

COMMUNITY PERSPECTIVES ON
SUSTAINABLE COMMUNITY DEVELOPMENT IN A
MINING AREA IN SOUTH AFRICA

A Thesis

By

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ABSTRACT

Community development programs (CDPs) conducted by mining companies have become an essential component for building and maintaining an amiable relationship with communities in mining areas and for sustainable community development, especially in developing countries. CDPs provide social and economic benefits to communities such as direct and indirect employment, schools and education, health care centers, and road infrastructure. CDPs are broadly expected to continue benefiting communities socially and economically. Previous literature only discusses the role of CDPs in the context of a corporate obligation to sustainable development and as one activity of Corporate Social Responsibility. Yet, little research exists that describes how local people view CDPs and how they actually become involved. Thus, this research aims to investigate community perspectives on community development programs conducted by mining companies. To achieve this aim, this research takes the form of an empirical study, carried out in a mining community in South Africa, with three main research questions, as follows;

1. What types of community development programs do mining companies undertake for mining communities – for what purpose and by what means?
2. How do the communities view the community development programs conducted by the mining companies in their communities?
3. What explain the gaps between the company intention and the view of the communities about the community development programs?

Fieldwork was conducted in the Royal Bafokeng Nation, an indigenous Setswana-speaking community in South Africa that located on the world's largest platinum deposits. The total of four RBN villages was selected. The fieldwork was

mainly composed of semi-structured interviews with local residents. In addition, one key informant interview was conducted. The number of valid respondents was 34 out of 36. The intentions of the mining companies underlying CDPs are represented by the statements and achievements obtained from sustainability reports of the mining companies in the study villages. Comparison was made between the intentions of the mining companies and the awareness of the respondents about the CDPs in order to discover whether the respondents' views match the companies' views.

In this study, CDPs were categorized into two types. Type One includes the CDPs for capacity building, emphasizing enterprise development and procurement in the communities. Type Two includes the CDPs for socioeconomic development emphasizing infrastructure development, and education and health support. From this comparison, of capacity building CDPs, results reveal that only a few respondents are aware of the programs that have been implemented, and have negative perceptions. On the other hand, even though more than half of the respondents were unaware of socio-economic CDPs, relatively more respondents were aware of the programs and they had positive views. The factors explaining the perception gap are (1) insufficient promotion of the programs in the communities; (2) differences in expectations between the mining companies and communities, especially regarding procurement; (3) insufficient qualifications of community members; and (4) attitudes of the mining companies regarding CDPs, especially for capacity building. The results also suggest that socio-economic CDPs, focusing on infrastructure development and education and health support, impact communities more than capacity building CDPs, which specifically focus on local enterprises. However, results of analysis of perceptions concerning post-mining community situations indicated that people feel that they would

be able to continue living in their communities provided alternative sources of income are available. This result suggests the importance of investment in improving the capacity of local enterprises by the mining companies and its necessity for the sustainable development of post-mining communities.

This research investigates community perspectives regarding CDPs conducted by mining companies through the awareness of communities about capacity building and socio-economic CDPs. The South African government has established a strong legislative system governing mining companies in the favor of community development in mining areas. The Royal Bafokeng Nation also has an independent administrative system and established communication channels with mining companies in addition to those with local municipality, and has much invested effort into sustaining and managing the communities. Nevertheless, rather weak and negative community perspectives concerning CDPs was discovered. This result seems to indicate general difficulties in investigating and formulating community perspectives in mining areas from which two perspectives can be discussed, that of the mining companies and that of the communities. From the mining companies' side, there are three possible causes: (1) conduct CDPs as a 'façade' to give the semblance of sincerity in order to obtain approval for a mining license, (2) conducting inadequate needs assessment or consultation with communities, and (3) setting the priority as low among their key stakeholders. From the communities' side, there are five possible causes: (1) vulnerability and weak capacity of the communities, (2) embedded mistrust of mining companies in the communities, (3) seemingly endless dissatisfaction with company promises, (4) passive attitude that mining companies should help and provide for the community, and (5) mistrust and little engagement among community members.

This research has made three academic contributions. Firstly, it has identified the gaps between company intentions and the views of the communities regarding CDPs. Secondly, this research has identified the factors explaining the gaps, which represents the major contribution of this research. The discussion of sustainable community development has heretofore been argued mainly based from mining company perspectives. Thirdly, this research pointed out the difficulties of investigating and formulating a community perspective in a mining area. Empirical contribution of this research show how local people in the mining community actually think about CDPs conducted by mining companies, their efforts to engage mining companies, and their future perception regarding their communities. In addition, this research also suggests the importance of the investment in capacity building of the communities by the mining companies.

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1. Introduction

A number of mining companies have expanded their operations in the developing countries, especially in Africa, in order to respond to even increasing demand for mineral and metal resources, particularly from emerging countries, such as China and India, and under the circumstance of high commodity prices and transformation of national economic and investment policies of liberalization. Their operations have induced tensions between the mining companies and communities near the mining sites, because the mining operations impact on the communities environmentally, economically and socially. The mining companies have provided the package of social and economic benefits as a form of a community development program to the communities in order to mitigate tensions (Buxton, 2012; Eweje, 2006b; Jenkins & Obara, 2006; D. Kemp, 2009; Reed, 2002). Therefore, community development programs (CDPs) conducted by mining companies have become an essential component for building and maintaining an amiable relationship with communities near the operations and for sustainable community development. Previous literature only discusses the role of CDPs in the context of a corporate obligation to sustainable development and as one activity of Corporate Social Responsibility (CSR). Yet, little research exists that describes how local people view CDPs and how they actually become involved.

Thus, this research aims to investigate community perspectives on community development programs conducted by mining companies. To achieve this aim, this research takes the form of an empirical study with three main research questions as follows;

1. What types of community development programs do mining companies undertake for the mining communities – for what purpose and by what means?
2. How do the communities view the community development programs conducted by the mining companies in their communities?
3. What explain the gaps between the company intention and the view of the communities about the community development programs?

This research selects South Africa as an area for the empirical case study. This selection is made because South Africa is one of the most traditional and important mineral-rich countries in the world and also because South Africa is a developing country. It is important to focus on the developing country, because the circumstances of mining industry in the developing countries are significantly different from those of the developed countries (Reed, 2002) and little is known about the practice of CDPs in the developing countries (Jamali & Mirshak, 2006). While the national and regional governments function to regulate the mining companies through making legislation and its enforcement, and civil society groups also serve as watchdogs in the developed countries, these systems are often lacking in the developing countries. However, the expectations for CDPs are greater in developing countries than developed countries because of inadequate social and infrastructure service provision by the governments (Eweje, 2006). In addition, the mining industry is vital in the growth and development of economies of the developing countries, especially in Africa. Historically, South Africa is well known as a mineral-rich country and has the largest number of the mining operation sites in Africa (Wilburn & Stanley, 2013). Moreover, South Africa has strong legislations and regulatory approaches to the mining companies in the context of community development. For all these reasons, South Africa is selected as the case

study area. The details of the overview of the mining industry in South Africa is provided in Chapter 3.

The remaining of the introduction chapter looks first at how the mining companies have adopted the concept of sustainable development in their business as corporate social responsibility and developed the community development programs, then describes their programs, and finally defines “community” for the purpose of this study.

1.1 Sustainable development, CSR, and mining companies

The Brundtland Commission defined sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987).” In mining companies, sustainable development is generally considered as “the combination of enhanced socioeconomic growth and development, and improved environmental protection and pollution prevention (Hilson & Murck, 2000).” More realistic view to sustainable development in the mining companies is to reduce poverty and contribute to economic development at local level as well as prevention and reduction of environmental pollution such as air and water pollution.

Corporate social responsibility (CSR) has developed in order to practice the concept of sustainable development. The United Nations and the World Bank Group has promoted the potential of CSR to address poverty (Kemp, 2009). According to *the future we want*, which is an outcome document of Rio+20 UN Conference on Sustainable Development, the report suggests the importance of CSR and promotes to adopt the UN Global Compact in 46 of Section C about stakeholder engagement. In 47 of Section C, it encourages keeping publish corporate sustainability reports (United

Nations, 2012). Particularly, the report encourages multinational mining companies to provide their sustainability information to the public.

In addition to this global pressure on the mining companies, the awareness of severe long-term impacts of the mining operations increased in the society (Jenkins & Obara, 2006; Kapelus, 2002; Kemp, 2010; Ololade & Annegarn, 2013). Especially, the impact on communities near the mining operations was prominent. They are most seriously affected even after the mine closure (Manteaw, 2007; Oxfam Australia, 2004). With the improvement of the internet and media and associated the growth of consumer concerns about the products (Buxton, 2012; Humphreys, 2001; Kemp, 2009), many local community members, civil society groups, and even shareholders increased to pressure on the mining companies to take accountability for impacts of their operations and contribute to community development as CSR (Environmental Resources Management, 2010; Kapelus, 2002). On the other hand, the mining companies also recognized the risk of operational delays due to the oppositions, because significant delays may increase cost up to two-thirds of the initial value of mining projects (Humphreys, 2001).

Due to the global and local pressures and financial risk, the mining companies have adopted CSR as a means of the implementation of sustainable development and reduce future financial risk and bad reputation in the society.

1.2 Community development programs

Community development programs (CDPs) are the means of the implementation of CSR in the reality. CDPs are consisted of social and economic benefits to the communities. These benefits are mainly direct and indirect employment opportunities, education and health support, infrastructure development, and capacity

building of communities, based on poverty reduction and human development goals (Hamann & Kapelus, 2004; Hilson & Murck, 2000; Jenkins & Obara, 2006). Therefore, CDPs are expected to largely contribute to socio-economic development of the communities (Buxton, 2012; Jenkins & Obara, 2006; Deanna Kemp, 2010). The essential element of sustainable CDPs is to build social capital for the communities that can continue throughout and beyond the mine closure. Social capital is “the institutional and cultural base required for a society to function (Jenkins & Obara, 2006).”

Table 1.2 provides illustrative examples of the types of CDPs conducted by the mining companies. The examples can be broadly categorized in terms of two factors – hard and soft aspects of the programs. Health, education (schooling), infrastructure, and capacity building are major components of CDPs. Particularly, this research focus on the CDPs for capacity building. Major components of capacity building CDPs are skill development for employees and procurement and enterprise development support in the communities. These components contribute to local economic development and diversification (Hilson & Murck, 2000; Jenkins & Obara, 2006). Especially, enterprise development is a key component of local economic development and sustainable community development. Health, education, and infrastructure are categorized as the CDPs for socio-economic development.

Table 1: Types of community development programs conducted by mining companies

| | Health | Education (Schooling) | Infrastructure | Capacity building |
|--------------------|---|--|--|--|
| Hardware Provision | Build hospital | Build school | Build and improve roads, housings, water supply, sanitation, electricity, civic center | |
| Service Provision | Provide equipment and medical and health services | Provide educational services, sports, arts, culture and heritage | | Provide skill training, Support local procurement and enterprise development |

Sources: author’s table based on Eweje (2006), Hamann and Kapelus (2004), Hilson & Murck (2000), Jenkins & Obara (2006), Anglo American Sustainable Development Report 2012, and Rio Tinto Sustainable Development Report 2011

1.3 Definition of community in this research

This research uses the term of community. This section provides the brief summary how previous literatures and the mining companies see and define the term of community.

Community has been used in the mining companies, for example, “enabling sustainable economic and social development of communities where we operate (Anglo American, 2012)”, and “good community relations are as necessary for our business success (Rio Tinto, 2011).” However, the term of community has not clearly defined. One reason is that a community consists of not only the geographic territory but also identity, beliefs and perceptions of people (Calvano, 2007; Kapelus, 2002). Veiga et al.¹ describe mining communities as:

“...where the population is significantly affected by a nearby mining operation. The community may be associated with the mining venture through direct

¹ (Veiga, Scoble, & McAllister, 2001)

employment or through environmental, social, economic or other impacts. The community can range in size from a city to a village... communities vary in the profile and perceptions about mining a needs (p.191).”

The other reason is that demographic features of the areas nearby the mining operation constantly change due to rapid population increase and resettlement. People migrate to the areas to seek the opportunities of employment.

The Ministerial Council on Mineral and Petroleum Resources (MCMPR), which is the Department of Industry of the Australian government, published the report called Principles for Engagement with Communities and Stakeholders.² The report describes three different terms of communities – a community, local or host community, and affected community. Generally, the mining companies use these three terms when they refer to a community. A *community* is “a group of people living in a particular area or region. In resource industry terms, community is generally applied to the inhabitants of immediate and surrounding areas who are affected by a company’s activities.” *Local or host community* is usually applied to “host living in the immediate vicinity of an operation, whether indigenous or non-indigenous people, and who may have cultural affinity with, a claim to, or direct ownership of an area affected by the operation.” *Affected community* refers to “the members of the community affected by a company's activities. ... While the economic and associated social impacts of a company may be extensive and operate at provincial, state or national levels, these broader impacts would not typically be used to define the affected community.” Affected community may include the groups of people who live in far from the operation but are affected by the activities, like water pollution. The mining companies use one of the three terms or often mix them in their sustainability reports.

² (The Ministerial Council on Mineral and Petroleum Resources, 2005)

International Institute for Environment and Development, which is an international development and environment policy research organization, also describes community in the mining areas, based on occupational, residential and indigenous communities. *Occupational community* is households or families who derive all or most of their income from mining. *Residential community* is those who live within the geographical area affected by mining (e.g. they may live in nearby the operation or many miles away, such as on a river polluted by mine railings). Those communities can have been in existence before the mine or has developed as a result of the mining operation. *Indigenous community* is households or families with an ancient and cultural attachment to the land where mining occurs or has an impact (2002).

Practically, when the mining companies approached to the chief or other traditional authority to request permission of the operation, they decided the boundaries of community based on the lines of the de facto authority of the chief. Although the process of identifying community has become more sophisticated (Kapelus, 2002), practically the mining companies decide community based on the scientific fact, such as geographic and/or demographic statistical data (Bocoum & Otto, 2010; Jenkins & Obara, 2006).

There are several definitions existed. 'A community' and 'residential community' simply define community as people who live in geographic areas affected by the operations. 'Local or host community,' 'affected community,' 'occupational community,' and 'indigenous community' define community with cultural attachment, economic dependence, and degree of effect. All definitions explain that groups of people who are affected by the mining operations. However, because of the complexity of the reality, this research simply defines *community* as geographic areas affected by

the operations. Kapelus also explains that it does not necessarily fit the actual lived people in question.

2. Literature review

Preliminary literature review was conducted to understand the current academic discussion about the mining companies and the communities. The articles read were categorized based on 10 factors: subject of article, level of analysis, target minerals, type of paper, approach/methodology, major author, date, case country/area, case company, and sustainability concern. Level of analysis means that the articles discuss international, national, regional, corporation, and/or community level. Types of paper mean that the articles are theoretical, empirical, case study or other. Table 2 shows the result of literature review.

When it talks about the mining companies and the communities, nine literatures indicated that the discussions were basically done in the context of CSR and the role of the mining companies in sustainable development. For example, Hilson and Murck (2000) discussed how the concept of sustainable development can be applied to the mining industry. Hamann (2010) argued the challenges and opportunities for CSR in the mining industry. These literatures discussed how the mining companies could/should contribute to sustainable development at global, national, regional or local level and implement CSR with showing case studies. The level of analysis also showed that 15 literatures focused on corporation as a unit of analysis. The results indicated that the previous studies more focused on analyzing corporative perspectives to sustainable development aimed to reduce poverty and contribute to economic development at local level as well as prevention and reduction of environmental pollution such as air and water pollution. As the previous chapter described, sustainable development is taken as a form of CSR and targets to the communities, but the previous studies did not clearly illustrate perspectives of the communities to sustainable development. Hence, this

research focus on the community perspectives on the community development programs, which is a means of sustainable development in the reality. Hamann (2010) and Ololade & Annegarn (2013) supported the importance of this research. Hamann (2010) said;

“company-community relations are hence at the heart of sustainable development in mining, and this is where some of the key challenges for the future lie. It is also one of the key areas of conflict in the debate surrounding mining (p.248).”

Ololade & Annegarn (2013) also mentioned; “the perceptions of local communities in the mining areas are vital to understand how mining activity can affect their quality of life (p.570).” In addition, Kemp (2009) claimed;

“CD (community development) practice in mining at the local and context-specific level has not received sustained scholarly attention, and thus empirical and grounded research is not yet building a broader theoretical understanding of CD in mining (p.213).”

To contribute to providing empirical data to build theoretical understanding of community development, this research is formed as the empirical study.

Table 2: Result of literature review

| Categories | |
|------------------------|---|
| Subject of Article | CSR (9), develop indicators (3), land conflict (1), environmental impact (1), other (6) |
| Level of Analysis | Corporate (15), international (2), national (3) |
| Target Mineral | Gold (5), platinum (4), copper (2), diamond (2), chrome (1), silver (1), coal (1) |
| Type of Paper | Case study (16), theoretical (4), empirical (3) |
| Approach/ Methodology | Secondary literature review and qualitative method (15), other (5) |
| Major Author | Hilson, G; Kemp, D; Hamann, R; Kapelus, P; Esteves, A. M; Yakovleva, N |
| Date | 1999 - 2012 |
| Case Country/Area | South Africa (5), Ghana (4), Papua New Guinea (4), Argentina (4), Mali, Zambia, Democratic Republic of Congo, Nigeria, Cameroon, Canada, The Republic of Sakha (Russia), Australia |
| Case Company | Newmont, PNG, Veladero, Rio Algom, Placer Dome Inc., Anglo Platinum, Impala, Lonmin, BRPM, Smancor, Xstrata, AngoloGold Ashanti, BHP Minerals, MIM Holdings Limited, Rio Tinto, ALROSA, GCD, MeridianGold |
| Sustainability Concern | The role of business/company, stakeholder relationship, environmental concern, social development |

2.1 Analytical framework

Initial analytical framework was to use stakeholder analysis to analyze what the benefit of CDPs is for each stakeholder of the communities and to form community perspectives. However, due to change of methodology (see Chapter 4), this research focuses on the comparison between the statements and achievement obtained from the sustainability reports of the mining companies in the study villages and the awareness of the respondents about CDPs from the fieldwork.

3. Overview of mining sector in South Africa

This section provides general overview of mining industry in South Africa. It also shows key legislations related to the mining industry and community development after apartheid in 1994.

3.1 Mining industry in South Africa

South Africa has been known as one of the world's mineral countries and a mining-based economy. South Africa had ore reserves of diamond, platinum group metals (PGMs), gold, and coal and the world's largest reserves of gold, platinum, and titanium (Hamann, 2003). Therefore, the mining industry has been playing a crucial role in economic development and industrialization (Buxton, 2012; Hamann, 2003). Despite the industry has been affected by declining in global economy, it is still a leading employment sector in South Africa. Its employment figure estimated at 499,000 in December 2013 (Statistics South Africa, 2014). The mining industry contributes to 6.8% of GDP and of 18% including related industries in 2010. It also accounts for 30% of the total export and with processed production, it account around 50% (Mnwana, 2011). The mining industry has been important in South Africa economy.

3.2 Marikana strike

While the mining industry has been contributing to the national economy, it also has experienced a lot of problems and is contextualized of all socio-economic problems in South Africa (Ololade & Annegarn, 2013). Recently, the most prominent incident happened in Marikana, close to Rustenburg where is famous for platinum mining on August 14, 2012 when over 10,000 Lonmin miners did strike. This event captured the international attention following that 34 miners were killed during a

confrontation between striking miners and polices (Ololade & Annegarn, 2013).

Alexander, 2013 highlighted that;

“The irony of the poor social conditions springing next to rich platinum mines and how democratic South Africa’s tax-funded local municipalities could allow Marikana’s poor social conditions to develop.”

This event revealed the significant tension between the mining companies and the communities surrounding the mining operations and “a huge wake up call to the mining industry about the reality pertaining to the mistrust the local indigenous have in them (Ololade & Annegarn, 2013)”

3.3 Political environment

There are three key legislations. This section briefly explains each legislation.

- The Mineral and Petroleum Resources Development Act 2002
- the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter)
- Social and Labour Plan

Mineral and Petroleum Resources Development Act 2002

The Mineral and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA) was introduced in 2002. The fundamental change in mineral policy under this Act was that it claimed all mineral rights under the national government, rather than under private owners. Before the Act, mineral rights were owned by the private owners and some by the national government.

Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (Mining Charter)

The Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (as know as the Mining Charter) was introduced to realize the

MPRDA in 2002. Section 100 (2) (a) of MPRDA was directly related to the transformation of the mining industry. Section 100 (2) (a) mainly set the framework, aims, and time table to encourage Historically Disadvantaged South Africans (HDSAs) entering into the mining industry (Department of Mineral Resources, 2009)³. The Mining Charter was introduced to give effect to section 100 (2) (a) and promote transformation in the mining industry. Basically, the Mining Charter accompanied with the MPRDA. The Mining Charter has the six objectives;

1. Promote equitable access to the nation's mineral resources to all the people of South Africa;
2. Substantially and meaningfully expand opportunities for HDSA's including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
3. Utilize the existing skills base for the empowerment HDSA's;
4. Expand the skills base of HDSAs in order to serve the community;
5. Promote employment and advance the social and economic welfare of mining community and the major sending areas; and
6. Promote beneficiation of South Africa's mineral commodities (Department of Mineral Resources, 2009)

The existing mining companies need to accomplish the objectives of the Mining Charter to renew their old mineral rights to the new ones. If the mining companies do not accomplish the objectives, they may have a risk of cancellation of their right of operation, and a poor rating of the Scorecard will negatively affect on the mining company business ability in South Africa (Esser & Dekker, 2008). Subsequently, the Department of Minerals Resources (DMR) announced the Scorecard for the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry in February, 2003 in order to ensure the implementation of the Mining Charter.

³ Section 100(2)(a) of MPRDA provides “must within six months from the date on which this Act take effect develop a broad based socio economic empowerment charter that will set the framework, targets and time-table for effecting the entry of Historically Disadvantaged South Africans into the mining industry, and allow such South Africans to benefit from the exploitation of mining and mineral resources” (Department of Mineral Resources, 2009).

This Scorecard provided the nine elements for the mining companies applying mining and production rights.

1. Human resource development (Skills Development Act 97 of 1998)
2. Employment equity (Employment Equity Act 55 of 1998)
3. Migrant labor (Immigration Act 13 of 2002)
4. Mine Community development
5. Housing and living conditions
6. Procurement (Preferential Procurement Policy Framework Act 5 of 2000)
7. Ownership and joint venture (Competition Act 89 of 1998)
8. Beneficiation
9. Reporting (Department of Mineral Resources, 2004)

The most important element is that the mining companies are to achieve a minimum target of 26% ownership to enable meaningful economic participation of HDSAs by 2014 (Department of Mineral Resources, 2004). Besides of ownership, accommodation and reporting are also major elements. Reporting means the mining companies must submit the reports about the level of compliance with the Mining Charter annually. Housing and living conditions require them to upgrade of hostels to meet the occupancy rate of one person per room for their employees and into family units for their families. These three main elements are not included in the total percentage of the Scorecard, maybe because each process achievement by year is heavier than other elements. Without the three elements, the total score is determined. Regarding CDPs, community development has 15% of the total score and procurement and enterprise development from black economic empowerment (BEE) entity has of 12% (Department of Mineral Resources, n.d.).

Social and Labour Plan

Along with the Mining Charter, the DMR introduced the Social and Labour Plan (SLP) in order to ensure effective transformation in the mining industry in April, 2004. The MPRDA requires the mining companies to submit of the SLP as a

prerequisite for obtaining mining and production rights. The SLP is aimed to promote “employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development (Department of Mineral Resources, 2010)”. The SLP requires the mining companies who want to obtain mining and production rights to develop and implement four comprehensive programs;

1. Human Resource Development Programmes;
2. Mine Community Development Plan;
3. Housing and Living Conditions Plan;
4. Employment Equity Plan, and Processes to save jobs and manage downscaling and/or closure (Department of Mineral Resources, 2010)

The mining companies who hold or want to gain mining and/or production rights must submit the Scorecard and the SLP to apply or renew rights by April 30, 2009. Also, the mining companies holding mining and/or production rights are required to submit annual reports detailing their compliance with the provision of (Section 2(d) and (f) of the MPRDA,) the Mining Charter and the SLP.

Although the Scorecard indicates the priority for the mining companies to accomplish the objectives of the Mining Charter, their socio-economic development expenditures show that their priority in the context of community development is different by the companies. In addition, the Mining Charter does not set specific targets for each objective, this indistinct criteria of the legislation let the mining companies (Mnwana, 2011). The three legislations govern the mining companies and require them to contribute to community development in the communities near the operations.

4. Methods

This section explains the methods employed and materials used in this research.

4.1 Study area

The fieldwork was conducted in Royal Bafokeng Nation (RBN), an indigenous Setswana-speaking community, located within the administrative jurisdiction of Rustenburg Local Municipality (RLM) (see Figure 1) in the Bojanala District of the North West Province of South Africa. The RBN is a traditionally governed community led by *Kgosi* (king) and has an independent administrative system besides Rustenburg Local Municipality (RLM). The RBN has 29 villages in five regions. The total population is approximately 142,000. The main industry is mining. The RBN is highly dependent on the mining. 58% of the population are engaged in the mining sector in some manner. The RBN, through its Royal Bafokeng Nation Development Trust and its investment company Royal Bafokeng Holdings, in 2007 swapped its future royalty rights with Implats for shares, now owning 13.2% of Impala Platinum and receiving dividends from these shares. The net asset value of the RBN was R30.9 billion in 2010 (RBA Research, 2012). Table 3 summarizes the basic information about the RBN.

The land owned by the RBN is located in part of the world's largest platinum deposit, named Bushveld Ingenous Complex (IBC)⁴. IBC contains approximately 90% of the world PGMs, which include platinum, palladium and a range of other minerals. The western limb of IBC, containing the platinum ore-rich Merensky Reef, lies under

⁴ The Bafokeng Nation of South Africa: An example of direct community participation in mining ventures.
<http://www.bafokeng.com/media/press/bafokeng-nation-south-africa-example-direct-community-participation-mining-ventures>

the land owned by the RBN⁵. Several mining companies have operated in this area, such as Impala Platinum (Implats), Royal Bafokeng Platinum (RBPlat), Feaser Alexander, and Anglo Platinum. The RBN is also located within 50km radius of the operation zone of influence defined by the Mining Charter and the nearest community to the mining operations. The operations mainly take place in North Region and some part of Central and South East Regions. Therefore, the RBN can be considered as a study area in this research. Practically, the author had advice from University of Cape Town (UCT) to select the study area through Memorandum of Understanding with UCT and GPSS-GLI, because conducting the fieldwork in the mining area is very difficult without any connection.

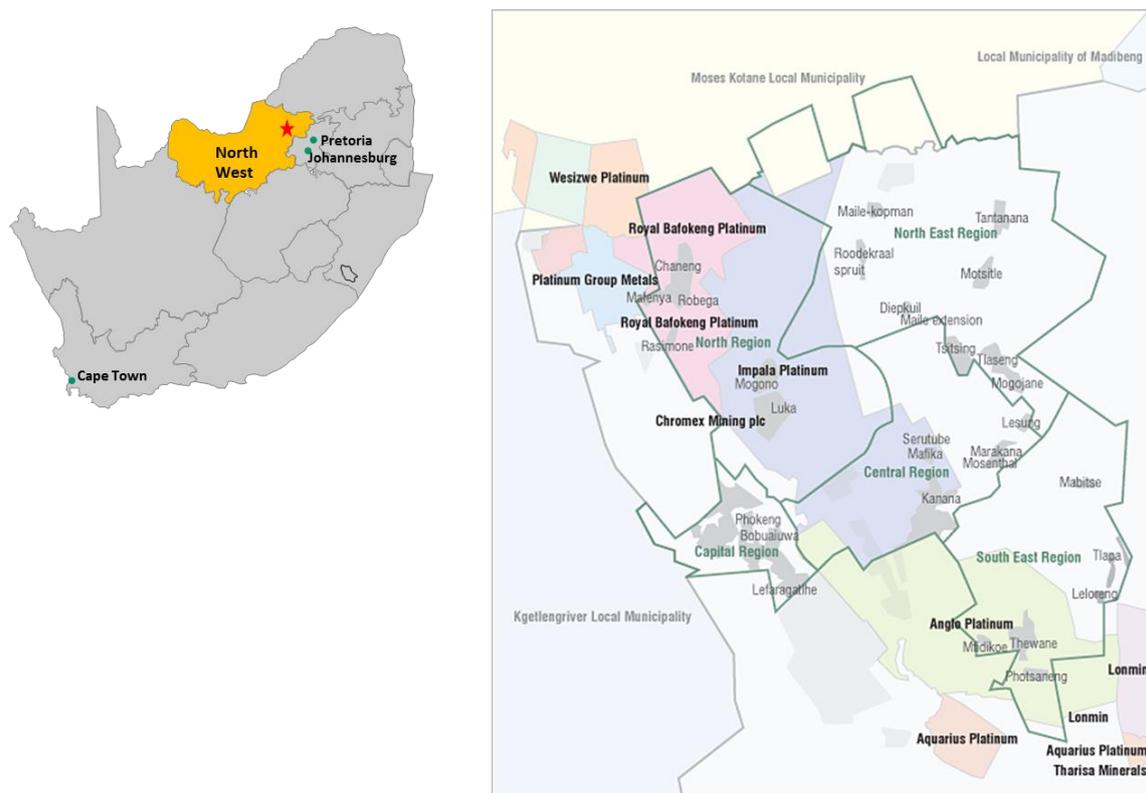


Figure 1: Map of Royal Bafokeng Nation
 Source: Royal Bafokeng Platinum: <http://www.bafokengplatinum.co.za/a/profile.php>
 Note: green line is RBN land

⁵ Geology. Royal Bafokeng Platinum. <http://www.bafokengplatinum.co.za/b/geology.php>

Table 3: Royal Bafokeng Nation Profile

| Royal Bafokeng Nation | |
|-------------------------|---|
| Capital | Phokeng |
| Population | 142,000 |
| Areas | 1,400 km ² |
| Settlements | 29 villages in 5 regions |
| Industry | Mining (58% of population) |
| Population Group | Black African 99.5% (2001) White 0.4% Other 0.1% |
| Language | Setswana |
| Major Mining companies | Impala Platinum Limited, Anglo Platinum, Xstrata, and Royal Bafokeng Platinum |
| Major source of revenue | Royalties of mines |

Sources: author's table based on Census 2011 and PULA 2011

4.2 Study villages

Two villages were selected as the sites for the fieldwork. These villages were Luka and Chaneng in North Region of the RBN. The villages were selected because they are located on the actual mining operation sites (Implats and RBPlat), so the residents of the villages are likely to experience more impact of the mining operations than other villages located far away from the mines. Luka villages has most mine shafts, followed by Chaneng and Kanana (Mnwana, 2011). At first, this research targeted residents in Luka and Chaneng. However, during the course of the fieldwork, the author had an opportunity to conduct interviews with residents in Rasimone and Mafenya, which are neighboring villages of Chaneng. Therefore, the total number of study communities is four villages. Figure 2 shows the locations of each study village and estimated distances from the center of the villages to the nearest mine shafts. All study villages are located within four kilometer from the shafts.

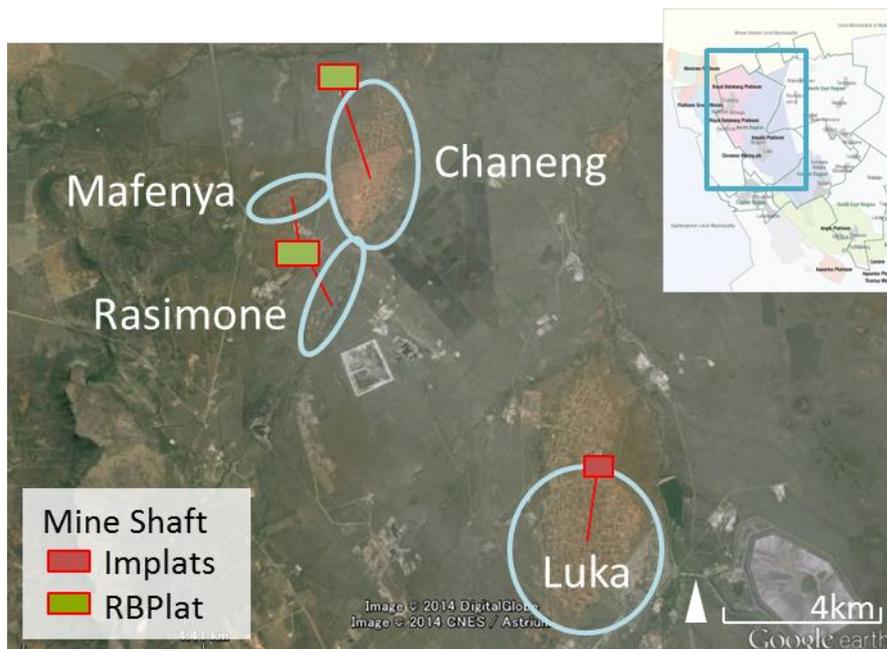


Figure 2: Map of study villages

Source: google earth

Note: red line is the distance from the shaft

Table 4 shows that basic information of the study villages. Luka has the largest population in the study villages. Mafenya was established in 2001. The majority of residents in Mafenya used to live in a village near Rasimone, but they were forced to relocate to the current place due to expansion of RBPlat operation.

Table 4: Basic information of study villages

| Village | Luka | Chaneng | Rasimone | Mafenya |
|-------------------|--------|---------|----------|---------|
| Population | 15,424 | 5,412 | 3,144 | 1,782 |
| Non-Bafokeng | 52.1% | 24.7% | 63.2% | 27.2% |
| Bafokeng | 47.9% | 75.3% | 36.8% | 72.8% |
| Gender | | | | |
| Female | 40.2% | 47.2% | 32.9% | 47.7% |
| Male | 59.8% | 52.8% | 67.1% | 52.3% |
| Main mine | Impala | RBPlat | RBPlat | RBPlat |

Source: PULA 2011 statistical data obtained from the Research Department of RBA on July 9, 2014

Figure 3 shows educational achievement in the study villages. The highest proportion of residents in the study villages have only some secondary education. Many people do not complete the secondary education. Those who have certification or college or university degree are less than 3%. This indicates the educational level in the study villages is low.

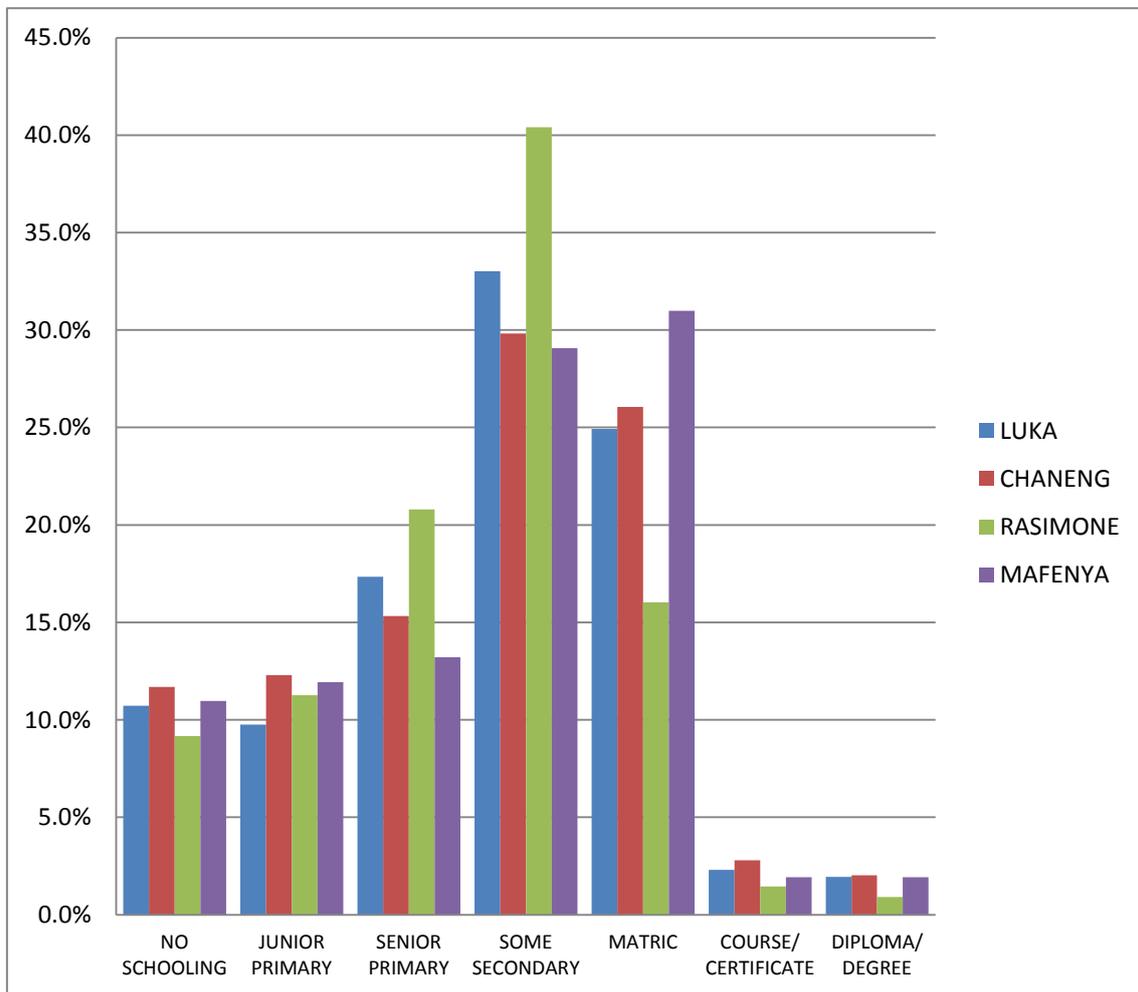


Figure 3: Educational achievement in study villages

Source: PULA 2011 statistical data obtained from the Research Department of RBA on July 9, 2014
 Note: junior primary (grade 0 to 4), senior primary (grade 5 to 7), some secondary (grade 8 to 11), matric* (grade 12), and certification for formal training.

*Matric means matriculation. It is a term commonly used to refer to the final year of high school and the qualification received on graduating from high school and the minimum university entrance requirements in South Africa.

Figure 4 shows employment status in the study villages. Approximately 35-55% of the population are employed and working for wages. Among them, the majority of population in Rasimone (73.2%) and Luka (59.5%) works in the mines (see Figure 5). About 30-40% of people in Chaneng (38.3%) and Mafenya (30.7%) work in the mines. The difference in the rates corresponds to the difference in the rates of working-age population working in the mines in each study village (see Figure 6). About 20% of the population are unemployed, including both those looking for work and not. The level of entrepreneurship is very low (about 1%) in the study villages.

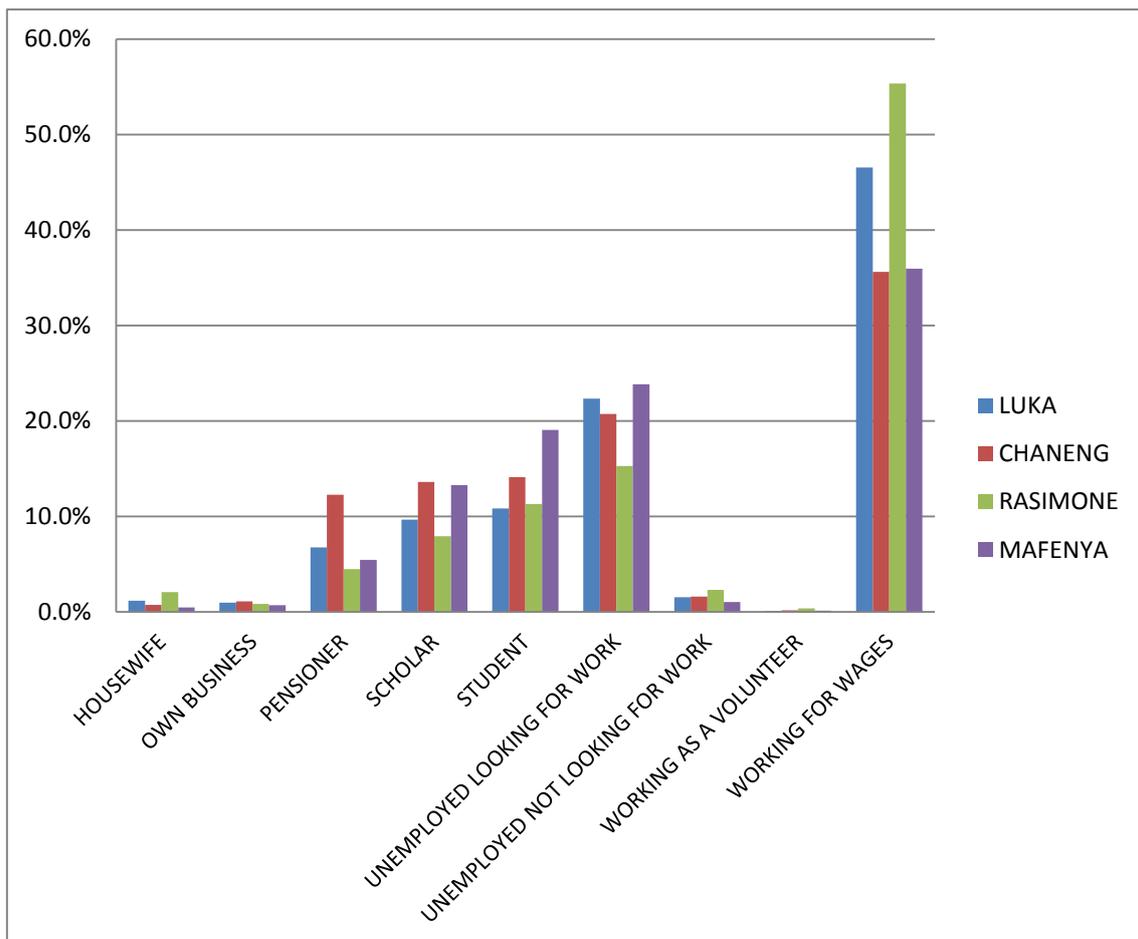


Figure 4: Employment status in the study villages

Source: PULA 2011 statistical data obtained from the Research Department of RBA on July 9, 2014

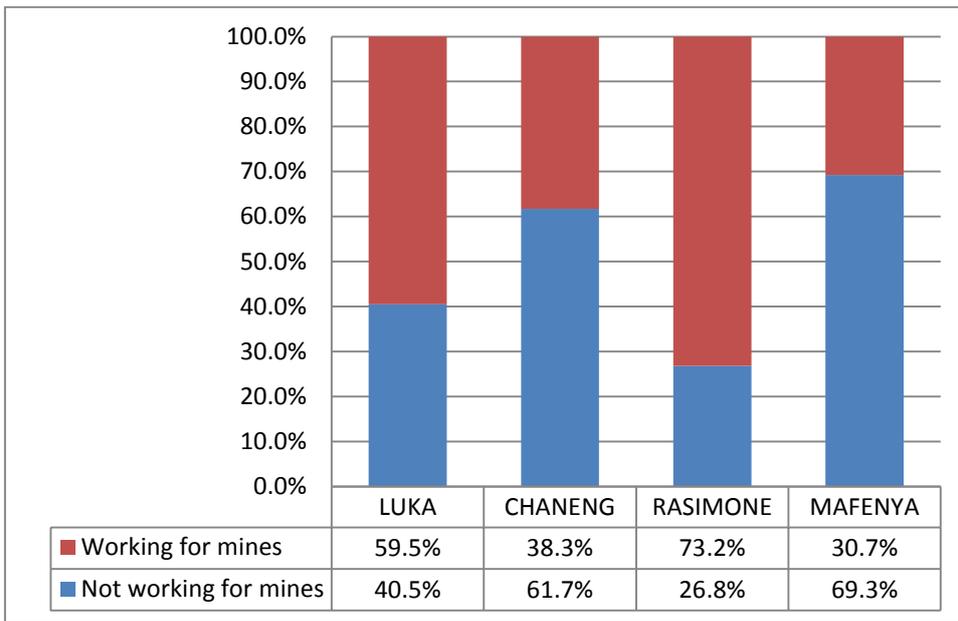


Figure 5: Those ‘working for wages’ who are working in mines

Source: PULA 2011 statistical data obtained from the Research Department of RBA on July 9, 2014

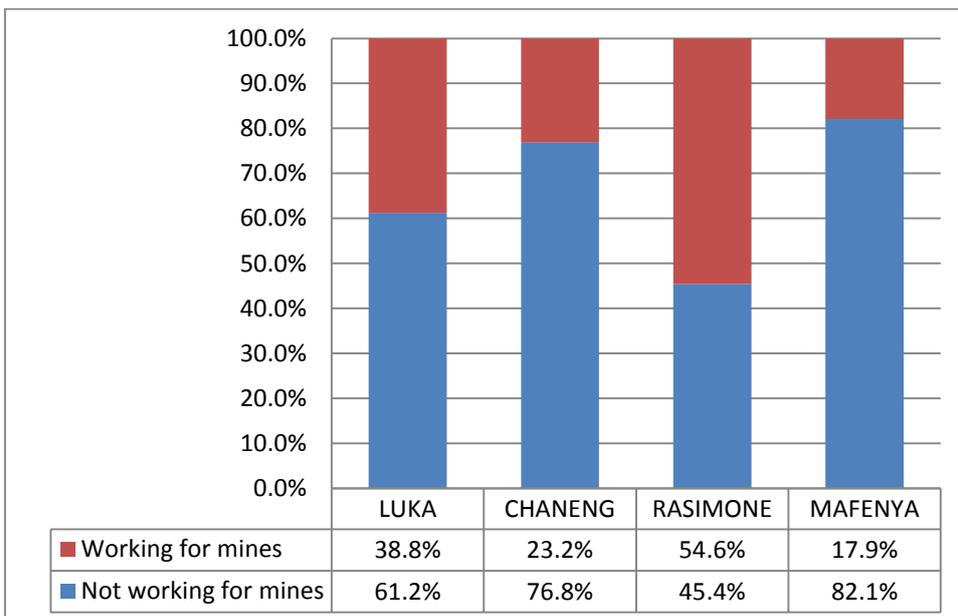


Figure 6: Working age population working for mines

Source: PULA 2011 statistical data obtained from the Research Department of RBA on July 9, 2014

Note: working age is 15 to 64 years old.

Common issues across study villages

There are common socio-economic and environmental issues related to the mining operations across the study villages. Socio-economic issues are mainly

employment opportunities in the mines, cracked houses from mine blasting, road damage by mining trucks, and security, health, and health care. Environmental issue is air and water pollution (Bench Marks Foundation, 2011).

Luka specific issue

Historically, Luka has specific issues with Implats. Hamann (2004) explained the tension between Implats and Luka village. He reported that village representatives strongly opposed the process of opening a new open-cast mine by Implats. In addition, Luka village submitted the Memorandum of Demands to Implats and several local, provincial, and national government offices, because they felt that Implats have not engaged with them seriously and provided benefits. The governments also have not provided them any supports on their demands (Bench Marks Foundation, 2011).

The relationship between Luka and Royal Bafokeng Administration (RBA), which is the administrative arm of the RBN, is also tense and complicated. Luka village members feels that they do not benefit from the royalties (Bench Marks Foundation, 2011). The issue of the installation of high mast light by RLM showed this tension. The municipal councilor and group of Luka village members marched until the lights were built. Therefore, residents in other villages think Luka people are different and radical (Mnwana, 2011). Distrust of the Royal family and RBA in Luka is greater than in other RBN villages (Cannon, 2010).

4.3 Study mining companies

Study mining companies are Implats and RBPlat, because they are the nearest mines to the study villages. Implats is the nearest mine to Luka. RBPlat is the nearest mine to Chaneng, Rasimone, and Mafenya. Implats is the second largest platinum mining company in the world and has operated in Luka since the early 1960s (Bench

Marks Foundation, 2011; Implats, 2013). RBPlat is a black-owned and controlled, mid-tier platinum company. RBPlat was incorporated in July 2008 by Royal Bafokeng Holdings, which is the investment organization of the RBN (Royal Bafokeng Platinum, 2013). Figure 7 and 8 shows each corporate structure.

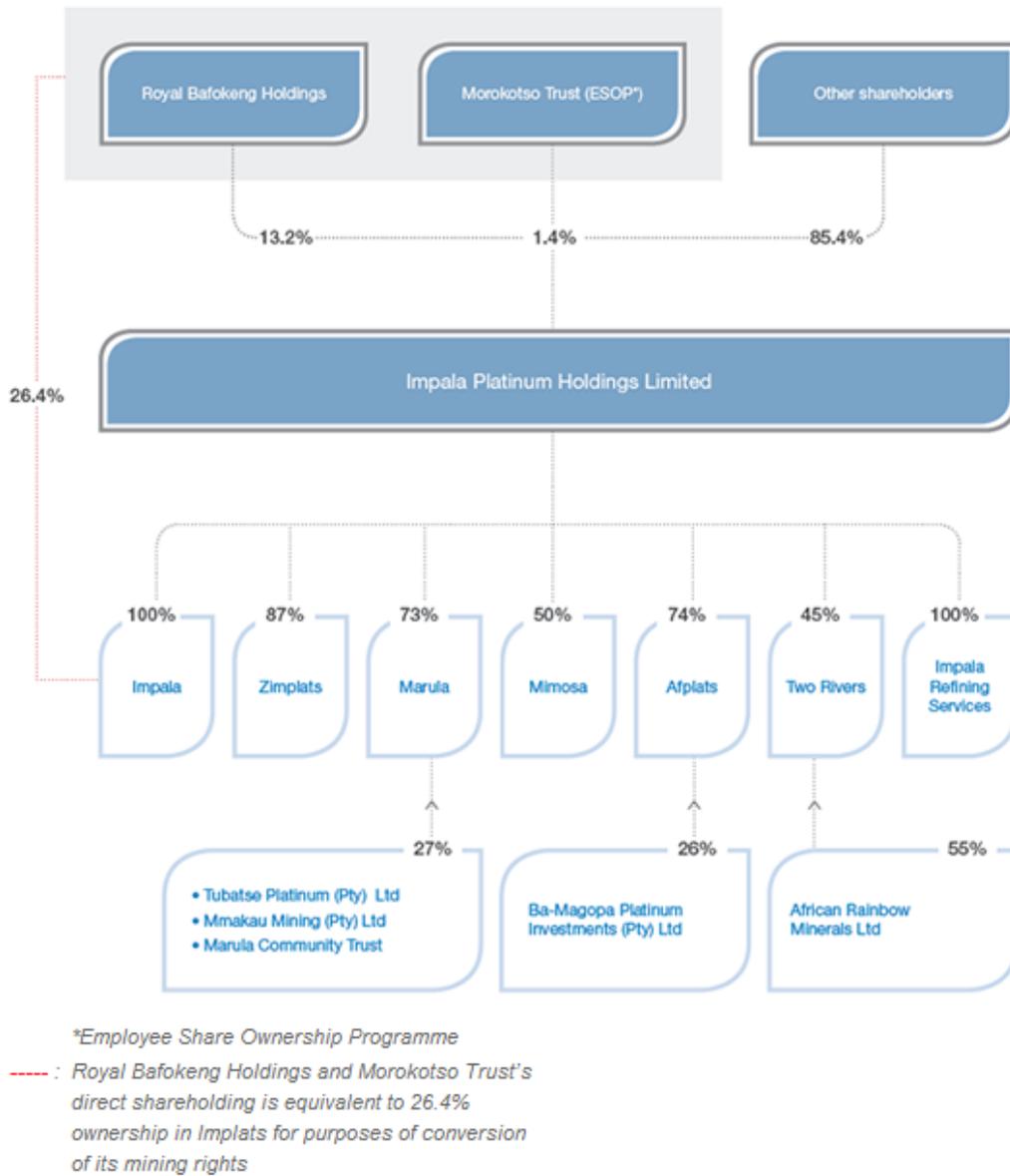


Figure 7: Implats corporate structure

Source: About Implats <http://www.implats.co.za/implats/Corporate-structure.asp>

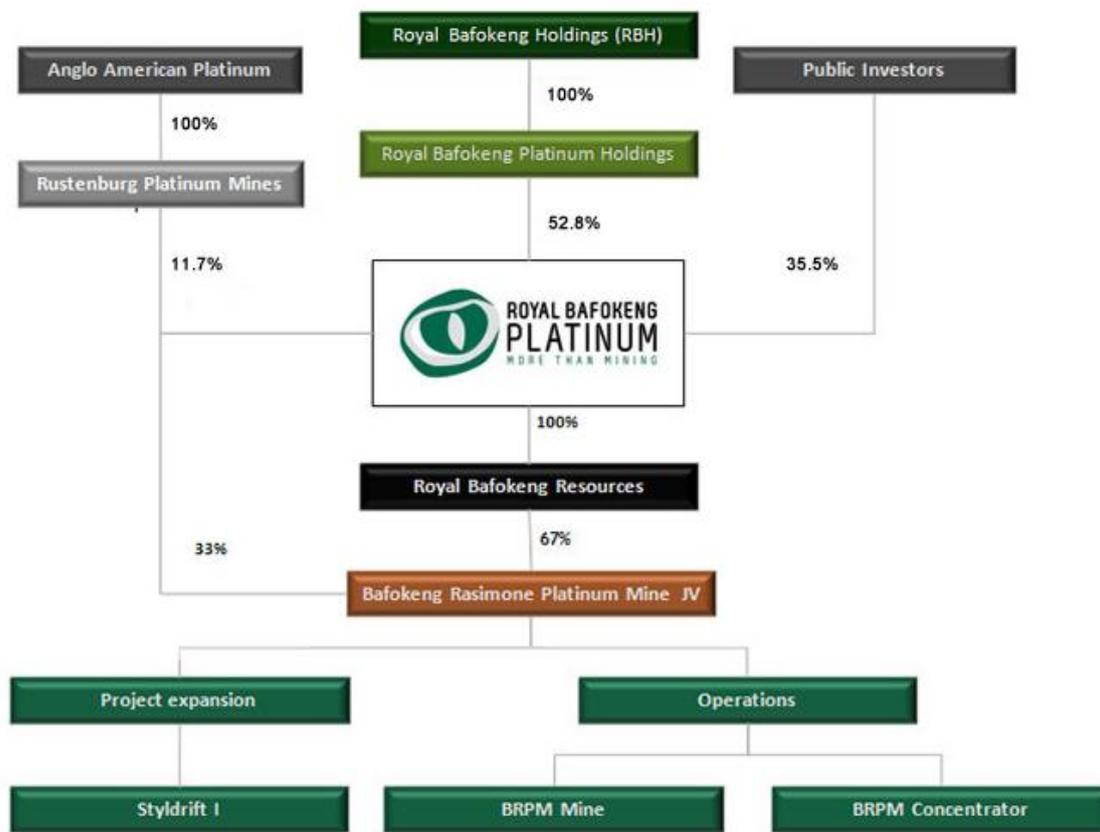


Figure 8: RBPlat corporate structure

Source: Our structure <http://www.bafokengplatinum.co.za/a/structure.php>

4.4 Data collection methods

Data was collected mainly through semi-structured interviews with individuals in the study villages. In addition, the author had opportunities to conduct a key informant interview with an executive of Royal Bafokeng Enterprise Development (RBED) and participate in a meeting of local business forum in Chaneng. Informal conversation with local interpreters is also included, because interpreters were also community members. Extensive field notes were taken during the fieldwork. The author also employed smartphone GPS tracking and photo taking to enhance trustworthiness of the findings. In addition, documents obtained from RBA and the respondents. Interview sessions were recorded on a digital tape recorder as respondents accepted and transcripts

were produced afterwards. These measures enabled the author to adequately keep track of the fieldwork process. Ethics approval of this fieldwork was granted by the University of Tokyo and University of Cape Town.

Pilot interview

A pilot interview was conducted on March 13 and 14, 2014 in Luka and Rasimone. The communities' context was not well known to the author prior to the fieldwork. Therefore, the pilot interview was to enable the author to familiarize herself with the area and to gain further insight for the purpose of validating the questions guiding this study. The aim of this pilot interview was to test the fieldwork method revised through discussion with the officials of Research Department of RBA to ensure validating interview questions. Preliminary interviews were conducted with non-miner community members. These were semi-structured interviews conducted with 12 respondents (6 from Luka and 6 from Rasimone), including 3 non-Bafokeng people who have run their business in the communities. They were purposively selected mainly on the basis of their occupation and employment status, and the author employed convenience and snowballing sample. Revised interview questions were developed from the preliminary findings based on this pilot interview. The total number of interviews includes the interviewees of the pilot interview.

Semi-structured interview

The interviews were a form of semi-structured, because the flexibility of the interview allowed the author to have conversations during the interviews rather than a pre-planned rigid interview schedule and obtained unexpected information as they emerged during the interviews. The flexibility of the interview also gave a space to the respondents, because often their customers, families, and friends came in and out the

venues. Of course, during the interviews, the author had to constantly check on her role as the facilitator and also to ensure that the respondents did most of the talking. The interviews generally lasted for about 15 – 90 minutes each, depending on each situation. For example, when the respondents' customers frequently came in and out their shop, the interviews became a shorter than others.

Record, note-taking, photograph

A digital tape recorder was used as the main recording tool during the interviews. Before starting the record, the author asked the respondents the permission, and she recorded the interviews only when the respondents agreed. Due to the existing tensions in the study villages, the author ensured anonymous of the respondents. The author made use of a notebook as an additional recording instrument during the interviews. Photography was used as an observational tool to illustrate the situation in the study villages. The author had consensuses with the respondents when she took photos. All recorded interviews were downloaded to a computer then were transcribed and stored as electronic copies. A backup electronic folder was stored in a separate external hard drive to prevent tragic loss of data.

Informal conversations and documents

The informal conversations with the interpreters and local community members, newsletters, and reports from RBA collected during the fieldwork were complementary materials to the interviews and other research methods.

Data analysis

The author extracted answers to the interview questions from the transcriptions and entered answers into Excel spreadsheets. She labeled based on positive and negative

wordings of the items and extracted key words. It is important to note that she did not count incomplete answers in analysis of the data.

Ethical considerations

During the fieldwork, there were no major ethical problems were raised. Standard ethical guidelines concerning participation in interviews, informed consent, respondent anonymity, confidentiality and privacy, and respect for the cultural practices, political environment, and social norms of the study villages were kept throughout the fieldwork and analysis processes. The author carried a letter proving the purpose of this study and approval from the research unit of RBA and *dikgosana* (community leader) of the study villages. The author also prepared a consent letter for individual participants in English and was required by the Research Department of RBA.

Challenges of the fieldwork

As the fieldwork began, the author faced some challenges. As indicated earlier, the original method was not employable due to the five-month strikes, the upcoming general election, associated political mobilization, and general tension in the study villages and mining companies. Before the fieldwork, the author planned to conduct interviews with participants of CDPs conducted by the mining companies and focus group discussions with the participants. The tension between the study villages and mining companies, especially with Implats, was high and made it impossible for the author. Furthermore, there was some suspicion toward a researcher from outside of the villages. For example, the respondents often asked the author to show the research approval letter from the research unit of RBA, even when the author had informal conversations with ordinal local people, they sometimes asked her to show the letter. Therefore, with advices from the officials of the research department of RBA, the

author ended up employing these methods listed before. They also helped to select the study villages. The time of conducting the fieldwork was right before the general election of South Africa. Therefore, it was quite obvious the issues about the activities of the mining companies for community development had become political in the study villages from the very early stage of the fieldwork. The author accurately explained the purpose of the research and fieldwork to mitigate potential political bias which may affect on the findings and analysis.

The issue of the language was also challenging. The respondents in the study villages mainly spoke Setswana, which the researcher is not proficient either in communicating or in writing. Although many respondents kindly communicated with the researcher in English during the interviews, there were some respondents who were simply not proficient in English. The official of the research unit of RBA introduced the author two local women, fluent in Setswana and who was knowledgeable about the villages as interpreters. The author employed these two women and later one more women as interpreters: two Mofokeng⁶ women in the late twenties from Luka and Phokeng, who were employees of RBA, and one Mofokeng woman working in NGO in Luka at the time the fieldwork was conducted. Since they had their main jobs during the fieldwork, the researcher employed three interpreters, who were available to help interpret interviews during the fieldwork. The choice of the female interpreters should not appear as a form of bias. The topic of this study and the general content of the semi-structured interview questions were not necessarily gender sensitive; therefore, this phenomenon less influenced the findings. The assistance of local Setswana-speaking interpreters was crucial to overcome not only the issue of the

⁶ Mofokeng – singular for Bafokeng.

language barrier but also mitigates suspicion on the researcher. Through transcribing the interviews, the interpreters' own questions and opinions were separated from the answers of the respondents.

The interview venues were subject to availability of space and time and convenience of respondents. Therefore, the interviews mainly took place in respondent's shops or their homes. Other venues included RBA office, church, NGO office, and community center.

5. Findings

The findings are divided into three parts corresponding to the three research questions.

1. What types of community development programs do mining companies undertake for the mining communities - for what purpose and by what means?
2. How do the communities view the community development programs conducted by the mining companies in their communities?
3. What explain the gaps between the company intention and the views of the communities about the community development programs?

The first section of this chapter describes the CDPs for both socio-economic and capacity building of two mining companies – Implats and Royal Bafokeng Platinum – in the study communities, RBN, and Rustenburg.

The second section is the findings from the fieldwork, which were socio-economic status of residents and respondents, perception of the relationship between the mining companies and the study villages, awareness of community development programs of the mining companies, their expectation for the mining companies, perception to post-mining community situation, issues of community, and issues of the mining companies.

The third section explains the gaps between the company intention and the view of the communities about the activities and programs. Description of the status of residents and community environment from the respondents, interpreters, informal conversation with local residents were used in analyzing the findings.

5.1 Overview of community development programs by Implats and RBPlat

5.1.2 Implats

Implats' overall purpose of the investment in community development is "to establish infrastructure that will address urgent needs in mine communities with the focus on longer-term impacts (Implats, 2013)." They primarily focus on investing in infrastructure, education, health, community empowerment, and poverty alleviation (income-generating) projects to complement its accommodation and living conditions initiatives, through the provision of schools, clinics and other amenities. As capacity building CDPs in the communities, they invest in enterprise development to assist small and medium-sized enterprises and procurement activities focusing on encouraging entrepreneurship in the communities, particularly among HDSAs. Implats' total expenditure on socio-economic development projects in South Africa in 2013 amounted to R102 million and was up from R90 million in the previous reporting period⁷. A total of 55 socio-economic development projects was reviewed by an external consultant undertaking an independent review and assessment of the socio-economic impacts of the projects during the reporting period. Of the 50 projects funded in South Africa during 2013, 58% the total beneficiaries were in and around Rustenburg operations (Implats, 2013). Specifically, focusing on the Rustenburg level, the author developed the table below. It is important to notice that the table only shows what the author was able to find from Implats mentioned in their sustainable development report 2013 and website,⁸ so the table does not indicate all Implats' CDPs in Rustenburg and RBN. In addition, Implats counted all the beneficiaries of their projects, even though they are not

⁷ Expenditure on improving housing and living conditions of their employees was R445 million (Implats, 2013).

⁸ Implats shows some community development projects as their case studies: http://www.implats.co.za/implats/case_study_impala_sport_academy.asp

the sole funder for many of the projects. Project duration and the number of beneficiaries were at the time of the reporting period.

At the RBN level, for socio-economic CDPs, Implats offered Adult Basic Education and Training (ABED) not only for their employees but also the communities near their operations to improve education level affecting career advancement. ABED was often delivered through RBA (Implats, 2011). For capacity building CDPs, engaging with Royal Bafokeng Enterprise Development (RBED), the enterprise development and procurement departments of Implats implemented their Enterprise Development (ED) strategy aiming to enhancing the market competitiveness and participation of local enterprises in Implats supply chain with a particular focus on women-owned and black-owned or empowered businesses. Through the strategy, Implats supported 20 small to medium local black enterprises with training and mentorship provided by specialists in the industry. For further capacity building CDPs in the communities, with RBED, Implats had three main initiatives; the Supplier Development Program, the Business Assistance Program, and Business advisory and development service. In addition to these initiatives, the enterprise development office at 6 Shaft located in RBN land started to function as a walk-in center to give guidance on business registration, preparing business plans, funding and complying with regulatory and Implats procurement requirements for startup entrepreneurs.

There was one type of means established by Implats and RBN in 2007. They established Impala Bafokeng Trust (IBT) to increase their corporate social investment (CSI) commitments as a landmark BEE transaction. A total expenditure of IBT was R340 million, which was R170 million each over a ten-year period between 2007 and 2016. IBT's primary beneficiaries were the people living in close proximity to Implats'

Rustenburg operations (Impala Rustenburg) and the area owned and inhabited by the RBN, and the people of the Greater Bajanala area. IBT emphasized on the empowerment of women with focusing on education, health, enterprise development, capacity-building, and sport and recreation.

At the study village level, three Implats' CDPs for sport, health, and infrastructure and one procurement in its environmental rehabilitation project in Luka and Chaneng villages were found based on their previous sustainable development reports and annual reports. Implats had the sponsorship of building a multi-purpose sports facility to contribute to the Integrated Development Plans (IDPs) of RLM in 2007. The project aimed to offer the youth of the Luka village the opportunity and the necessary facilities, as well as access to professional and specialist coaching and infrastructure to develop and nurture a pool of sports talent that will feed into both National and Provincial sport arenas. To implement the project, several consultations with Luka village representatives, including the Ward Councilor, Royal Bafokeng Nation Councilor, Royal Bafokeng Sports Holdings, and the Rustenburg Local Municipality office of the Directorate of Community Development took place. Implats established Woodchips project for the recovery of the tailings dam complex at Impala Rustenburg. Monontsha – community-based business – was responsible for Woodchips project. 75% of Monontsha was owned by women from Luka village with the balance being held by Landfill Consult and employed 48 people during 2007. The employees all came from Luka. The business had three main areas of activity, which were transport, composting, and vegetation, and each was headed by a woman. Of 15 the women employed in 2007 had a 5% shareholding in this project. Impala Rustenburg spent in the order of R4 million a year on Monontsha for services provided, which included the

transport of compost and sludge, composting and the vegetating of the tailings dams. Impala Community Development Trust (currently dissolved at the time of this thesis) contributed R1 million/year for Woodchips Project. Luka clinic was upgraded as one of Implats community development projects in 2011 (Implats, 2011). In Chaneng village, Impala Rustenburg paved a one kilometer road across Blairgowrie section of Chaneng village to Boshhoek and Sun City access road. The road was a two-way, two lane road with storm drainage called Raphokobyane Road. This project was initiated in consultation with RBA and the local community to replace the existing dirt road. Implats has conducted the community development projects in Luka and Chaneng villages with the RBA, RLM, and other institutions. However, in Implats Sustainable Development Report 2009, Implats said there was lack of identified project for Luka village in their SLP and of understanding of difference between mining and prospecting.

5.1.3 Royal Bafokeng Platinum

Royal Bafokeng Platinum (RBPlat) has a philosophy, *More than mining*, which defines their commitment to “a greater purpose for the business of platinum group metals (PGMs) extraction.” The purpose is to “seek opportunities that create intrinsic value for our stakeholders, empowering and positioning them to pursue greater objectives for themselves. Therefore the development of our business will incorporate established and evolving concepts of sustainable development⁹ for our business¹⁰.” The philosophy of *More than mining* shaped RBPlat overall purpose of the investment in community development. They focus on the investment in socio-economic development that last beyond their mining activities and put on the effort to leave the positive impact of their presence in the communities near their operations. RBPlat primarily focuses on poverty alleviation and job creation, health and education support, and community skills development within a local economic development (LED) framework engaging with representatives of RBN, RBA, and RLM (Royal Bafokeng Platinum, 2013). Strategies and policies of community development are designed to support the philosophy to take a balance between the company’s interests and the communities. RBPlat total expenditure on socio-economic development projects in 2013 amounted to R105.2 million¹¹. They have specific target villages for community development. These villages are Mafenya, Chaneng, Robega, and Rasimone, which are informally known as MACHARORA. Three of these villages are on RBN land and Robega is on the state-owned land (Royal Bafokeng Platinum, 2013). Therefore, their focus of the

⁹ According to RBPlat website, ‘sustainable development’ refers to a pattern of resource extraction and use that aims to meet human needs while preserving the physical/natural environment, and supporting the socio-economic development interests of affected communities, so that needs can be met not only in the present, but also in the future for generations to come.

¹⁰ RBPlat website: http://www.bafokengplatinum.co.za/s/s_i.php

¹¹ Including community development projects taking place by both BRPM and Styldrift I

investment has been mainly within RBN region due to the nature of the company, which is the joint venture with Anglo Platinum and Royal Bafokeng Holdings.

At the Rustenburg level, RBPlat engaged with RLM to align their projects with the IDPs for the region. At the Royal Bafokeng Nation level, RBPlat engages with the RBA, RBN, RBI, RBED, and Royal Bafokeng Sports to ensure to align their projects with RBN 2035 Master plan, which include education, public and community utilities, health and social development, safety and security, environmental management and food security¹². RBPlat had a partnership with Royal Bafokeng entities on their health and education projects. RBPlat also issued a community newsletter published every six months to share information on their community development projects. Moreover, RBPlat engaged with other mining companies operating near their sites with the aim of joining forces on community development projects. At the study village level, as socio-economic CDPs, each operation (BRPM and Styldrift I) had their own SLPs and CSI for their four target communities. For example, RBPlat donated R300,000 to Thuto Thebe Education Fund, which is an empowerment-based initiative of Phokeng. As capacity building CDPs, RBPlat committed to procuring goods from local black-empowered and black-owned businesses to support HDSAs as the Mining Charter required. The procurement aimed at poverty alleviation and job creation. To meet the procurement requirement, RBPlat engaged with RBED playing as a liaison between RBPlat and local small and medium companies. RBPlat appointed a black empowerment and enterprise development manager in charge of assisting these enterprises with their development and helping local black-empowered companies manage the tender process and contract negotiations and pricing in early 2014.

¹² RBPlat website: http://www.bafokengplatinum.co.za/s/social_capital.php

Besides of the investment in the community development projects, RBPlat holds regular monthly meetings with the representatives of the communities to understand community needs and priorities that they would be able to address. In addition, RBPlat community engagement officers keep contact with the communities throughout the month, and they act on urgent issues.

Table 5: Community development programs by Implats and Royal Bagokeng Platinum

| | Implats | RBPlat |
|------------------|--|---|
| Purpose | Legal obligation | Legal obligation |
| Focus | <ul style="list-style-type: none"> • Community empowerment • Education • Enterprise development • Health • Infrastructure • Poverty alleviation • Procurement | <ul style="list-style-type: none"> • Community skills development • Education • Enterprise development • Health • Job creation • Poverty alleviation • Procurement |
| Means | Engage RLM and RBN through local development plan | Engage RLM and RBN through local development plan |
| # of CDPs in RBN | 9 (2007- 2013) | 23 (2010-2013) |
| Expenditure | \$9,662,154 (R102 million) (2013) | \$9,965,280 (R105.2 million) (2013) |
| Target area | Province level | Village and regional level |

Source: Implats sustainable development report 2013 and RBPlat integrated annual report 2013
 Currency: yahoo finance exchange rate at 7/29/2014

5.2 Findings from the fieldwork

5.2.1 Characteristics of respondents

This section provides the results of the on-site field research about the characters of respondents in the study villages (Luka, Chaneng, Mafenya, and Rasimone). The total number of the interview respondents was 36 people, and one key informant interview was held with the executive of RBED. Incomplete answers and records did not count in the final analysis of the data. Therefore, 34 out of 36 interviews was valid. As shown in Table 6, female respondents were 19 and the male respondents were 15. Bafokeng people were 26 and non-Bafokeng, including foreigners and South Africans from outside of the RBN, were 8. Age distribution was the early 20s to the late 50s. Major portion of respondents were in Chaneng and Luka. Fourteen respondents were self employed and with employer status hiring more than one person other than family workers (see Figure 9). Five respondents were family workers working on their parents or sibling shops. Four respondents were employees of, for example, RBA. Four respondents were self employed who were not hiring anyone at that time. Six responders were categorized “other”, such as a community leader and unemployed.

Table 6: Information of the respondents

| | Village | Luka | Chaneng | Rasimone | Mafenya | Other | Total |
|-----------|--------------|------|---------|----------|---------|-------|-------|
| Gender | Male | 4 | 6 | 5 | 0 | 0 | 15 |
| | Female | 10 | 4 | 1 | 2 | 2 | 19 |
| Ethnicity | Bafokeng | 12 | 6 | 4 | 2 | 2 | 26 |
| | Non-Bafokeng | 2 | 4 | 2 | 0 | 0 | 8 |
| | Total | 14 | 10 | 6 | 2 | 2 | 34 |

Source: field survey

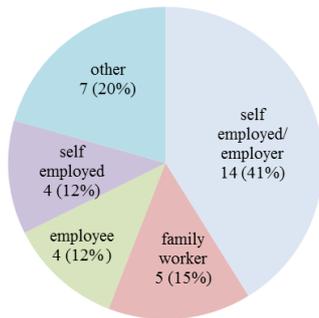


Figure 9: Employment status

Source: field survey

5.2.2 Perception of mining companies and communities relationship

Interview question 7 and 11 related to perceptions of the relationship between the mining companies and the communities. Firstly, interview question 11 asked perceptions of the relationship between the mining companies and the communities. The total number of respondents was 16. Of 5 respondents showed positive perceptions. Three out of 5 respondents were from Chaneng. The one respondent was from Luka. The other was unknown. 10 respondents saw their relationship with the mining companies negative. Six out of 10 respondents were from Luka. Three respondents were from Chaneng. One respondent was from Mafenya. It is important to note that, four out of 6 respondents in Luka were members of local business forum. Therefore, the findings about perceptions of the relationship between Implats and Luka may have some bias. One respondent answered neither.

The reasons of positive perceptions are that the mining companies create employment and provide and improve infrastructure in the communities. A 45-year-old Mofokeng male in Chaneng said that the community does not have problems with the mine (RBPlat), because “all people work there” [interpreted, 3/20/2014]. A 31-year-old

Mofokeng male in Chaneng expressed that RBPlat built five new houses for the residents, because their houses had been damaged by their operations. He said that these residents were happy with what RBPlat did. A 53-year-old Mofokeng female in Chaneng thought RBPlat well communicates with Chaneng village, because she said road paving and street lights came from the mine. Therefore, she thought “everything is good for mine.” [3/25/2014]. Only a 50-year-old Mofokeng female in Luka expressed positive perception to Implats, but she did not want to explain the reason. She just said the relationship with Implats is “very good.” [3/20/2014]. According to the interpreter, she may be afraid to show her opinions about Implats because of her occupation and the relationship with them. With an informed consensus with her, her occupation keeps be anonymous.

The reason of negative perceptions is mainly lack of communication with the communities from the mining companies. The respondents expressed the mining companies have not put enough effort into building the relationship with the communities and commitment to community development. With Implats, a 42-year-old Mofokeng female expressed their relationship with them is “tedious.” [3/21/2014]. A Mofokeng female in the late 20s saw their relationship completely separate. She expressed that:

“There is no relationship between mine and Luka community. No, no relationship at all. There is mine and community. We are completely separate entities.” [3/20/2014].

Kgosana of one section in Luka thought Luka village engages with Implats, but after the meeting or discussion with them, he said that nothing is happened. A 45-year-old Mofokeng male thought Implats should communicate with Luka in the context of CSR, but he has not seen any engagement, because he thought Implats profit is going down.

With RBPlat, a 40-year-old Mofokeng in Chaneng thought RBPlat should have a meeting with the community. A 37-year-old Mofokeng male in Chaneng explained a response of RBPlat when the community members approached them.

“When we ask them something, they just say we should go to Phokeng so we can’t go straight. Phokeng is not a mine. We should be the first people who can get benefit from the mine.” [3/25/2014].

In addition to this, a 30-year-old Mofokeng female in Mafenya explained said:

“Honestly, mine doesn’t come. They only come when they need signature.” [3/25/2014].

She also complained about its community development project.

“I have been here since 2001, no street light. So a lot of crime. Only recently they built street light and took almost 1 year to complete. Nothing other development happening here since 2001. Mine move people who used to live in big house to small house.” [3/25/2014].

Only a 30-year-old Mofokeng female in Mafenya expressed the relationship with RBPlat and the mining companies in general was neither positive nor negative. She said the relationship with the mining companies is “fifty-fifty”. [3/25/2014]. This is because she thought that some of the mining companies contributed to community development. On the other hand, every community has high demand and complains to the companies. She thought the communities also need to understand the situation and change their attitude.

“People, I believe, must understand development doesn’t come in one day. It is pilot. People must also realize that development is not always about being given things and say this is product. Development is also about being able to do it yourself. Because I realized not only Mafenya but whole area that people around here complain while sitting in the bar. I am sorry to use that word. They complained a lot while actually so many opportunities that mines have challenged doing certain things that should be capitalized how to come up with business idea or solutions. ... So I wouldn't say there is the problem with mine and community. There is misunderstanding. How community gets excited one when mine does something for them, but they don't anything, they fight. They

forget all last you did like road for me. ...so mine are, they do, playing a good and important role. Partially say.” [3/25/2014].

She thought the issues, which the mining companies have challenged, are as the business opportunities and if she or community members have the ideas to address the issues, their relationship will be improved.

Interview question 7 asked both advantages and disadvantages of depending on the mines. The number of respondents was 12. This question permitted multiple replies. Seven respondents answered on advantages. Three respondents each were from Luka and Chaneng. One respondent was from Robega. Ten respondents answered on disadvantages. Six respondents were from Luka. Two were from Chaneng. One respondent each was from Robega and Mafenya. All respondents of Luka were members of the local business forum. As well as question 11, this finding also may have some bias.

Advantages of being depending on the mines is economic contribution, which is job creation and related business opportunities in the communities. One respondent also implied the contribution to infrastructure and social development by the mining companies. A 31-year-old Mofokeng male in Chaneng said that the mining companies built street lights and supported food feeding in the schools. On the other hand, disadvantages of being depending on the mines are economic dependence on the mines as source of income and damage on housings. The respondents expressed that the mines were the only main source of income for the majority of community members. They showed their fear of this high economic dependence on the mines, because they thought both the communities and whole Rustenburg would be affected when the economy goes

down. The respondents living in Robega, Chaneng, and Mafenya expressed that housing cracking due to the mining operation was one of the major concerns for them.

5.2.3 Awareness of community development projects conducted by Implats and RBPlat

5.2.3.1 Awareness and knowledge of capacity building CDPs

The author asked the respondents awareness and knowledge of capacity building CDPs supported by the mining companies. The total number of respondents was 21. In addition, the interviews with local business forum members in Chaneng and the executive of Royal Bafokeng Enterprise Development (RBED), which is an entity that mainly focuses on developing local Bafokeng small, medium and micro enterprises (SMMEs), were included.

Sixteen out of 21 respondents were not aware of capacity building CDPs conducted by the mining companies. 5 respondents were aware or had knowledge of the programs. Three out of 5 respondents showed higher awareness and knowledge of the programs. They were former community engagement staff of Anglo Platinum, a councilor of RLM, and the actual recipient of the program. First two respondents provided the specific examples of the programs, including their contents and what mining companies provided for the programs. The former Anglo Platinum employees explained what he provided for community enterprise development in Rustenburg at that time he worked in:

“One thing I did was piggery. The Group of people who raised pigs, we gave them pieces of land that belonged mine, and we took them through training because they did just informal one. We (wanted to) commercialize that. Took them through training and put money structure, amount of [R]5 million give them. Gave them 640 piglets as donation for them to start business. Bring them enterprise. Now they are supplying.” (Response from a Mofokeng male in the 50s respondent in Rasimone – 03/14/2014].

Awareness to an Anglo Platinum CDP raised by the other respondent – a councilor of

RLM:

“Yes, is in Rustenburg. Skill development program by AngloAmerican. ... It only happened with Anglo in Rustenburg.”

(Response from a 42-year-old Mofokeng female in Luka – 3/21/2014].

However, both respondents said that these programs occurred outside of RBN and somewhere in Rustenburg area, because Anglo Platinum has operated in southern part of the RBN and outside of the RBN.

The councilor of RLM also expressed Implats support:

“With Impala, Impala has own training center but currently no relationship. As a community, we have been monitoring the issue of employment with Impala. In terms of skill development, we haven't had that.” (Response from a 42-year-old Mofokeng female in Luka – 3/21/2014].

She recognized Implats provided training for their employees, but the training center was limited to their employees only. Therefore, the community members did not have any access to the center. A Mofokeng male, who is an employee of RBA, showed his moderate awareness and knowledge to CDPs. He knew farming projects supported by the mining companies in RBN. He also expressed his understanding about the arrangement with RBED and the mining companies.

“You know the arrangement with mines, the arrangement we know with Royal Bafokeng is that we got RBED. So what they do, they service business linkage. ... Farming, there are quite number of projects that I know, mines have supported.” (Response from a Mofokeng male in Luka – 3/13/2014].

They know about the programs; however, their perceptions of the commitment of the mining companies to enterprise development and procurement in the communities were strongly negative except the former Anglo Platinum employee. For

example, members of the local business forum in Chaneng were aware of CSI projects but also expressed strong negative perception to the projects.

“[CSI projects] very much one side. It is just that they are trying to promote license DMR. They don't do anything for community. When you tell me, Royal Bafokeng [RBPlat] is BEE company, but it is not for me, shareholder is other people. The entire communities are not actually benefiting from them. For example, monthly base or daily base. I think it is separate entities. ... When it talks about CSI, they talk about social development, not SME development. Those things have never happened. Mines are definitely doing nothing for business in Chaneng. ... Mines submit [report] to DMR that they are doing entrepreneur development, but they practically don't understand what is entrepreneur development, because if they understood what they do, there are some programs which will deal with entrepreneur development. CSI project around here is one or two. It is too small business. If you have project, it should accommodate more than one company. So basically they don't have programs. Enterprise development what they submit to DMR – they are supporting SME – but because of no program, there is no development and there is no support.” [male, 3/25/2014].

Table 7: Capacity building CDPs by Implats and Royal Bagokeng Platinum

| | | Implats | RBPlat |
|-------------------------------|-------------------------------------|----------------------------------|--|
| Procurement | Tenders | 13 in Q1 2013 | 8 |
| | Bafokeng local enterprises referred | 104 | 47 |
| | Expenditure | R31.3 million for 32 enterprises | R32 million for 16 enterprises |
| Enterprise development | Types | Mentorship program | “Every mine has similar programs for local SMEs because of the legal obligation” [3/24/2014] |
| | Beneficiaries | About 22 enterprises | |

Source: field survey and RBED reports

5.2.3.2 Interview with the Executive of Royal Bafokeng Enterprise Development

At the RBN level, the executive of RBED explained enterprise situation in RBN and the business linkage with local Bafokeng enterprises and the mining

companies. In general, the majority of enterprises in the RBN is micro and small scale and run as survival strategies to generate everyday income. Therefore, these enterprises do not grow and have the capacity to employ people. In the RBN, there are approximately 420 enterprises, registered as enterprises on RBED database. Of that 420, approximately 127 actually did business in the last year. There were approximately 300 of them that did not do business. Of the 127 that did business, only 17 are doing businesses with the mines, the rest of them are doing general businesses with RBA or with community members, like selling consumer goods. The 17 companies worked in engineering, supplies, maintenance, and manufacturing fields. They generated 80% of R415 million, which is the revenue that RBED was able to track.

She explained that there is a lack of capacity, skill, and experience in local enterprises. When the mining companies invite tenders, they look at who can offer the services, which they want, with certain criteria. However, the majority of the local enterprises does not have qualification, and they want to do engineering business. The mining companies cannot take that risk and do not want to be a middle man. They want enterprises that can actually do the jobs, because of the cost, health, and safety risk issues. Those who run the 17 companies are all experts in their fields. In addition, the majority of the local enterprises does not have vendor number which is needed for the mining companies to offer the jobs. To get a vendor number, they have to go through a registration process. However, they want to skip these processes. She described the characteristics of the local enterprises, as follow:

“The majority of them are in a hurry. They're very impatient. They don't wanna go through feasibility study, business plan, and vendor application process. They say no, no, no. Take us. You know, I will give you an example, in Luka. Youth in Luka that zero education. They will have 7, 8 or grade 10. Not even high school completed. Then they will demand to start a car wash there. And

then the mines are like we don't need another one. And then they're angry because the mine doesn't give them the opportunity. Or they will go there and say I have partner who can make some bucks. You must give the contract to this partner and I will benefit from the deal. You get it. JVs [joint ventures]. Whether experienced, traditional company and inexperienced local companies. But then it doesn't work. They fight along the way. And it does not work.” [3/24/2014].

She stated that there is a lack of basic education and people skip experience and certain process but want to be entrepreneurs.

The executive plays an active role to find any procurement opportunity at the mines. She attends a meeting with the procurement managers, who are responsible to make sure the mining companies comply with the Mining Charter. This indicates that there is procurement opportunity at the mines to meet the obligation of the Mining Charter, which the Department of Mineral Resource requires the mining companies to use local SMEs; otherwise, they will lose the license of operation. Royal Bafokeng Enterprise Development NPC 2013 Fourth Quarter Report also showed procurement opportunities per quarter in each mining company and how much money the mining companies spent for local procurement. For example, Implats invited 13 tenders in the first quarter of 2013 and 104 Bafokeng SMMEs referred and spent R31.3 million (RBED, 2013). In addition, a RBED presentation PowerPoint for CFO Forum which took place on March 18, 2014¹³ showed how much each mining company spent for procurement and had new contracts with Bafokeng SMMEs by the region of the RBN. In North Region, which the fieldwork took place, Implats spent R10.3 million for four companies, and RBPlat (Royal Bafokeng Platinum and Styldrift) expended R23.6 million for eight companies at the time of the report.

¹³ This PowerPoint received from the executive of RBED.

Regarding enterprise development also as part of the Mining Charter, which claims the mining companies must develop enterprises and supply development, the executive said that RBED had a relationship with Implats enterprise development department. She stated Implats has its mentorship program for enterprise development. She said the mentorship program is implemented by Aurick and Raizcorp, which are enterprise development agencies in South Africa. The agencies provide the two different types of programs for enterprises. The one is for beginners and the other one is for more experienced companies. Raizecorp provided the programs for beginner companies and Aurik was for more experienced companies. The agencies put about 10 and 12 SEMs into 1 program and did a whole mentoring and business analysis. The agencies identify the weaknesses and strengths of businesses and put the companies into development programs to see if they can make them all sustainable. She said that the programs benefited approximately 22 enterprises and Implats spent most of their money for enterprise development on this mentorship program. She also said that every mine has similar programs for local SMEs because of the legal obligation. The mining companies selected the candidates of the programs, and they were usually the companies that already did some businesses with them before, because the mining companies feel that they can support their growth. 22, 80% of them were Bafokeng companies and 20% were for others, because the mining companies also have other supplies.

Among the respondents from the communities, the awareness and knowledge of capacity building CDPs are quite low. On the other hand, there are procurement opportunities and enterprise development programs conducted by the mining companies collaborating with RBED.

Table 8: Degree of awareness and knowledge of capacity building CDPs

| | |
|----------------------|---|
| High (n=3) | - Skill and enterprise development program by Anglo Platinum - Training center of Implats - Garden project (enterprise development) by RBPlat |
| Moderate (n=1) | - The Mining Charter and small CSI enterprise project (Chaneng business forum) - The arrangement with RBED and farming |
| Low (n=1) | - The agreement with RBA, RLM, and mining companies for local economic development |
| Unknown/No (n=16) | |

Source: field survey

Table 9: Reasons of non-awareness of capacity building CDPs

| Capacity Building | Quotations |
|-------------------------------|---|
| Procurement | “Their initiative was for people for local community development because by the policy states that mine has to uplift the community that is in. They don't see anything. When they give a tender, tenders are taken by people from outside of community.” (A Mofokeng female in Luka, 3/13/2013, Interpreted) |
| Enterprise development | “Mines are definitely doing nothing for business in Chaneng. ...Mines submit (report) to DMR that they are doing entrepreneur development, but they practically don't understand what is entrepreneur development, because if they understood what they do, there are some programs which will deal with entrepreneur development.” (A Mofokeng male, local business forum meeting, 3/25/2014] |

Source: field survey

5.2.3.3 Awareness and knowledge of socio-economic CDPs

The author also asked the respondents awareness and knowledge of other CDPs supported by the mining companies. The total number of respondents was 20. Eleven out of 20 respondents were not aware of other CDPs, including health, education, and infrastructure, conducted by the mining companies. 9 respondents were aware of the programs. Three out of 9 respondents showed the higher awareness of the programs (see

table). Two of them were same people as the respondents who showed their high awareness on capacity building CDPs. They were a former Anglo American worker and a councilor of RLM. The other one was a Mofokeng female, who just quitted the job in Johannesburg and came back to RBN at that time. Five expressed their moderate awareness. For example, a 53-year-old Mofokeng female said:

...road paving and street light come from mines. [Chaneng, 3/25/2014]

They were aware that the mining companies provided infrastructure, especially paving roads, and gave donation like providing tables and equipment to primary schools and local clinics in the communities. Based on direct observation by the author, the respondents were more aware of other CDPs than capacity building CDPs.

Table 10: Degree of awareness and knowledge of socio-economic CDPs

| | Health (n=2) | Education (n=3) | Infrastructure (n=4) | Other (n=2) |
|----------------------|---|---|--|--|
| High | Equipment from Implats (1) | Building the school and donated necessary equipment (1) | Road, street light, toilet, and school (1) | Issuing newsletter about community development by RBPlat (1) |
| Moderate | Visiting and checking by mining companies (1) | Donation of equipment by mine (1) | Road, street light (2) Fixing cracking houses (1) | |
| Low | | | | (1) |
| Unknown/No (n=11) | | | | |

* This question permitted multiple replies

5.2.4 Expectation for mining companies

Through the interviews, they showed their expectation for the mining companies. There are three main expectations – skill development, establishment of communication platform, and commitments to community development.

Skill development

As the executive of RBED mentioned, there is a lack of capacity, skill, and experiences in the RBN. Because of fear of economic dependence on the mines and the future of post-mining, many respondents were also aware of this issue. Therefore, they want the mining companies to support the development and improvement of skills of community members and enterprises through post-secondary education, skill transfer, and mentoring programs. These skills are manufacturing, construction, mechanic, agriculture and such activities. They thought the mining companies can provide financial support to youth, who finished secondary education, to go to technical schools, college, and universities. Especially, they demand support to go to technical schools, because students can receive certification and qualification which they can use anywhere in South Africa. The respondents, especially members of the local business forum, thought the mining companies should transfer their skills and/or skills of their contractors to the local enterprises through joint ventures or mentoring programs. They said they wanted to learn skills from the mining companies and the related companies to be “self-sufficient” and “self-sustainable.” [Kgosana, 3/20/2014].

Establishment of communication platform

Many of the respondents said that there was no platform to communicate with the mining companies and information system providing what the mining companies do for community development. Therefore, they want the mining companies to create a

clear communication platform which many community members can access through, for example, social network system.

Commitments to community development

The respondents want the mining companies to be more pro-active to participate in community development, such as for upgrading local clinics and donating computers in the primary schools in their communities. Also, they want the companies to provide more long-term support to community development instead of one time or short-time contribution.

“Mine can do better than buying food. It is cheaper buying food than building school and put teacher in there. For me, I would want to see mines appointing extra mathematical teachers and paying them in our school. If it is possible, I expected to that.” [3/13/2014].

In addition to these three expectations, local business forums want the mining companies to engage with them more closely.

5.2.5 Perceptions of post-mining community situation

Interview question 8 asked about perceptions of post-mining community situation. The total number of the respondents was 29, and all of them expressed negative perceptions. 25 respondents showed the strong negative perception if mine closed tomorrow, especially in terms of the economic situation, because of the high degree of economic dependence on the mines directly and indirectly. A Mofokeng male said that if the mines close tomorrow, whole South Africa will be affected.

“All of South Africa will be affected. It affects non-mining people and people around mine, everything.” [Rasimone, 3/14/2014].

Many respondents expressed that RBN cannot continue to survive. Many respondents mentioned that their businesses will be affected. They also showed fear of increasing crime due to loss of employment in the communities. Non-Bafokeng business owners

said that they would move out if mines close due to loss of source of income. Some of them just showed resignation. For example, one other Mofokeng male said:

“If tomorrow when we wake up, mine close, where are we going to get food?...because we are depending on mines, so it is nothing we can do. If the mine closes, going to die”. [Rasimone, 3/14/2014]

Some of them also mentioned that economic damage will impact on their children.

The respondents, especially in Luka, significantly expressed that the community members need to be pro-active to take action for community development for post-mining, because they are strongly affected by the five-month strike ended recently. For example, a Mofokeng female in the late 20s said:

“We need capital and people who are willing to say open eyes, like here is mining, but it will get finished, what you gonna do?...so both Bafokeng and mining and even us as community members, we need to be pro-actives. So all are responsible in terms of innovated.”

She mentioned that all actors need to collaborate to address the issues of post-mining.

A Mofokeng male respondent, who work in the engineer company as a manager, did not think the company will be hugely affected by mining closure, because the customers are not only the mining companies also construction, transport, and wholesaler. A 33-year-old non-Bafokeng female, who started her beauty salon in Chaneng, also expressed that her business will not be affected, because her main customers come from Sun City, which is the most famous luxury casino and resort area and close to Chaneng (takes about 30 minutes by a car) and she was used to work in one of the hotels. The customers of most of the respondents who run the business were miners. The views of the two respondents suggested that the diversification of customers is important to continue the business.

5.2.6 Issues of community

Through the interviews, some respondents talked about the issues of their communities. The issues of community are mainly lack of motivation, mutual trust, leadership, and unity of the communities. A 27-year-old Mofokeng female in Luka described the reason of lack of motivation.

“Communities have to take blame. ... when I talk about Royal Bafokeng Nation, we are spoiled. We are used to be getting things from the silver platter.” [3/13/2014].

She said that community members have been spoiled by RBN. When they need something, they just ask RBN entities and received what they want. Also, a 30-year-old Mofokeng female in Mafenya said “we grow up with one channel of mind.” [3/25/2014]. She mentioned that they do not try to think out of the box and beyond their current situation. When their family or friends work in the mines, they do same jobs.

Regarding lack of mutual trust, a Mofokeng male in Luka mentioned:

“We are afraid of another. The African culture is black magic.” [3/13/2014].

This cultural issue was also raised from one Mofokeng male, who the author had informal chatting on the street in Rasimone. He explained that community members (Bafokeng people) tend to go to buy products at shops run by non-Bafokeng people, because they do not want their neighboring people and friends to be rich. The 42-year-old Mofokeng female implied the lack of mutual trust. She cannot buy a car or upgrade her house, because community members will be suspicious that she received the benefit from the mines.

Some of the respondents pointed out lack of leadership and transparency in the communities. A 30-year-old Mofokeng female in Mafenya described this issue.

“Even group of people who represent the community in a meeting with mine, they just represent their own interest and for themselves. Monthly or weekly a small group of people, maybe 5 people, have a meeting with mine. But when you look at those 5 people, they don’t have and bring community interests. Even community needs a clinic or school for kids, they don’t push this agenda. They just push own agenda.” [3/25/2014]

This issue was also raised from the interpreter. She explained that some *dikgosana* are too young, so they do not look at the communities. Other *dikgosana* are very old and they cannot attend the meeting with the mines.

Regarding lack of unity of community, a Mofokeng female in the early 40s said:

“People were used to compete instead of cooperate.” [3/19/2014].

A 42-year-old Mofokeng female in Luka explained that some groups of Luka village were used to fight each other, and she felt that Luka village has not united yet.

5.2.7 Issues of mining companies

Some of the respondents said that there are resistance in the mining companies to deal with the local companies. Also, a former Anglo Platinum employee explained the complex of inter-department relationship in the mining companies.

“Certain departmental issues like recruitment were not done by our development [community engagement department]. So we say to recruitment manager you shell employ from this community, and he says it over my head. And, procurement, lot of businesses will say they are not given us opportunities to supply them with whatever. Then, procurement manager says no no because of quality that I cannot take that. ...It is called community engagement department, but basically PR type of department. Our department is a face of the company to the community. No department will plan or engage with communities we found, because they don't have time to listen and understand the profile of the community.” [3/14/2014].

6. Concluding Discussion

6.1 Comparison between mining companies' intentions and awareness of communities about CDPs

This comparison between the companies' intentions obtained from the sustainability reports of Implats and RBPlat and the awareness of the communities' respondents about the CDPs aimed at discovering whether the respondents' views match the companies' views. The information about CDPs was acquired only from their reports. The finding from the interview with the executive of RBED and the RBED reports were also used to complement the information from their report.

The results of the comparison between the claims of the mining companies and the awareness of the respondents about the CDPs suggested that only a few respondents were aware of capacity building CDPs conducted by the mining companies, especially Implats. The respondents' views partially matched the claims of the mining companies in terms of socio-economic CDPs. The following section will discuss those findings and illustrate the factors, which explain the gaps between the intentions of the mining companies and the views of the respondents.

6.1.1 Capacity building CDPs

The content of the sustainability reports of both Implats and RBPlat operating in the study villages showed that they have implemented enterprise development programs and put a significant effort to increase procurement from local companies to comply with the Mining Charter requirements so that they can maintain the license of operation. In addition, the interview with the executive of RBED and its reports indicated that the mining companies have engaged with RBED to conduct the programs and take procurement. On the other hand, the finding about awareness and knowledge

of capacity building CDPs showed that there were few people were aware and knew about their activities. The finding showed that a few respondents were aware an enterprise development project (garden project) implemented by RBPlat in Chaneng. No respondents were aware Implats capacity building CDPs. Among the respondents who knew about the programs, their views to the programs were strongly negative, except the former Anglo Platinum employee. No one also knew about who have ever attended the programs. Few respondents knew about who have ever acquired tender from the mining companies. Although it is true that there are beneficiaries of the programs, the result indicates that there are different views between the intentions of the mining companies and the view of the communities.

The factors explaining the perception gap are (1) insufficient promotion of the programs in the communities; (2) differences in expectations between the mining companies and communities, especially regarding procurement; (3) insufficient qualifications of community members; and (4) attitudes of the mining companies regarding CDPs, especially for capacity building. Firstly, the mining companies may not provide enough information about their enterprise development programs for the local enterprises, such as when and where it happens and who are qualified. Regarding procurement, RBED has a database of local enterprises and has been actively engaged with procurement departments of the mining companies to motivate them to hire local enterprises, so there is enough information provided by either RBED or the companies. Secondly, the mining companies want to hire companies that can provide the services, which they require, because of safety risk issue. However, local enterprises expect the mining companies can offer procurement to transfer skills and provide experiences. Thirdly, many local enterprises do not have skills, experiences, and capacities to join the

programs and get procurement. Finally, the mining companies are more preferred to hire the companies that they have worked together and reluctant to engage with local enterprises.

6.1.2 Socio-economic CDPs

The sustainability reports of the mining companies emphasized their contribution to socio-economic development, including infrastructure development and education and health support in the communities, because they are also required to implement SLP, which is often formed as CSI and prerequisites to comply with the Mining Charter. The finding of the fieldwork indicated that the respondents' awareness and knowledge about socio-economic CDPs partially matched the claims of the mining companies. Especially, the respondents were aware of paving road done by the mining companies. In addition, to compare with awareness and knowledge of capacity building CDPs, they are more positive to socio-economic CDPs taken place in the communities than capacity building CDPs. This is assumed because the targets of socio-economic CDPs are more visible in the whole communities than capacity building ones specifically focusing on the local enterprises and affect to the majority of the community members despite these CDPs are usually one time or short time activities. In addition, the mining companies advertise their projects with big signboards. Therefore, the community members more easily identify the socio-economic CDPs.

6.2 Discussion

This thesis aimed to investigate community perspectives regarding CDPs conducted the mining companies. The comparison has been made between the companies' intentions obtained from the sustainability reports of Implats and RBPlat

and the awareness and knowledge of the CDPs from the respondents in the study villages – Luka, Chaneng, Mafenya, and Rasimone. From this comparison, of capacity building CDPs, results revealed that only a few respondents were aware of the programs that have been implemented, and were negative perceptions. On the other hand, even though more than half of the respondents were unaware of socio-economic CDPs, relatively more respondents were aware of the programs and had positive views. This was because socio-economic CDPs, focusing on infrastructure development and education and health support, impact communities in the short period of time, so people could feel the contribution of mining companies rather than capacity building CDPs, which specifically focused on the local enterprises and took long period of time to impact community development.

However, the result of analysis of perceptions concerning post-mining community situation suggested that the investment in improving capacity of local enterprises would be necessary for post-mining community development. The finding of perceptions to post-mining community situation can be interpreted that none of Bafokeng respondents said that they will leave the communities. This suggested that they wanted to continue to live in the communities, even though the mines closed. At the same time, the result showed the respondents' fear of loss of source of income. People who work in the mines will lose the jobs, and those who run business will be significantly affected by mining closure. However, among them, two respondents expressed their business will not be strongly affected, because their customers are diverse. The mining companies or miners are not a major customer for their business. Therefore, the results of analysis of perception to post-mining community situation suggested that people would be able to continue to live in the communities if there are

alternative sources of income. Thus, the mining companies need to create long-term capacity building programs for local enterprises. Even though the Mining Charter requires them to implement the programs, there are still a lot of discussion how to assess the content of the programs and impact on the enterprise development in the communities¹⁴. The purpose of developing the capacity building programs is only to achieve the requirement of the Mining Charter for the mining companies. It does not necessary mean that they contribute to community development, which is “the process of increasing the strength and effectiveness of communities, improving people’s quality of life, and enabling people to participate in decision making to achieve greater long-term control over their lives (International Council on Mining and Metals, 2012).” Since they have to spend some amount of money for enterprise development as long as they operate in the areas, they should start to develop long-term enterprise programs rather than short term.

On the other hand, local people need to change their behaviors, because they are no longer able to keep staying on “silver platter” due to decrease of the revenue of the RBN institutions from dividends from mining shares, specifically from Implats shares. The finding of perceptions concerning post-mining community situation suggested that the community members needed to be pro-active to take action, for example, for establishment of new industry instead of the mines, for community development for post-mining. However, the findings on issues of community indicated that the unity of community is difficult due to lack of mutual trust and leadership. Besides poverty, development of entrepreneurship in the communities is also

¹⁴ Leon, P. 2010. A Social Plan for Mining. [Online] <http://mg.co.za/article/2009-11-27-a-social-plan-for-mining> [Accessed: 16 July 2014]

challenging due to lack of basic education and motivation to start business among community members, especially among the youth. This result is explained by Global Entrepreneurship Monitor 2012 South Africa report. There is lack of entrepreneurship education and training in primary and secondary schools in South Africa. Also, the perceived opportunity is very low in the country. People do not think entrepreneurship is as an opportunity and career choice, because the majority of business owners in the communities run informal or survivalist business (Turton & Herrington, 2012). Especially, the fact that there are job opportunities after graduating high schools in the mining areas may reduce the desirability of entrepreneurship. In addition, the finding of the perception of the relationship between the mining companies and the communities and the interview with the executive of RBED suggested an attitude (or high expectation) that the mining companies should provide and grievance that they are against the communities have been embedded in minds of the community members. Social and cultural norms would hinder the process of community development.

The South African government has established a strong legislative system governing mining companies in the favor of community development in mining areas. The Royal Bafokeng Nation also has an independent administrative system and established communication channels with mining companies in addition to those with local municipality, and has much invested effort into sustaining and managing the communities. Nevertheless, rather weak and negative community perspectives concerning CDPs was discovered. This result seems to indicate general difficulties in investigating and formulating community perspectives in mining areas from which two perspectives can be discussed, that of the mining companies and that of the communities. From the mining companies' side, there are three possible causes: (1)

conduct CDPs as a ‘façade’ to give the semblance of sincerity in order to obtain approval for a mining license, (2) conducting inadequate needs assessment or consultation with communities, and (3) setting the priority as low among their key stakeholders. From the communities’ side, there are five possible causes: (1) vulnerability and weak capacity of the communities, (2) embedded mistrust of mining companies in the communities, (3) seemingly endless dissatisfaction with company promises, (4) passive attitude that mining companies should help and provide for the community, and (5) mistrust and little engagement among community members.

This research aimed to investigate community perspectives on the CDPs conducted by the mining companies. To achieve this aim, this research takes the form of an empirical study with three main research questions and the comparison between the intentions obtained from the sustainability reports of Implats and RBPlat and the findings from the interviews with community members as analytical framework. Therefore, this research was able to identify the gaps between the company intention and the views of the communities about the CDPs and the factors explaining the gaps. This is the major contribution of this research in the discussion of sustainable community development and the role of the mining companies, which have been discussed based on corporate perspectives. Thirdly, this research indicates the difficulties of investigating and formulating a community perspective in a mining area. Empirical contributions of this research show how local people actually think about CDPs conducted by mining companies, their efforts to engage mining companies, and their future perception regarding their communities. In addition, this research also suggests the importance of the investment in capacity building of the communities,

time scale when develop CDPs, and the issues of the communities which may affect on engagement and community development.

7. Limitation of this study and future research

This research had several limitations. Firstly, the biggest limitation was limited on access to the communities and limited coverage of the relevant people for the research because of the five-month strike, the upcoming general election, mobilization of the communities by a political party, complicated and sensitive community structure, and disposition of the people to the researchers. Due to such community conditions, the interview data may be influenced by political bias. Secondly, the data collection method and analytical framework have been changed due to the above community condition. Purposive and snowball sampling was employed in the fieldwork and usually this type of sampling method causes a problem of credibility and objectivity. Furthermore, the feasibility of questionnaires' is also suspicious. Thirdly, although this research compared the company intention with community view, the used data to analyze both perceptions is limited, so the results cannot be generalized and applicable to other cases. Fourthly, complicated community structure – sensitive community relationship and overlapped traditional authority and municipality systems backed by history of apartheid needed to be contextualized more when taking about “community,” and it always go back to the question of “what is community?.” Finally, this research faced the difficulty of whether it should be discussed in the context of legislation system or the concept of CSR or CSI, because legislation system governs the mining companies' activities, but both legislation and concept are overlapped especially in the context of community development. So far, existing literature discussed the role of mining companies in community development or the relationship between mining companies and

communities in the context of CSR or CSI. Therefore, for future research, this research recommends conducting the impact assessment of CDPs in the context of the legislation and investigating impact differences in CDPs by the degree of awareness. In addition, future research can focus on comparison of companies' policies regarding community development between a traditional large mining company and a relatively new mid-tier mining company.

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9. APPENDIXES

APPENDIX A – INTERVIEW QUESTIONS

1. Awareness of

- capacity building CDPs conducted by mining companies
- socio-economic CDPs conducted by mining companies
- any CDPs conducted by other organizations
- local business forum/committee
- communication channels: forum/committee/mining company/Royal Bafokeng Administration/Rustenburg Local Municipality

2. Perception of

- local business support responsibility
- mine-community relationship
- post-mining community situation

3. Knowledge of Royal Bafokeng Enterprise Development (RBED)/ Social and Labor Plan (SLP)

4. Degree of dependence on mining

- Advantages/disadvantages of depending on mining

APENDIX B – TABLES OF SOCIO-ECONOMIC DEVELOPMENT CDPS BY IMPLATS AND RBPLAT

Table 5.1.2a: Implats socio-economic development CDPs in Rustenburg and Royal Bafokeng Nation in 2012 – 2013

| Project | Location | Target area | Project duration | Total Implats expenditure | Number of beneficiaries | Aim | Description |
|--|------------|-----------------------------------|------------------|---------------------------|--|---|---|
| Impala Sports Academy | Rustenburg | Sport development | 2008 - current | R25.8 million | 32 academy students approximately 930 outreach participants | To attract athletes aged between 18 and 22 years of age who excelled at sport in school and wish to continue to play at a high level while also receiving post-school education and training. The sports covered by the program are rugby, cricket, soccer and netball. | Sport Academy students are coached in the mornings and participate in the Skills Development Centre's artisan program in the afternoons. They train to become electricians, diesel mechanics, boiler makers and fitters. They have employment contracts with Implats for the duration of the 12-month program. The academy's coaches employed by Implats conduct weekly outreach activities at four primary schools in the community: Clearview, Vukuzenzele, Luka and Rustenburg North. Sports Academy learners also volunteer their time and sports knowledge by providing coaching and assistance for the outreach activities. 149 students have participated in the program since 2009. |
| Sunrise View Home Ownership | Rustenburg | Infrastructure - Housing | 2007 - 2013 | R222 million | More than 1,300 workers have been settled in this way since the beginning of the housing project | To provide employees with access to decent and affordable accommodation and to have at least 50% of employee living with their families in decent accommodation by the year 2020 | Has approximately 1,700 units The houses are two or three bedrooms and Implats employees paid between R225,000 and R265,000 for a house. The value proposition for employees is that the houses were priced below market rates, employees received an interest-free loan of R75,000, an interest rate of prime less two percent as well as life insurance. Instead of paying more than R4,000 per month, workers pay about R1 972 to become home owners. |
| Divine Inspirations Garden Services | Rustenburg | Enterprise development | 2009-current | R0.7 million | 25 employees | The economic empowerment of local communities and the establishment of sustainable business entities in the region | The business was set up by a former employee of Implats. He saw an opportunity to provide gardening services for Implats properties. He approached the property development unit with a proposal for his company's services. Through rigorous testing, Implats identified his company as an ideal small enterprise for their support. They assisted him with a low interest loan to buy equipment and establish the company. In addition to the loan, they contracted a service provider to help develop the business and provide mentorship services. His company started operating in October 2011. It currently employs 25 people and provides garden services at four of their sites: Nine shaft, Tlabane flats, Boigantsho and the Human Resources Development Centre. Other mine shafts and residences provide scope for expansion in the future. |
| Donation of shoes | Rustenburg | Discretionary - Community welfare | 2011 | R30,809 | 300 learners | To provide learners in Rustenburg area with new school shoes | The Executive Mayor of Rustenburg embarked on a 'Collect-A-Shoe Campaign' to collect and distribute 5,000 pairs of school shoes for disadvantaged children in the Rustenburg area. Fifty disadvantaged schools were prioritized, primarily in farming areas and rural villages. Each school provided the Executive Office with a list of beneficiaries from grades one to seven who were most in need. Implats was approached by the Executive Mayor's office to contribute to the campaign and subsequently donated 300 pairs of new Toughes school shoes (150 pairs of girls' shoes and 150 pairs of boys' shoes). The campaign is not a once-off initiative and a future campaign is already being planned for the 2013 academic year. |
| The Sunrise View primary and secondary school building | Rustenburg | Infrastructure - Education | 2012 - 2013 | no data | no data | Consistent with government's vision of integrated human settlements | This school building project is a result of a partnership between Implats, Impala Bafokeng Trust, North West Department of Education and the provincial government at a cost of R86 million. Completed the construction of the Sunrise View primary school, which was officially opened in January 2013 by the Minister of Mineral Resources, Minister of Basic Education, Chairman of Implats Board, Premier of North West Province, Impala Bafokeng Trust representative and the CEO of Implats. The secondary school will be completed in August 2013 and officially open in January 2014. |
| Skill development | Rustenburg | Skill development | no data | no data | 128 learners Mining Qualifications Authority certified modules | To become artisans | The center received accreditation with the MERSETA during the year under review |

| | | | | | | | |
|---|------------|-------------------------|-----------|------------|--|---|---|
| Investment in upgrading hospital facilities | Rustenburg | Infrastructure - Health | no data | R8 million | no data | no data | Upgrading the neonatal ICU at the Job Shimakane Tabane Hospital in Rustenburg. The four-bed unit supports almost 900 births per week and was upgraded to a 14-bed unit with alterations made to the building as well as new equipment purchased |
| Enterprise development | RBN | Enterprise development | 2013 | no data | 20 small local businesses | The economic empowerment of local communities and the establishment of sustainable business entities in the region | Funded the provision of training and mentoring |
| Supplier development program | RBN | Enterprise development | 2012-2014 | no data | 10 local SMMEs and black-owned businesses that were already part of the Implats supply chain | To elevate these SMMEs to become competitive suppliers through double the revenue of these 10 service providers within a year. | The program was launched in October 2012 and started in January 2013 and will end in December 2014. It includes business-specific training with bi-weekly on-site meetings with the owner/manager. |
| Business assistance program | RBN | Enterprise development | no data | no data | no data | Enterprise development (ED) department is mandated to intervene between Implats and the SMMEs to ensure they meet their contracted obligations. | The ED department is able to conduct a diagnostic analysis to determine intervention or development needs as required, the department then assist these companies to implement corrective action, provide mentoring and practical training where required. External expertise or specialized services are sourced in when the need arises under the guidance of the ED team. |
| Business advisory and development service | RBN | Enterprise development | 2012-2014 | no data | 10 start-up companies | To integrate selected local entrepreneurs to become active in supplying the mining industry | Implats has partnered with an external service provider. They started the program to develop, up-skill, train and assist aspiring businesses to establish themselves as start-up companies. They advertised the project in October 2012 and received 50 applications, from which 10 were selected to participate. The program commenced in January 2013 and will run for 12 months. These start-ups ranged from garden service providers to construction companies. |
| Walk-in center in enterprise department office at 6 Shaft | RBN | Enterprise development | no data | no data | start-up entrepreneurs | no data | To give guidance in business registration, preparing business plans, funding and complying with regulatory and Impala procurement requirements for start-up entrepreneurs. |

Source: author's table based on Implats sustainable development report 2013

Note: The report mentioned the location of the projects only as Rustenburg. The location indicating RBN was selected by the author due to showing the engagement with RBED that its priority target area is within RBN and SMMEs in RBN.

Table 5.1.2b: Implats community development programs in Luka and Chaneng communities

| Project | Location | Target area | Project duration | Description |
|---|----------|---------------------------|------------------|--|
| Building a multi purpose sports facility | Luka | Sport | 2007-2008 | This project was identified from the Integrated Development Plans of the RLM, and was also recognized as a community need during the Mayoral outreach program to offer the youth of the Luka village the opportunity and the necessary facilities, as well as access to professional and specialist coaching and infrastructure to develop and nurture a pool of sports talent that will feed into both National and Provincial sport arenas. Work was initiated after several consultations with Luka community representatives including the Ward Councilor, Royal Bafokeng Nation Councilor, Royal Bafokeng Sports Holdings, and the Rustenburg Local Municipality office of the Directorate of Community Development. |
| An environmental rehabilitation project (Woodchips Project) at Impala Rustenburg's tailings dam complex | Luka | Environment & Procurement | 2005 - ? | Monontsha is responsible for Implats' environmental rehabilitation initiative, Woodchips project, established for the recovery of the tailings dam complex at the Rustenburg mining operation. Of 75% Monontsha is owned by women from Luka village with the balance being held by Landfill Consult and employed 48 people during 2007. The employees all come from Luka. The business has three main areas of activity, which are transport, composting, and vegetation, and each is headed by a woman. The technology was developed by Impala Rustenburg and the University of North West (Potchefstroom campus) six years ago. Impala Rustenburg spends in the order of R4 million a year on Monontsha for services provided, which includes the transport of compost and sludge, composting and the vegetating of the tailings dams. The project as a whole earned a merit award from the Mail & Guardian's Investing in the Future Awards in 2006. These awards were established to recognize and reward corporate best practice. Of 15 the women employed have a 5% shareholding in this project. Impala Community Development Trust (currently dissolved, 2014) contributes R1 million/year to Woodchips Project. |
| Luka clinic upgrade | Luka | Health | 2011 | no data |
| Road construction | Chaneng | Infrastructure | 2010 | Impala Platinum completed a one kilometer stretch of paved road across Blaigowrie section of Chaneng village, linking to Boshhoek and Sun City access road. The road is a two-way, two lane road with storm drainage called Raphokobyane Road. This project was initiated in consultation with RBA and the local community and to replace the existing dirt road. |

Sources: author's table based on Implats 2007 Corporate Responsibility Report, social capital table reference (2007), social capital table reference, and Implats Sustainable Development Report 2009

Table 5.1.3: RBPlat community development programs in RBN

| Project | Location | Target area | Project duration | Total RBPlat expenditure | Beneficiaries | Description |
|--|---|----------------|------------------|--------------------------|----------------|--|
| Building Kgotla offices | Rasimone and Chaneng | Infrastructure | 2012 | R839,683 | no data | To provide a central point for the community and as such facilitate communication between the leaders, their community and our mine operations through the Kgotla offices. Adequate and good quality communication between the mine and our neighboring communities is essential. RBPlat is awaiting approval of the plans for the permanent Kgotla offices they plan to build, but in the meantime they have provided temporary fully-equipped mobile offices for these villages and the RBA provided connections to water and the sewage system. |
| Providing a portion of road | Chaneng | Infrastructure | 2012 | R2,978,188 | no data | The community asked RBPlat to build a 700m portion of road in Chaneng. Engaging with the community and the RBA, the construction and specification of the road were approved, members of the community were employed to build the road and the project was complete. |
| Upgrading of the Phokeng police station, providing a satellite police station and a community center in Robega village | Phokeng and Robega | Infrastructure | 2011 | R1,679,015 | no data | The Phokeng police station had no facilities for the disabled and there was no privacy for people reporting matters of a personal nature. Therefore, RBPlat replaced the counters and provided privacy, installed cupboards, replaced desktops, repainted the community service center, installed air conditioners and repaired windows and doors. They built a satellite police station in Robega, which is also accessible to all the MACHARORA villages, and facilities that allow community members to renew licenses. |
| No name | Mafénya | Infrastructure | 2013 | no data | children | Construction of a pedestrian walkway in Mafénya to keep children walking to school safe from traffic on the road. |
| No name | Chaneng | Infrastructure | 2013 | no data | no data | Technical upgrade of the road which leads to the Commercial Community Garden in Chaneng. |
| No name | MACHARORA | Infrastructure | Ongoing | no data | 5 house owners | Replacing community houses in the MACHARORA villages. Five new houses were built in 2013. Five houses were demolished in Chaneng village and replaced by new 70m2 houses. The owners could choose between four different designs. |
| Schools serving | Some villages of MACHARORA note: the website did not mention specific villages | Education | Completed | no data | no data | BRPM built classrooms for overcrowded schools and providing desks, chairs and office equipment. BRPM has also provided libraries and computers and ICT training in the past. |
| Experico program | no data | Education | Completed | R850,000 | no data | To address a lack of capacity among primary school teachers to teach mathematics and science and provides teaching aids which help the children learn through play. Children who previously only started learning mathematics and science in the secondary school are learning these subjects in a meaningful way in primary school. Students have adapted very well to the Experico approach and many of them at the six schools which benefited from this funding are now achieving distinctions in all their subjects. In addition, the program also teaches children life skills like assertiveness and problem solving. The Experico program is recognized and supported by the South African Department of Education and, at a ceremony to announce the best performing school, a Director in the Department acknowledged that the programme was producing good results. |
| Donation | no data | Education | no data | R300,000 | no data | Donated to The Thuto Thebe Education Fund, which is an empowerment-based initiative of Phokeng |

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| Additional math and science teachers | MACHARORA | Education | Ongoing | no data | no data | RBPlat have funded the salaries of two additional math teachers and one science teacher at Charora High School and a projects facilitation coordinator has been appointed to look after the governance and help facilitate the roll-out of educational interventions in schools in the MACHARORA villages. The math classroom at Charora High School was renovated, which included painting, tiling and the installation of new cupboards and white boards. |
| Upgrading of math and science classrooms | MACHARORA | Education | 2013 - ongoing | no data | no data | RBPlat identified through the RBI that the chemicals in the science laboratory had expired and the equipment was out of date. This has been removed and having established what chemicals and equipment are required for the Grade 12 syllabus these have been supplied. A laptop has been purchased for use with an overhead projector. The aim of this project is to give pupils the opportunity to develop the math and science skills they need for employment in the mining industry. |
| Grade R classrooms | Chaneng | Education | 2013 | no data | no data | RBPlat constructed two Grade R classrooms at Chaneng Primary School, equipped them and built surrounding walls. |
| Phokeng forensic pathology building | Phokeng | Health | 2013 - 2014 | no data | no data | This building was originally built to cater for the forensic pathology investigation needs of the SAPS and is now being used by the mortuary for the area and is totally inadequate. RBPlat are upgrading and equipping it in accordance with the specifications and requirements of the Department of Health. |
| Support for the Chaneng Clinic | Chaneng | Health | 2012 - ongoing | no data | no data | To assist with the capacity challenges experienced by the clinic as a result of a growing population RBPlat pays the salaries of two additional professional nurses. |
| Local community members trained and employed to help build houses | Robega | Skill development | no data | no data | no data | While advertising in the communities for candidates to register for the bricklaying course which is part of the SED Social and Labor Plan responsibilities, RBPM was contacted by Tawana Construction which had been awarded a government project to build 50 houses in the Robega Community. |
| Community skills development | MACHARORA | Skill development | 2012 - ongoing | no data | no data | Stydrift I requires different skills to accommodate its mechanized mining methods. A database of the skills, education, experience and other relevant information of doorstep community members was captured by our human resources development team. Community members with the appropriate skills were selected for training, skills transfer and development. Some community members have been trained as trackless mobile machine operators and others as artisans by Sandvik Mining, who will be the supplier of Stydrift I's trackless mobile machinery. |
| Asset Focused Development | no data | Skill and enterprise development | no data | no data | 12 learners | To locate and mobilize the energy in people towards positive change and can both be introduced to build on previously acquired skills or help identify gaps in terms of future learning. A model of Asset Focused Development (AFD) was introduced to learners as a tool to develop them towards a future as successful entrepreneurs. RBPlat engaged the Mmapula Community Development (a company) to implement and test the model. 12 learners who had recently completed a course in Basic Business entered AFD program. AFD interventions condense skills and assets, including training provided by Royal Bafokeng Platinum (optimizing training and skills development investments made in people), in order to translate it into a job or an entrepreneurial opportunity and eventually into local economic growth. AFD is a strong building block in preparing people for entrepreneurship as well as the job market by contributing towards personal growth and finding and mobilizing internal drive and responsibility. It is also a way of giving on-going support to learners for 3-5 months in order prepare them to operate and manage a business independently. |

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| Business opportunities | no data | Enterprise development | no data | no data | no data | The option of Portable Spaza (Tuck) Shops was selected for providing the contractors and employees at the Stykdrift project with a means of purchasing refreshments on Site. Two Spaza Trailers were custom built which would act as stand- alone business units. The trailers were built to be operated on Solar power and gas thus making them independent from electricity sources and making them more environmentally friendly. Potential candidates to operate the Spaza Shops were selected through an approved local recruitment process and Shaft Sinkers also invested in long term Entrepreneurial Training in order to ensure that the businesses would operate on a sustainable basis. The benefits of this initiative will be measured once the entrepreneurs have been trading for a while. |
| Chaneng Farming and Primary Cooperative | Chaneng | Poverty alleviation and job creation | 2011 - ongoing | R3.3 million | 12 workers from Chaneng village | RBPlat assisted with a food garden started in Chaneng village by a group of 12 sight-challenged community members with the assistance of the Chaneng Association for the Blind in 2011. They invested R3.3 million in upgrading the garden by equipping it with pumps and water tanks, shade netting structures, an irrigation system, a storeroom, a washroom and an ablution block. They also provided the members of the garden with training in managing a food garden and continue to provide them with guidance on how to manage their business. The original intention of the garden was to grow food for the local community but it was rapidly developing into a substantial sustainable business. The cooperative sells its produce to Sun City, Fruit and Veg City in Rustenburg, the Rasimone Primary School in Rasimone village and the Johannesburg Municipal Market. Won the North West province's Department of Agriculture's 14th Annual Female Entrepreneur Award in 2013. |
| Establishing an enterprise development hub | no data | Poverty alleviation and job creation | 2013 - 2015 | no data | no data | The hub is designed to be a Real Enterprise Development initiative, which will harness the entrepreneurial drive of unemployed and self-employed South Africans. The concept is supported by international research revealing the power of the small business sector to reduce unemployment. RBPlat originally intended completing the project in 2013, but it has now been split into three phases. The first phase, which was completed in 2013, included fencing the site with electrical fencing, 85% of the electrical work has been done, the sewerage system is complete, the vegetable tunnels have been constructed and the preparation work for the foundations of the broilers has been done and the water reticulation system has been designed. |
| Commercial agri business (hatchery, cattle and crop farming) | MACHARORA | Poverty alleviation and job creation | 2013 - ongoing | no data | no data | This project will feed into the enterprise development hub. RBPlat completed a headstock count of the livestock in the MACHARORA villages (1,700), tagged them, dressed the udders of the cows to eliminate ticks, inoculated the animals twice, dipped them and put them on an electronic database which includes the gender of the animal and who its owner is during 2013. Will conduct a feasibility study on how best to implement the program in 2014. This project has highlighted the excessive number of cattle versus the availability of grazing, which is of concern. |
| Household vegetable gardens | MACHARORA | Poverty alleviation and job creation | 2013 | no data | 75 households | RBPlat have equipped 75 households in the MACHARORA villages with 2 x 5,000 liter JoJo tanks, 1 x 6 x 4 meter tunnels, roof gutters, a hand pump, sloped the land and provided training in growing vegetables for the household's consumption and to sell to neighboring homes and other potential markets. |
| SMME development | no data | Procurement | Ongoing | no data | 5 companies | A growing number of start-up entrepreneurs from the communities near BPRM are exploring the Sustainable Small Medium Enterprise Opportunities availed by the company to local business people by positioning themselves to provide the mine with services. procurement department Companies: engineering and supply, construction, construction and event management, engineering and project, cleaning services and construction |

Sources: author's table based on Integrated Annual Report 2013 and RBPlat website: http://www.bafokengplatinum.co.za/s/case_studies.php