and community taking care of its community assets invested by the mines in their communities.”

- (ii) **Inclusiveness and participation:** The majority of the respondents advocated for the creation of equal opportunities for the entire community to participate in the development process, and efforts to address marginalisation and exclusion of vulnerable groups in benefit distribution. One of the respondents was quoted saying this:

“Dynamic consultation from the community by the mines in an integrated approach with the municipality. Synergies and integration of CSR project with municipal IDP to avoid duplication of services and to harness resources. Mining companies’ CSR must be made public.”

- (iii) **Governance and democracy:** For successful and smooth CSR implementation, the respondents suggested that the power exercised in the management of economic and social resources should adhere to laid down procedures (e.g. tenure and succession, financial management). As supported by the following quote:

“Stakeholder management between the mines, the community and the municipality. Continuous reporting and monitoring of CSR project after completion. Constant communication amongst all mining community’s stakeholder.”

- (iv) **Business climate and constant evaluations:** Also critical to good CSR implementation is the enabling environment for mining companies to operate, which should always be aligned with the mining companies’ strategic priorities that includes ending theft, sabotage of CSR resources, active advocacy for mining companies, alternative dispute resolution and grievance management. Consequently, the respondents also suggested the deployment of innovation in project execution, capacity to implement quality projects, alignment of projects to felt needs, diversity and growth in funding. Respondents were quoted saying this:

“Mines should have broad plan on CSR and avoid been reactive using CSR to diffuse and dilute tensions in the communities.”

“CSR must focus on big SMME support to make economic change in the lives of the people. More budget for CSR. Community request and proposals to be streamlines on a multiyear budgeting covering all mining communities. More support on education for future sustainability.”

Figure 8 summarises some of the strategies and approaches to improve the effectiveness of corporate CSR.

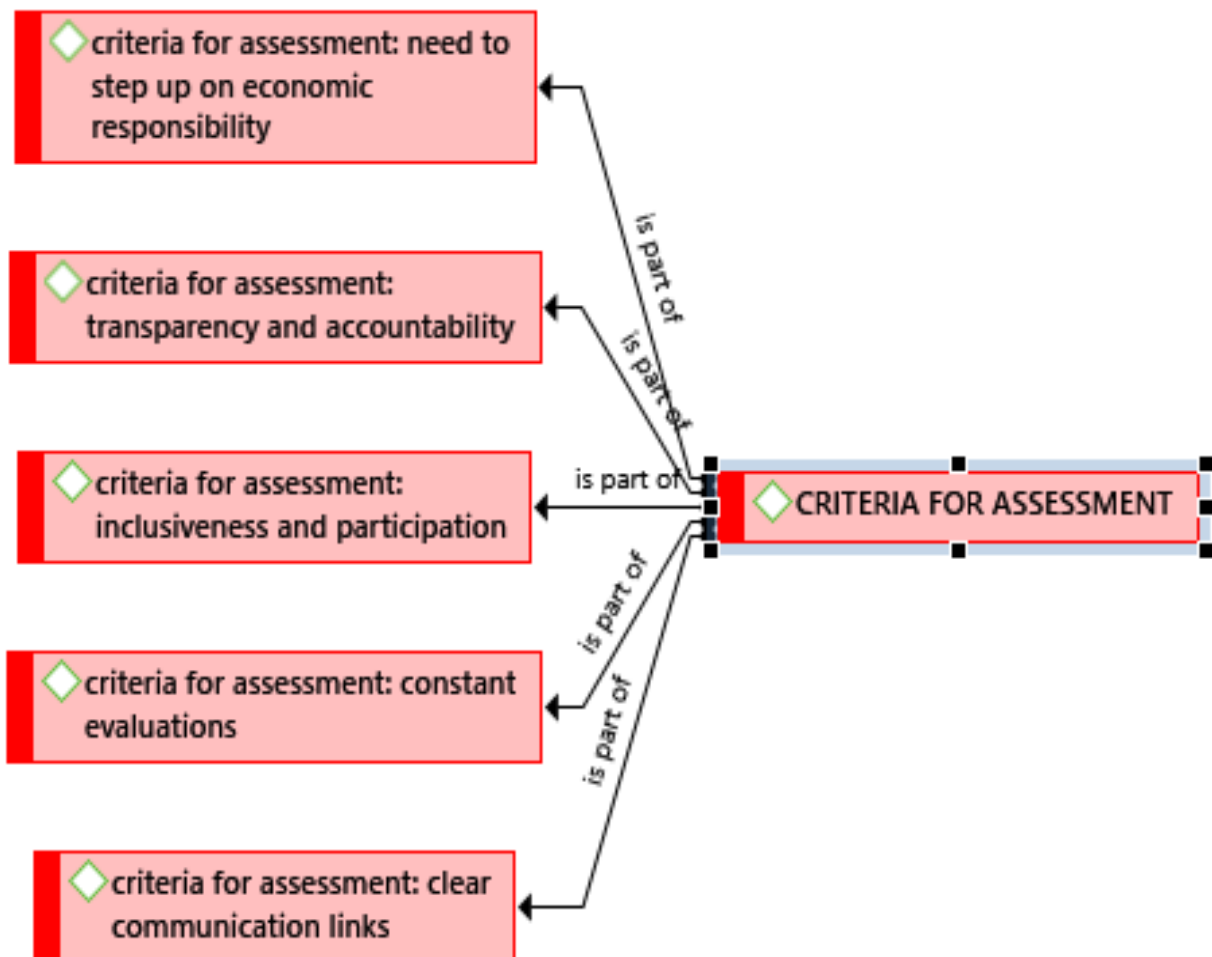


Figure 8: Strategies and approaches to improve the effectiveness of corporate CSR

Source: Data Analysis

4.5 Discussion of Results

4.5.1 Identification and approval of CSR projects in the communities

Within the SLP of each mining house, there is a unit called Socio Economic Development (SED), some call it Corporate Social Investments (CSI) and for the purpose of the study, we define the concepts as Corporate Social Responsibility (CSR). Community, in terms of mining operations, is divided into two, being the affected and the interested communities. Affected are the immediate communities and interested are the adjacent communities within a specific radius of a maximum of 50 km radius, according to the Social Labour Plans (SLP). Profiling of the mining communities is important to define where and how to implement their CSR intervention. Profiling covers the community demographics, socio-economic status, basic needs and infrastructure development. After profiling, the mines develop their budget process and align their intervention with the existing government (three spheres) plans for socio-economic and infrastructure development. Consultation between the mines and all three spheres of government on CSR projects is important to avoid abundant infrastructure and duplication of services to the communities.

In some mining communities, the mines have appointed CSR representatives or established committees through community engagements. It is in such committees which some are calling forums where various community needs are identified, prioritised, time lined for specific periods and implemented. The mining companies board of directors have the final authority to decide on which CSR project should be funded. The mines therefore develop budgets, guided by needs analysis and timeframes. The above explanation is an ideal operation of the mines in terms of how their CSR offices are structured, the procedures and systems of CSR support to communities. Through qualitative data collection, the researcher has found different information hence the opposite of the good picture of what the mining communities are projecting to be following on CSR support systems.

4.6 The reality of CSR projects identification and decision making in the communities of Fetakgomo-Tubatse Local Municipality.

One research participant says that:

“There is no standard procedure for identification of CSR project from the communities by the mines in our study area, each mine has its own standard operation which also keep of changing each and every time when they change their management or when community dynamics changes.”

Some communities, individuals and organized institutions like schools, tribal authorities, community forums, SMME and pre-schools, directly communicate with the mines to make requests for their different CSR projects, based on their diverse needs and location. In some communities, the tribal authorities lead the needs identification, making requests or applications to the mines while in some communities, the ward councilor helps in needs identification and applications to the mines. The common standard procedure in many communities is the establishment of community mining forums which work with communities on projects' identifications and submission of requests to the mining companies for CSR support.

Through direct bilateral community engagement with the mining companies, CSR is supported. Most research participants are not happy with the way CSR decisions are made because there are no policy guidelines nor standard procedures.

“Communities and forums role are to make application and priorities needs but the final decision in terms of CSR support is vested in the board of trustees and management of each mining company.”

“Their CSR support and decisions are sporadic, biased, unco-ordinated and unsystematic.”

Decision making on CSR must go with accountability. One research participant says that:

“The biggest contradiction on the relationship between the mines and the community is that community have no role in holding the mines to be accountable if they fail to deliver on their CSR promises”.

The research concludes that there is a need for all the mining companies, guided by the municipality, to have a standard policy, procedure and system on CSR needs

analysis, identification, support, accountability and monitoring in an integrated approach with the municipal service delivery machinery, being the IDP.

4.7 Impact of CSR to local community development

Corporate Social Responsibility (CSR) is the process by which companies integrate social and environmental concerns into their business operations and transactions with stakeholders on a voluntary basis (Dahlsrud, 2006:7). As discussed in chapter of the study on literature review it is important to put emphasis that apart from making a profit, mining companies should equally concern themselves with the activities that can improve the lives of the communities which touch operations. However, efforts made to operationalise CSR in the mining industry have often had little impact, especially in developing countries (Kapelus, 2002:275).

The study summaries the following as some of the CSR projects where research participants felt that it has made the most impact. These are household electrification, community clinics, access roads, tar roads, bridges, roads maintenance, school and community halls, erection of school administration blocks, building of classrooms, science laboratories, water projects, Thusong service centre, community library, learners and teachers' development support. Teacher development, learners support covers allocation of 49 secondary schools with laptops, white boards, data projectors and effective IT connectivity. The following are some of the pictures of CSR projects taken during the research.



Figure 9: Maseven Clinic Sponsored by Anglo-American Platinum



Figure 10: Maseven Clinic Sponsored by Anglo-American Platinum.



Figure 11: Matsosho Village Electrification Project.

Community stakeholders agree that these projects have made a great impact in their communities because without the mines, they would not have benefited or have access to all these types of diverse services. The government or the municipality alone would not have managed to provide these supports due to high service delivery backlogs and needs. During the implementation of all these CSR projects, casual jobs were created which assisted in the upliftment of some basic skills development in the communities and livelihoods' upgrade.

4.7.1 Are CSR projects addressing root cause of under-development in the community

There is mixed reaction from research participants in responding to the question on the whether the CSR projects in FTLM are addressing the root cause of under-development in their communities. Some research participants said that:

“These projects have bridged the service delivery challenge and connected villages to each other while responding and addressing service delivery backlogs faced by the municipality”.

To the research participants, these CSR projects are addressing the fundamental challenge of under-development. It is through the mining companies' CSR that today they have access to electricity, tar roads, library services, social services at proximity through Thusong service centre and better school infrastructure for their children.

Other participants contend that:

“The mining companies are playing a lip service, buying time and undermining their communities and their interventions are not addressing the root cause of under-development and structural poverty.”

They are expecting a total economic and infrastructure transformation. They cannot be happy about roads projects and others while the majority of the local people are unemployed, poverty is still high, learner performance is poor and there are no other diversified secondary industries from the primary mining operations. The level of under-development is high, illiteracy is high, low skills base and systematic abject poverty is on the rise.

Communities want shares and ownership of the mining operations for sustainability components. The communities are saying that:

“The money allocated to CSR project is not equivalent to 2% of their annual cross profit they are making in our communities”.

4.7.2 Are these CSR projects having sustainability aspects?

The study differentiates sustainability between the non-infrastructure and infrastructure projects. The study summarily concludes that the non-infrastructure CSR projects in FTLM have sustainability aspects.

“Education is a societal need and focusing on it serves as a direct response to what will benefit the community today especially the youth and in the future.”

CSR education projects are based on practical community needs and have large scale beneficiation and replication components for the future. Other participants from the education sector contend that:

“Investing in CSR education projects will ensure sustainability beyond the mine closure and reduction of household economic and social dependency.”

The infrastructure projects lack sustainability because their functions are falling within the mandate of the municipality and government broadly. Building of schools, libraries, clinics and road infrastructure is the functions of all the three spheres of government and there is no way that the mining CSR budget could sustain their maintenance. Upon initiation and until completion of CSR projects, the mining companies must in an integrated approach, involve the local municipality and other relevant departments for proper hand-over and sustainability factors.

4.7.3 Were there any CSR projects that failed and what are the underlying reasons for their failure?

The research finds out that there are few examples of CSR projects that have failed ranging from failed electrification project, multi-purpose community centre and community hall. Households electrification project failed in some communities in ward 11, there was a sports complex initiative that failed in ward 15 and community hall was left incomplete in ward 6. Poor budgeting, poor consultation between the municipality and Eskom was the cause for the electrification project to fail. Business interest infighting within the communities, poor communication amongst stakeholders, lack of proper consultation between the mines and the community are the primary reasons which led to failures of these CSR projects. In some communities, it was the infighting amongst community forum members that led to the failures of the projects.

Research participants say that :-

“CSR projects failed on the basis of lack of commitment from the mining companies, they are doing CSR projects community themselves differs in terms of social intervention because there was no thorough consultation”.

Some project failed because the traditional leader had a vested interest on mining beneficiation or wanted financial benefits on the specified project. One tribal authority declined to allocate land for development of a multipurpose community centre as a CSR project because the mine could not allocate specific budget for the tribal authority in question.

4.8 Factors that are hindering the effectiveness of mining companies CSR on community development

The research finds that there are a variety of factors and challenges hindering the effectiveness of the mining companies' CSR on community development. Some of these factors are social, economic, cultural, traditional, political and organizational. In some mining communities, there are different formations of mining forums in one village all fighting for recognition in the mines. Busisipho (2015:4) maintains that these challenges include the lack of co-ordination and co-operation with relevant stakeholders, weak policy alignment with key official development plans, and poor monitoring and evaluation once the projects have been initiated.

Conflict on interest in the community structures and in-fighting amongst local business is also a major disturbing trend to CSR effectiveness in Fetakgomo-Tubatse Local Municipality. This trend is on a weekly basis, leading to illegal demonstrations and temporary closure of mines in demand of CSR business support and other matters like employment.

Private business interest in the mining communities has become a fashionable phenomenon, threatening community power relations between the minority rich and majority poor. The minority rich class are using most of the unemployed youth to disturb normal mining operations for their individual business interest. The emergence of concerned groups on several communities is another hindering factor to CSR. These concerned groups are normally having their own personal interest to control and have access to whatever resources are being disbursed by the mines to the communities.

The mines also play a divide and rule principle by employing influential community leaders to defuse community pressure for demand on CSR. In some communities, there is a poor relationship between the traditional leaders and their communities fighting for access to mining companies' CSR resources. Traditional authorities are

hiding their benefits from the mines and that leaves communities on the fence, fighting and demanding royalties from the mines while their tribal leaders are benefiting in private. There is considerable poor planning across all sectors affected by the mining CSR, being the community forums, the mining companies and the municipality. This lack of planning is exacerbated by poor communication between all affected stakeholders within the mining communities. Lack of knowledge on mining operations and community rights from mining development is one of the fundamental factors. There is a need for local communities to have more knowledgeable people to serve on the mining forums. Some of the research participants says that the mining companies are not transparent to the communities, their primary interest is profit which goes out of the communities rather than the development of the communities.

4.9 Organised Labour Perspective on CRS of the mining companies

Organised labour is a very important stakeholder which exists in all the mining companies in FTLM. Their members are members of the communities of our study area before they join AMCU and NUM. In that respect, their voice as research participants, poses a different theoretical theme to the research which deserves a specific analysis for the public space to note.

Mineral deposits of all forms are natural features, referring to petroleum and all metals. Therefore, all these mineral deposits have been in the hand of the state since 1994 (MPRDA). However, it needs to be noted that major mining houses like Anglo American and Samancor own huge pieces of strategic land which has mineral wealth underneath. One of the research participants from the union says that

“This is a disturbing historical revelation and a primary reason why traditional leaders and black people were removed from their land of origin because technocrats and private sectors had geological information about mineral deposits on specific land space”.

South Africa has gained a lot in terms of policy development post 1994. There is a quota called the Social Labour Plan as an example. Section 11 of the MPRDA talks about the development in terms of SLP and gives rise to the implementation and speculation of a wish list. The shop steward of one union says:

“The advantage of the democratic government is that the assessment of mining activities is done in such a way that it does not remove people from the mining areas but must co-exist with the mining communities.”

This information revealed that many of the mining communities in FTLM settled in these mining areas many years before mineral wealth for mines operations were prospected, like Atok, Dilokong, Driekop, Tubatse, Ngwaabe, GaPhasha, Moroke, and many more. In that respect, there is plenty of development which has happened as a result of the mining operations today in recent years. There will always be the opposite of every development process. In our study area, the research has established the proliferation of illegal mining, environmental degradation, air pollution, climate change effects, collapse of the moral fibre, crime, school dropout and a high rate of infectious diseases. Mining development traps local communities to be dependent on the mines and the learners of those mining communities focus their career on science with an intention of being absorbed in the mines.

“The CSR of the mines must give efforts on the sustainability aspects of their operation, solving or responding to some of the social problems in its mining communities.”

4.10 Conclusion

This chapter drew conclusions on the discussions, presentation of data and interpretation of findings. The discussions and presentation of data was guided by the data collection instruments aligned to research objectives in chapter 1. In concluding this chapter, the impact of the mines CSR was measured through a number of variables and indicators, which include, but were not limited to the following (types of CSR projects): economic responsibility, ethical business practice, environmental sustainability, social consciousness, education and direct philanthropic giving. The following categories (CSR projects) were also formulated to serve as a yardstick to evaluate the impact of CSR on community development in FTLM: Social development; nurturing talent, strong association; community and company interdependency and technology transfer.

The chapter interpreted the significance of findings in terms of the impact on community development. In executing the data analysis for this mini dissertation, a two-process approach was utilised, namely, presentation of data and discussion of results. In evaluating the impact, the majority of research participants agree that there are a variety of CSR projects in different mining communities by different mines, but the impact is concluded to be average. Amidst its economic growth, the mining companies have negatively affected communities in their areas of its operation. The following chapter focuses on the summary of the study, recommendations and conclusion.

CHAPTER 5: SUMMARY, RECOMMENDATIONS

CONCLUSION

AND

5.1 Introduction

The previous chapter dealt with the analysis of all data collected during the research study. This chapter focuses on the final interpretation of the information, gives the conclusions and presents recommendations for further research. The information is directly linked to the research problem, the objectives and the research questions addressed in chapter one and two. The interpretation of data was presented to prove the research propositions.

The primary objective of the study was to analyse the local perception of the impact of corporate social responsibility of the mining companies on local community development in Fetakgomo-Tubatse Local Municipality, Limpopo, South Africa. The secondary objectives were to determine the types of community development programmes by mining companies; to analyse the impact of the CSR on community development; to identify strategies and approaches to enhance sustainable community development through corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality.

The study covered the following research questions as expanded from the critical research questions aligned to the research objectives in chapter 1:

1. What are the types of community development programmes by the mining companies in Fetakgomo-Tubatse Local Municipality?
2. What is the impact of the CSR on local community development?
3. What strategies and approaches can be suggested to improve the effectiveness of corporate social responsibility of mining companies on community development in Fetakgomo-Tubatse Local Municipality?

The study used the interpretivist paradigm to analyse the objective facts since the researcher seeks to understand how communities perceive the role of the mining companies and the impact of their CSR, therefore the primary reason on invoking the interpretivist paradigm. This paradigm guides the data collection and analysis around community views on what the impact of the CSR has been. "The core idea of interpretivism is to work with these subjective meanings already there in the social

world; i.e. to acknowledge their existence, to reconstruct them, to understand them, to avoid distorting them, to use them as building blocks in theorizing” (Goran, 2015: 5).

Whereas there are many mining companies in South Africa, this research focused on the case study of Fetakgomo-Tubatse Local Municipality in Limpopo Province of South Africa. The aim of a case study is usually to “generate an intensive examination of a case”, and then “engage in a theoretical analysis” in relation to this (Bryman 2004:52). Thus, in this case study the researcher identifies two main actors: the communities of Fetakgomo-Tubatse Local Municipality and the mining companies. The research questions presented under the research problems above seek to address the positive change and improvement in the social, environmental and economic status of the people in the communities of Fetakgomo-Tubatse Local Municipality in Limpopo.

Research method may be understood to constitute one of the central pillars of the research methodology. The choice of an appropriate method was as important as the success of the research. Bryman (2004: 27) defines a research method as a technique for collecting data. The study adopted and used a qualitative research method.

Collodel, De Beer and Kotze (2012:37) describe the qualitative approach that evolved as recognition of the uniqueness and meaningfulness of human behaviour grew. The emphasis of this approach was on people and their constant interaction to make sense to their own world.

The research participant in this approach takes the centre stage of the research and determines the research. The content of this chapter summarises the main study findings and the extent to which it has answered the research questions. From those findings, some conclusions and recommendations for action are made.

5.2 Conclusions

The problem investigated in the study was to evaluate the impact of the mining company’s corporate social responsibility on community development in Fetakgomo-

Tubatse Local Municipality. The study successfully proved that mining companies are partially contributing to the development of the communities where they have their operations.

Whereas they support communities with different types of CSR, their projects lack sustainability and are not primarily changing the lives of the community, hence impact is minimal. The communities within the mining companies remained in abject poverty and unemployment.

Another objective was to evaluate the types of community development projects by mining companies. The study concluded that the different mining companies are supporting the different communities through different CSR projects, guided by the community needs analysis.

The following are the examples of different CSR projects which were identified in the study area supported by the mining companies in Fetakgomo-Tubatse Local Municipality: - Community Halls, village electrification and streets lights, schools infrastructure (classrooms, administration blocks, science laboratories), non-infrastructure projects like SMME support and sports, educators and learners' support (training, IT equipment, bursaries and career expositions), building of clinics, access roads and bridges, community library, Thusong Service Centre.

The following is a summary of the study major findings:

TYPES OF CSR: Economic Responsibility, Direct Philanthropic Giving, Environment awareness, Ethical Business Practice and Social Consciousness

CSR PROJECTS: Social Development Partner, Nurturing Talent, Technology Transfer and Community and Company Interdependency

BARRIERS TO CSR: Ambiguous Bureaucratic channels, Lack of Resources, Lack of Social Audit, Lack of Strategic Vision

In concluding this chapter, the impact of the mines' CSR on community development was measured through a number of variables and indicators, which include, but were not limited to the following (types of CSR projects): economic responsibility, ethical

business practice, environmental sustainability, social consciousness, education and direct philanthropic giving.

The following categories (CSR projects) were also formulated to serve as a yardstick to evaluate the impact of CSR on community development in FTLM: Social development; nurturing talent, strong association; community and company interdependency and technology transfer.

5.2.1 On community forums and CSR decision making

Communities and forum's role are to make applications and prioritization for CSR support but the final decision in terms of CSR is vested in the board of trustees and management of each mining company. However, the study findings concluded that the CSR of mining companies' support and decisions on community development is sporadic, uncoordinated and unsystematic. Decision making goes with accountability and this is a key aspect lacking on the relationship between the mining companies and the communities CSR relationship. One research participant says that:

“The biggest contradiction on the relationship between the mines and the communities is that communities have no role in holding the mines to be accountable if they fail to deliver on their CSR promises”.

Some of the mines identified CSR projects to support in communities guided by their own needs' assessment and area of development interest not what the community needs. Communities and schools on many occasions, are targeted beneficiaries but are just the recipients of the CSR support.

However, the study also concluded that the mining management prefers to work with the communities through community development and business forums, traditional authorities and section 21 companies when CSR projects were available.

5.3 Strategies and recommendations

The last objective of the study was to make recommendations and strategies on ensuring the effective and efficient CSR of the mining companies in the communities of Fetakgomo-Tubatse Local Municipality. The study proposes the following as strategies and recommendation as coming out of the research participants: -

The mining companies should build stable, sustainable and strong relationship with their mining communities and the municipality. Relationships and stakeholder's management is very important for ensuring greater impact on whatever type of intervention the mine is bringing to the communities.

One of the common characteristics of Fetakgomo-Tubatse Local Municipality is its rural and traditional character. Almost all villages in this municipality are falling under a specific traditional authority. The names of the villages, public institutions like schools, clinics, early childhood development centres, community projects, etc. are named after their traditional leaders. This phenomenon therefore defines the traditional leaders as the primary and critical stakeholder in every mining community. In some mining companies, one needs the blessing and approval from the traditional council in order get access to interact with the mine as an internal or external stakeholder. An example of this case study is the role plays by Maroga Traditional Council on Black Chrome Mine. Therefore, in our study area, the traditional councils and ward councillors representing the municipality are important stakeholders to be consulted on any CSR projects for greater impact in the communities.

Beyond the two stakeholders mentioned above, there are a variety of stakeholders which in terms of their character and establishment, differ from one community to the next. The study found that there is no standard stakeholder matrix and stakeholder engagement system except the common stakeholders, namely, the traditional leaders, PR councils and ward councillors across the municipality. The diversity of stakeholders in the study area ranges from civic organisations, community forums, business forums, CBO, NGO, Youth forums, women organisation, disability projects, ECD centres and schools. On all the mentioned stakeholders, the pillar for success for greater impact on CSR is consistent communication, continuous reporting and transparency on financial accountability from the mining companies to enhance the smooth relationship between the mines, the communities and the municipalities.

The facilitation and implementation of the mining CSR in FTLM is random, unorganised and sporadic. Some of the CSR projects they are supporting affect other spheres of government over and above the local municipalities, like the building of schools, administration blocks and science laboratories but

communication and resource alignment with the affected department is not effective. This has led to some of the facilities and infrastructure supported through CSR being under-utilised. An example can be given of the erection of a school at Magobading village at a cost of more than R27 million with less than 150 learners and five educators.

The study found that there is a lack of integration from basic needs analysis stage of project identification between the mines and the municipalities. The Municipality does their own needs analysis through the IDP and the mines too develop their own needs analysis through their community forums and other stakeholders listed above. It is recommended that needs analysis of the Municipality be done jointly with mining companies to guide all the proceeding project development phases in order to integrate, harness resources and avoid dual budgeting and duplication of planning efforts. Joint consultation between the mines and the municipalities on CSR plans and IDP consultation shall lead to great synergies on project integration, leading to sustainability and a great CSR impact on the community.

The municipal IDP must develop and have mining companies' stakeholder matrix. This is comprehensive data of all the mining companies' profiles, their mining communities and their involvement, including the CSR plans.

There should be a standard operational system on CSR between the mining companies, the municipality and other sector departments like the Departments of Health and Education. This will lead to aligned and the integration of services on what the mines does and how the municipality takes over with maintenance and provision of services. When the mines establish a clinic, the Department of Health must be part from the initial stage to ensure that the provision of resources (medication and human resources) is available, the municipality should be involved too for the realisation of services likes water, electricity, waste removal, roads and others.

Section 152:1(a-e) of the Constitution of RSA defines objects of local government but more specifically, subsection 1(b) stipulates that government, including local government, should ensure the provision of services to communities in a sustainable manner. It is therefore the fundamental role of municipalities to provide services to

the communities in a sustainable manner. The CSR of the mining companies in FTLM has taken a shift and focuses on the provision of infrastructure services in an unsustainable and unintegrated approach, a role which is the constitutional mandate of the local, national and provincial spheres. This predicament existed because of high service delivery backlogs leading to poor delivery of basic services in the communities. Community members therefore see the mines as a panacea for service delivery needs because the municipality and other spheres of government are unable to discharge their constitutional responsibilities.

Whereas the community are receiving the CSR support from the mines on projects like school administration, community halls, electrification, access road and others, the communities remains= in abject poverty and high unemployment, leading the youth to practicing illegal mining for their own livelihood sustainability. CSR of the mining companies must make a drastic turn around and focus on socio-economic empowerment of the local communities rather than merely support piecemeal infrastructure projects.

5.3.1 Recommendations summary

CSR by mining companies should be mandatory, systematized and standardized to guide community consultation, needs prioritization, annual budgeting, integration of services with the local municipality and sector department, implementation and project hand over to harness greater impact and sustainability.

CSR by mining companies should focus on environmental rehabilitation and climate change adaptability in an integrated approach with the local municipality.

CSR projects must not be a once-off activities, the mines should improve following up on their funded projects and where needs arise, provide after care support, expand the services, maintenance and renovation for sustainability.

Local entrepreneurs should own the major mining company's business with the local community having a stake in the mines through shareholding.

Mining forum members must have basic educational level, experience and knowledge about mining development for them to add value as community leaders representing the community in the mining sector. The mines should take it upon their

responsibility to develop and model training programmes for community mining forums.

Communities with traditional leaders being central, the municipalities and the mining companies must strive to have a constant communication and consultation of mining development related matter and CSR in particular

The municipality should champion and lead all service delivery or infrastructure related project which come as CSR projects to improve on project hand over, impact, maintenance and sustainability.

There is a need to clearly define and clarify who are the direct and indirect communities affected by each mining company to address village marginalization from each other in the same community and same municipality.

Mining communities should appoint local expertise to advise them on managing the relationship between the mines and the communities.

Mining companies should expand their CSR project support, anchor sustainability aspect on their project and give more support to education and skills development linked to the mining needs to reduce youth unemployment in their mining communities.

All mining houses should create a joint education fund for the development and support of technical education, including the establishment of technical mining college. The fund can be administered by a credible local or national NPO.

Immediate expansion of South Africa Police Service capacity across the whole of Fetakgomo-Tubatse Local Municipality to curb illegal and criminal mining closure activities which are sporadically taking place across all the mining communities resurfacing or emanating in the form of community CSR interest in the mining companies.

5.4 Areas for further study

Whereas the research primary objective was to investigate the impact of mining companies' CSR on community development, the following fields or areas of study are recommended for further research because they could not be covered by this study:

There is a need for further research on the alignment and integration of the mining companies SLP, CSR and municipal IDP.

There is a huge a gap in assisting and mobilizing the communities to formalise their expectations from the mining communities which will further assist in the development of massive socio-economic and environmental programmes which will be beneficial to the broad communities.

The role of the local municipality in the development of mining communities is a serious vacuum.

Roles, responsibility and accountability of the mining companies in their mining communities is also a grey area which needs further study.

Sustainable environment and economic development in the communities by mining companies.

How can CSR change the lives of the people in the mining communities, because the current set-up of CSR is of a survivalist approach and small-scale business which cannot change the lives of the people. They are livelihoods survival self-help projects which address temporary food security and shall not lead to economic empowerment of the local people in the mining communities.

There is a need for further study on a standardized policy, procedure and system on CSR needs analysis, identification, support, accountability and monitoring in an integrated approach with the municipal IDP.

5.5 Limitations of the study

Getting access and authorisation to do research from the mining industry was not possible and was a difficult delaying process which hindered the timeframes of the study. Because the objective of the study was to evaluate the impact of CSR of the mines in the communities and an approval was granted by the local municipality, the study continued with its objectives. It leaves many queries and questions on why all the mines are having problems to grant research approval on what they have done in their mining communities. The delay and pending approvals for a period of two months made the researcher proceed without any interview permissions from the mines. Therefore, the biggest limitation of the study was that no primary data was collected directly from the mines. Only secondary data was collected through their annual reports, their five-year CSR reports, from the municipal IDP and other records of their performance which was accessed from all legitimate public space. Time and travelling costs were another limitation due to the geographical spread of the mines and communities in Fetakgomo-Tubatse Local Municipality.

In situations where the relationship between the community and other stakeholders was not effective, the researcher avoided falling into the trap of collecting subjective information by becoming more objective and constructive guided by research ethics and objectives.

Ethical consideration of the research took the centre stage to avoid tensions or a situation where community or stakeholders may suspect other motives of the research over and above academic purpose. Respect for the respondents, beneficence and justice ethical principles was pivotal throughout the research to avoid the collapse of the research.

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ANNEXURE 1



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Private Bag X1106, Sovenga, 0727, South Africa
Tel: (015) 268 3935, Fax: (015) 268 2306, Email: anastasia.ngobe@ul.ac.za

**TURFLOOP RESEARCH ETHICS
COMMITTEE CLEARANCE CERTIFICATE**

MEETING: 27 November 2018

PROJECT NUMBER: TREC/227/2018: PG

PROJECT:

Title: The impact of the mining industry corporate social responsibility on community development in Fetakgomo Tubatse local municipality, Limpopo.

Researcher: DA Phasha
Supervisor: Prof T Moyo
Co-Supervisor/s: N/A
School: Turfloop Graduate School of Leadership
Degree: Master of Development (Planning and Management)


PROF. TAB MASHEGO

CHAIRPERSON: TURFLOOP RESEARCH ETHICS COMMITTEE

The Turfloop Research Ethics Committee (TREC) is registered with the National Health Research Ethics Council, Registration Number: REC-0310111-031

Note:

- i) Should any departure be contemplated from the research procedure as approved, the researcher(s) must re-submit the protocol to the committee.
- ii) The budget for the research will be considered separately from the protocol.
PLEASE QUOTE THE PROTOCOL NUMBER IN ALL ENQUIRIES.

ANNEXURE 2

INFORMED CONSENT FORM

Thank you for agreeing to participate in this study. I am Phasha Dilakane Abel, a student researcher enrolled for Master of Development (Planning and Management) at the University of Limpopo Turfloop Graduate School of Leadership. This form details the purpose of this study, a description of the involvement required and your rights as a participant.

Research Title:

The impact of the corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality, Limpopo.

Procedures:

Your participation in the research is voluntary and will take roughly 30 minutes to complete. In this research, you will be asked to answer questions about the impact of the corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality. Your name will not be recorded to protect your identity. You may pass on any question that makes you feel uncomfortable. At any time, you may notify the researcher that you would like to stop your participation in the study. There is no penalty for discontinuing participation.

Risks and/or Discomforts:

There are no known risks to you as a participant.

Benefits:

You may find the learning experience enjoyable.

Confidentiality:

All individual results will be reported as group results. The information obtained in the study may be published in the scientific journals or presented at a conference and/or meetings. The individual identifying information will be removed and replaced with a numeric identifier that only the investigator will have access to. The researcher will not share your individual responses with anyone other than the research supervisor.

Compensation:

There will be no compensation for participating in this research.

Signature of Participant:

Researcher and telephone number of the researcher:

Mr Phasha Dilakane Abel-072 547 2068

ANNEXURE 3

INTERVIEW GUIDE FOR TRADITIONAL LEADERS, WARD COUNCILLORS, TRADE UNIONS NGO/CBO, LOCAL SCHOOLS.

1. What types of CSR projects have the mines supported in your communities?
2. Explain the process by which CSR projects are identified.
3. Explain the role that you played in the decision on which CSR projects should be implemented.
4. Are you satisfied with the role that you played? Give reasons for your answer.
5. As a community, what are your expectations from mining companies?
6. Give example of CSR projects where you think the mines have made the most impact in the community.
7. Give reasons why you think the projects were successful.
8. In your opinion, are these projects addressing the root causes of underdevelopment in the community? Explain your answer.
9. If the projects are not addressing the root causes of the problems in the community, what do you think should be done?
10. Were there any CSR projects that failed? Give examples.
11. If there were failed projects, please explain the underlying reasons for their failure.
12. What are the factors that hinder the effectiveness of mining companies CSR on community development? Please elaborate on the answer.

- 13.** What can you do as a community to ensure that CSR makes a fundamental difference in the quality of your life?

- 14.** What are recommendations and strategies to ensure the effectiveness and efficient of CRS of the mining companies in the communities.

ANNEXURE 4

17 January 2019

The Acting Municipal Manager
Fetakgomo-Tubatse Local Municipality
Burgersfort

APPLICATION FOR PERMISSION TO CONDUCT AN ACADEMIC STUDY.

The above matter refers.

Kindly note that I am a registered student with the University of Limpopo, Turfloop Graduate School of Leadership pursuing a master's degree in development studies under the topic: *Impact of corporate social responsibility of the mining companies in Fetakgomo-Tubatse local municipality, Limpopo*. I hereby apply for an approval and permission to conduct the study in the mining communities of the Municipality which will involve participation by relevant municipal officials working with mining related development (LED and IDP), community forums, schools, traditional leaders, ward councillors, public institutions supported by the mines, NGOs, SMMEs and all other stakeholders.

Thanking you in anticipation.

Regards,

Mr Phasha D.A
Student No: 201832132
072 547 2068

ANNEXURE 5



FETAKGOMO TUBATSE LOCAL MUNICIPALITY

Enquiries: K Shongwe (013)231-1090

05 February 2019

University of Limpopo
Private Bag X1106
SOVENGA
0727

Attention: AJ Ngobe – Secretary: Turfloop Research Ethics Committee

Per e-mail: Anastasia.Ngobe@ul.ac.za

Dear Sir/Madam

RE: REQUEST PERMISSION TO CONDUCT RESEARCH STUDY TITLED: THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY OF MINING COMPANIES WITHIN FETAKGOMO TUBATSE LOCAL MUNICIPALITY

The above matter bears reference

The Municipality hereby acknowledges the letter dated 17 January 2019, for the request to conduct a research study for the purposes of education fulfillment for Mr. D.A Pasha.

The municipality grants Mr. D.A Pasha to permission to conduct his research study with Fetakgomo Tubatse Local Municipality. The municipal contact person to assist is Director: Local Economic Development and Tourism, Ms. Katleho Shongwe.

The municipality requests a copy of the research paper upon completion as the subject matter is the municipal area of Fetakgomo Tubatse local municipality.

Hoping that the information contained in this letter is sufficient.

Yours faithfully

MJ Ntshudisane
Acting Municipal Manager

HEAD OFFICE <i>Dikantsa street P.O Box 206, Burgersford, 1130</i> Tel: +27 13 231 1090 Fax: +27 13 231 7467		REGIONAL OFFICE <i>Stand No. 1, Mashung, Ga-Nwanani P.O Box 818, Apul, 0739</i> Tel: +27 13 622 8060 FAX: +27 13 622 8076
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ANNEXURE 6

PULANA MAROGA TRIDITIONAL COUNCIL

Eng: S. MADIGAGE

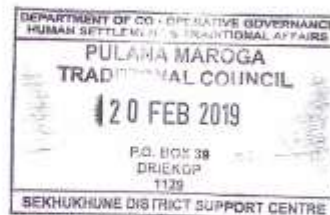
Tel: 073 4736 380



Box310

Driekop

1129



DEAR Mr Phasha D.A
Student no. 2018322132
Cell no 072 5472 068

Application to conduct an academic research/study at Maroga community.

Your matter bears references to 04 /02/2019

We have received your letter dated 04 /02/2019 with regard to a permission to conduct an academic research in our village pertaining to the impact on corporate social responsibility of the mining companies in Fetakgomo –Tubatse local municipality at Limpopo South Africa and as a registered student with the University of Limpopo ,Turflowop.

Kindly note that we have taken a resolution to permit you to conduct an academic study at our village, Pulana Maroga Traditional council with no reservations but as for the mines you must go and get approval from them because we don't have jurisdiction in their precinct.

We do hope you will find this letter of approval in order for you future academic endeavors, please free to contact the writer above if there is any clarification needed.

Warm Regards

Kgoshi M.S Maroga

Senior Admin Officer

Council Member

ANNEXURE 7

CONFIRMATION OF PROOFREADING

This serves to confirm that I have proofread this thesis and have made the necessary corrections, suggestions and emendations:

The impact of corporate social responsibility of the mining companies on community development in Fetakgomo-Tubatse Local Municipality, Limpopo Province

By **Dilakane Abel Phasha.**

I have been proofreading articles, Honours, Masters and Doctoral dissertations, research reports and theses for the past 15+ years for, *inter alia*, the following institutions: University of the Witwatersrand; GIBS; University of Cape Town; Milpark; Mancosa; University of KwaZuluNatal; University of Johannesburg; Unisa; Tshwane University of Technology; Stellenbosch; Henley Business School, Regenesys, University of Limpopo and, more recently, the Da Vinci Institute.

I have also undertaken proofreading for publishers, such as Oxford University Press, Knowledge Resources and Juta & Company, companies, institutions and non-governmental organisations.

I have a major in English, and excellent knowledge of Afrikaans.



Jennifer Croll

BA(Wits); H.Dip.Lib. (UCT); B.Tech.(LIS), B.Inf.Sc.(Hons)(Unisa); MM(Research), MM(Strategic Marketing)(Wits).

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Date: 7th June 2019