Corporate Social Responsibility: Impact of Exxaro Mine's Social and Labour Plan in the community

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ABSTRACT

Corporate social responsibility (CSR) in the mining sector was to a large extent neglected until the year 2002, post the promulgation of the Mineral and Petroleum Resources Development Act (MPRDA) (Kloppers & du Plessis, 2008:91). While CSR commitments are voluntary, in the mining sector they have become a legal obligation through the introduction of a social and labour plan (SLP). Without the cooperation and support of local people, the continuous existence of mining companies in indigenous communities is threatened (Adonteng-Kissi & Adonteng-Kissi, 2017:196). Furthermore, mining companies are increasingly evaluated on the basis of how communities perceive them. Thus, over and above mining activities, mining companies are also evaluated on the basis to which they positively impact and contribute towards the development of their communities.

The overarching goal of the study was to assess the impact brought about by the CSR implementation of Exxaro's SLP on the community. To accomplish this, empirical research was done on Exxaro mine using a qualitative enquiry that was explorative in nature. Participants for the study were selected from the mine, community as well as Department of Mineral Resources.

The key findings of the study have, to a large extent, mirrored the outcomes already in the literature concerning the CSR definition and critical role played by stakeholders in mine community development. The empirical findings of the study showed that the mine had economic benefits to the community; however, the impact of SLP projects could not be fully established because they were no longer operational.

The future of mining towns post the life of a mine will rely heavily on sustainable community-based projects, which require active stakeholder engagement throughout the SLP processes. The study concludes with a recommendation that clear roles and responsibilities for community engagement in SLP be implemented and evaluated. Without successful CSR and SLP projects, the economic benefit brought about by the mine in communities will be lost.

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KEYWORDS

Corporate social responsibility

Mining

Social and labour plan

Stakeholder theory

Social license to operate

Community development

LIST OF ABBREVIATIONS

CR	-	Corporate responsibility
CSR	-	Corporate social responsibility
DMR	-	Department of Mineral Resources
IDP	-	Integrated development plan
FPIC	-	Free, prior and informed consent
Mine community	-	Communities where mining takes place, major labour-sending areas as well as adjacent communities and local municipalities
MPRDA	-	Mineral and Petroleum Resources Development Act
SLP	-	Social and labour plan
SLO	-	Social licence to operate
SMME	-	Small, medium and micro-enterprises

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1. Introduction

1.1 Problem statement

Corporate social responsibility (CSR) in developed nations has evidently picked up; however, in emerging economies, particularly in Africa, it is in a preparatory stage (Marfo *et al.*, 2016:181). CSR has long been a strategic concern for corporations around the world, responding to the interest shown by both consumers and investors (Albuquerque *et al.*, 2018:4451). Companies adopt CSR, although voluntarily, to satisfy the expectations of stakeholders, largely as a reaction to evolving global norms (Ross, 2017). CSR developed out of social pressure or economic benefits to answer questions such as: 'To whom are corporations responsible?', 'What are the responsibilities?', and 'How should responsibilities be addressed?' (Ashrafi *et al.*, 2018:8). This implies that stakeholders are demanding CSR to be a more holistic business strategy that emphasises the social, environmental and economic responsibilities of corporations (Ashrafi *et al.*, 2018:8).

CSR reflects the social imperatives and social consequences of business success (Matten & Moon, 2008:405), and its value lies in its ability to improve firm performance via reputational gains and better competitive advantage (Bice *et al.*, 2017:45). CSR was introduced to provide corporations with the necessary guidance to maintain or enhance their profitability while improving their performance towards society and the environment (Ashrafi *et al.*, 2018:2). In essence, CSR demonstrate companies' commitment towards society. Ashrafi *et al.* (2018:1) argue that CSR is closely associated with the notion that corporations are expected to have social and environmental performance standards and practices while meeting their financial and legal obligations.

Mining companies acknowledge that, without the cooperation and support of local people, their continuous existence in indigenous communities is threatened (Adonteng-Kissi & Adonteng-Kissi, 2017:196). Companies are increasingly evaluated both in the public sphere and by organisational stakeholders on the basis of the degree to which they are perceived to be promoting the virtues of 'sustainability'; however, this is not a straightforward endeavour (Ozanne *et al.*, 2016:249). Owing to their long presence in the regions where they operate, as well as the extent of their effects on local communities and environments, mining companies have an opportunity to positively contribute to social values in their operating environments (Bond, 2014:172).

The extractive or mining industries generally have long been touted as key to anchor ‘development’ or ‘economic growth’ to alleviate poverty in developing countries (Murombo, 2013:33). Some of the potential returns from the mining industry, as argued by Murombo (2013:33), are economic opportunities in mineral-rich countries, employment, as well as semblance of social and infrastructure development. As the demand for minerals and energy is anticipated to rise, so the expectations of the performance of mining companies and those associated with them in the areas they operate are increased (Moran *et al.*, 2014:1).

CSR can be seen as “the firm’s considerations of, and responses to, issues beyond the narrow economics, technical, and legal requirements of the firm to accomplish social and environmental benefits along with the traditional economic gains which the firm seeks” (Ferreira & Real de Oliveira, 2014:234). Benlemlih and Bitar (2018:667) argue that high CSR commitment helps increase investment efficiency, which is generally associated with better financial performance, which may result in more resources being available for the pursuit of CSR goals. There is no universal definition of CSR, and for the purpose of this study, CSR is the ethical role of the corporation in society (Jimenez & Pulos, 2016:8).

CSR by the mining sector was to a large extent neglected and only received attention after the introduction of the Constitution of the Republic of South Africa, 1996, and the promulgation of legislation such as the Mineral and Petroleum Resources Development Act 28 of 2002 (Kloppers & du Plessis, 2008:91). Section 24 of RSA Constitution 1996 recognised everyone’s right (a) to an environment that is not harmful to their health or well-being; and (b) to have the environment protected, for the benefit of present and future generations (South Africa, 1996). The Constitution envisioned a society where business operates in a manner conscious of its environmental and social footprint. The Constitution (South Africa, 1996) gave rise to the enactment of the Mineral and Petroleum Resources Development Act (MPRDA) (Republic of South Africa Government Gazette, 2002), and section 100(2) of the MPRDA establishes a legislative framework within which the proceeds of mining should benefit mine workers, mine-affected communities, and the communities from where mineworkers hail (Republic of South Africa Government Gazette, 2002).

Mining license holders are legally obligated to contribute towards socio-economic development through the implementation of a social and labour plan (SLP) (Republic of South Africa Government Gazette, 2002). The SLP is aimed at compelling mining companies to use the profits from mining towards the attainment of the following objectives:

(a) Promote employment and advance the social and economic welfare of all South Africans;

(b) Contribute to the transformation of the mining industry; and

(c) Ensure that holders of mining rights contribute to the socio-economic development of the areas in which they are operating (Republic of South Africa Government Gazette, 2002).

The MPRDA (Republic of South Africa Government Gazette, 2002) requires the mine to provide financially for the implementation of the SLP, failing which could result in its mining license being revoked. This legal requirement necessitates a re-positioning and thinking wherein mines continue to balance wealth generation and poverty alleviation, capitalism and socialism, and, on the other hand, profit-driven with a developmental perspective. This is synonymous with the triple bottom line wherein reporting agenda puts a consistent and balanced focus on the economic, social and environmental value provided by the organisations (Alhaddi, 2015:8).

The idea of business contributing towards social issues is not necessarily foreign, although it was optional, as demonstrated by Carroll (1979:488) three-dimensional conceptual model of corporate performance. Carroll opines that business has four mutually exclusive expectations to satisfy, namely economic through making profit, the legal responsibility by ensuring compliance with laws, ethical conduct, and philanthropic responsibility, which is largely discretionary in nature (Carroll, 1979:488). There is a growing interest in the corporate response to pressing environmental, economic, political and development challenges that are now synonymous with the sector (Owen & Kemp, 2013:524).

Business is required to assume and fulfil CRS that extends beyond their profit-making functions and enhances some social objectives such as sustainable economic development, quality of life, and/or increasing the national standards of living, among many others (Boulouta & Pitelis, 2014:351). CSR drives companies away from mere financial towards integrated reporting. Organisations are to commit to the principles of integrated thinking, promoting the concept that strategy, governance and sustainability are intimately entwined and organisations should integrate their reporting approaches and practices through financial and sustainability considerations (De Villiers & Alexander, 2014:5) .

According to Hamann and Kapelus (2004:86), CSR aims to align corporate policies and practices to sustainable development, in order to ensure companies' reputation and their access to capital, land and markets. CSR signifies the acceptance of the reality that corporations must achieve and retain the support of the communities affected by their operations (Ali & O'Faircheallaigh, 2007:13). In other words, CSR aims to satisfy the corporate objectives without compromising the public. This notion is, however, contrasted by (Banks *et al.*, 2013:249) that while CSR is presented as a win-win phenomenon, the reality is much more complex than that.

Investors expect firms to maximise profits (Van Der Linden & Freeman, 2017:354), as that is the fundamental responsibility of business. The public is watchful now of what firms are saying about their CSR (Rahman, 2011:172), and this due to (a) free flow of information owing to technology, (b) the seemingly growing constraints on governments, and (c) lastly, widespread acceptance of climate change among academics, politicians and practitioners (Ghobadian *et al.*, 2015:272).

Gilberthorpe and Banks (2012:186) acknowledge an uneasy relationship between 'development' and the extractive industry when 'sustainable development' is employed by the sector. This is because resource extraction, by its very nature, opposes the long-term attributes of 'sustainable development', as descriptions of the industry as 'finite', 'non-renewable' and 'exhaustible' clearly indicate (Gilberthorpe & Banks, 2012:186). Corporate responsibility (CR) should be seen as a process of balancing the competing needs of organisations and stakeholders rather than a goal in itself. This enables viewing CR as a dynamic and ongoing process that requires action, reflection and feedback between stakeholders (Ghobadian *et al.*, 2015:285). CSR initiatives need to measure up to the overall social and environmental impacts of mining, in that such promises may have a great influence on community expectations and decision-making surrounding the project (Hamann & Kapelus, 2004:86).

CSR strategies and programmes, as implemented by the extractive sector, are most utilised as market-oriented tools for obtaining an SLO in the mining sector (Prno & Slocombe, 2012:352). Gaining and maintaining SLO involve reporting on social performance, as well as designing and implementing formal strategies for community engagement and development. CSR is becoming less and less voluntary (Owen & Kemp, 2017), and Boutilier (2014:263) has accorded it a “social license to operate” (SLO) status, the term that has become embedded within the mining sector. A company can only gain an SLO through broad acceptance of its activities by society or the local community (Owen & Kemp, 2017:43). The phrase SLO is used to signify the authority that lies in the host communities in accepting and/or approving a particular operation within its area. It also recognises that host communities are a crucial stakeholder (Owen & Kemp, 2017:43).

SLO is possible when understood as a tool for situations that require ‘calling of attention’ to social and community dimensions (Owen & Kemp, 2017:44). The concept serves to force social issues onto the agenda of industry, resulting in a shift from business as usual to responsibility to community. This view suggests a need to reconcile business priorities with those of the community. This recognition is very crucial and implies that the voice of the ‘community’ as a stakeholder can no longer be kept away from shareholders’ agenda (Owen & Kemp, 2017:44).

The narrative of mining, which embodies development of its community resonates with the stakeholder theory. Stakeholder theory places emphasis on the interests and well-being of some non-shareholders as obligatory more than the prudential and instrumental purposes of wealth maximisation of equity shareholders (Phillips *et al.* (2003:482). This theory was pioneered by Freeman (1984) as a management supposition towards tackling complex interaction of societal actors (Lock & Seele, 2017:235). The stakeholder theory is entrenched on the view that if organisations want to be effective, they should pay attention to those relationships that can affect or be affected by the achievement of the organisation’s purpose (Freeman, 1999:234). In a nutshell, the stakeholder theory is centred on managing relations and interests of those who are interested and affected by the firm.

Freeman *et al.* (2004:364) argue that the economic realities in communities heighten the primary reality at the core of stakeholder theory, i.e. creating economic value. Freeman *et al.* (2004:364) point out that certainly shareholders are an important constituent and profits are a critical feature, but concern for profits is the result rather than the driver in the process of value creation, which extends beyond the shareholder to encompass broader stakeholders.

Consequently, stakeholder theory suggests that firms are obligated beyond shareholders' interest. In line with the objectives of this study, stakeholder theory will enable the researcher to investigate perspectives of stakeholders on the impact brought about through Exxaro Mine's SLP implementation.

Despite calls for a balanced development, Owen and Kemp (2013:31) contend that whereas mining laws have developed both nationally and regionally, in many instances the extractives industry has not ended cycles of poverty where they operate, and instead, tend to benefit from impoverished contexts. This is contrary to the development narrative that accompanies large-scale infrastructure projects such as mining. Murombo (2013:36) concurs that, on paper, an impressive array of environmental and sustainable development policies and laws promise a bright future, but the persistence of environmental degradation caused by mining (land, water and air pollution), and the reduction of arable land for agriculture are constant reminders of the inherently unsustainable nature of mining.

Notwithstanding the engraving of 'community' at the heart of development, the mining sector is struggling to deliver on the expected socio-economic upliftment. Meyersfeld (2017:31) contends that while mining certainly brings profit, this profit does not result in social and economic development of affected communities and people living in poverty. Community dissatisfaction in mining towns is often associated with rapid population growth, high levels of mobility, male domination and local governments' inability to provide the growing population with necessary social infrastructure (Chapman *et al.*, 2015:632). Conditions surrounding communities in some mining areas point to skewed development in favour of profits.

Banks *et al.* (2013:249) attest that CSR is often presented from the corporate perspective and such an approach contains a number of assumptions that obscure the following observations if another perspective was documented, such as:

- CSR prioritises the agenda and views of the corporate entities rather than the communities who are at the receiving end. Through CSR, corporates are claiming to be more responsive to the concerns of multiple 'stakeholders', positioning themselves as 'partners' and proactive in poverty reduction (Utting, 2007:697).

- CSR practices are driven by economic expediency, and the ‘partition-and-label’ approach that seeks to minimise costs (Akpan, 2006:234). Corporates seek initiatives that elevate own interest.
- There is a ‘business case’ for undertaking CSR that provides incentives for companies to contribute more to society (Ashley & Haysom, 2006:266). CSR initiatives should be aligned to the business case.
- Rather than a commitment to socially responsible practice, Aid (2004:79) points out that CSR is driven by companies concerned with their own reputations and the need to continue to make a profit.

The above narrative points to a dislocation between the mine and mining communities and requires partnership and alignment of programmes among stakeholders. This idea is supported by Rogerson (2011a:12) that alliances can be formed within or outside the ambit of SLP and/or IDP, since the social and labour policies in principle make provision for such collaborative planning projects. Undoubtedly, some communities have been positively stimulated by mines through SLPs; however, the glaring challenges in many other communities suggest collaboration failure. This could be attributed to breakdowns in setting “a collaborative developmental agenda”, which results in the inability to restore lost confidence of the affected communities and stakeholders (Owen & Kemp, 2013:34).

Mine communities are deemed an integral part of mining development and, as the host, ought to mirror the local economic development. Section 2.5 of the Broad-Based Socio-Economic Empowerment Charter (South Africa, 2018) categorically spells out that mines have to meaningfully contribute towards mine community development in line with the principles of the social license to operate, and prescribes that mining rights holders should, among others:

- in consultation with relevant municipalities, mine communities, traditional authorities and affected stakeholders, identify developmental priorities of mine communities. The identified developmental priorities must be contained in the prescribed and approved social and labour plan of a mining right holder.
- may collaborate on identified projects to maximise the socio-economic developmental impact, in line with their approved social and labour plans. Approved social and labour plans must be published in English and (a) dominant language(s) commonly used within the mine community.

- implement 100% of social and labour plan commitments in any given financial year of the mining right holder (South Africa, 2018).

Exxaro operates a coal mine in the province of Mpumalanga, which is situated between the towns of Carolina and Belfast in the Emakhazeni local municipality. The mine is hosted by the township of Siyathuthuka, which translates to “a place of development”, and local labour is largely derived from this community. Communities in and around Emakhazeni have their hopes pinned on mining for development. According to the 2011 Census data, Emakhazeni municipality has a population of 47 216, which are organised in eight wards with an unemployment rate of 25.9% (Stats SA, 2011). Notwithstanding the minerals wealth that is extracted through mining, Siyathuthuka does not resemble any of this.

Owing to the location of the mine coupled with the fact that Exxaro was willing to have its SLP examined, the researcher chose this site for study. Exxaro mine developed its five-year SLP (2013-2018), which was funded and implemented. A number of SLP projects were implemented; however, the social and economic issues emanating from Siyathuthuka suggest that the SLP is not making an impact on the community.

In South Africa, CSR in the mining sector is no longer voluntary. This has been the case for the past 15 years following the enactment of the MPRDA in 2002, which came into effect in 2004. It is therefore important to critically review the reasonable impact brought about by the implementation of SLP initiated by Exxaro Mine. Out of the above theoretical perspective, the following problem could be derived, namely: What are the positive impacts brought about by Exxaro’s social and labour plan and corporate social responsibility on the community?

1.2 Research questions

Literature suggests that there are sufficient regulations for the successful development and implementation of SLPs; however, the living conditions surrounding some mining communities reflect poverty. In contrast to the mineral wealth extracted from these communities, there seems to be a paradox. This prompted the researcher to ask the following questions:

- What are the specific CSR activities that Exxaro mine is involved in?
- What are the reasons for Exxaro mine's involvement in CSR?
- What are the current processes undertaken to develop an SLP?
- How are the SLP priority projects identified?
- What role is played by the community in the development and implementation of SLP projects?
- What will the impact brought about by SLP implementation be?
- What are the challenges confronting SLP implementation?

1.3 Research objectives

The research objectives were divided into a general purpose and specific goals.

1.3.1 General objective

The general objective of this research was to assess the impact brought about by the CSR implementation of Exxaro's SLP on the community.

1.3.2. Specific objectives

To achieve the broader objective of the study, the following specific aims guided this research, namely:

- To determine the specific CSR activities that Exxaro Mine is involved in.
- Establish the reasons motivating Exxaro's involvement in CSR.
- Examine the current processes undertaken to develop an SLP.
- Establish the processes followed to prioritise projects contained in the SLP.
- Clarify the role played by the community in the development and implementation of SLPs.
- Explore the impact brought about by SLP implementation.
- Identify challenges (if any) confronting SLP implementation.

1.4 Expected contribution of the study

The study aimed at creating a platform for the mine together with its community representatives to reflect on the impact and factors affecting SLP implementation. The study aims to further contribute towards:

- the body of knowledge in so far as SLP is concerned.
- the enhancement of regulations and or legislation towards development of communities in mining areas.
- the deepening of the understanding of any stakeholder participating in SLP development and implementation.
- improvements in engagements with stakeholders that would create a platform to ventilate opinions on SLP implementation and offer recommendations.
- determining the institutional arrangements required for collaboration during SLP implementation and allowing the mine an opportunity to ventilate underlying issues affecting SLP implementation.

1. 5 Research methodology

1.5.1 Empirical research

To accomplish the research objectives for this study, an empirical study was done on Exxaro Mine. The study was explorative in nature and followed a qualitative enquiry. To obtain in-depth insight into how the mine's CSR and SLP impact the community, participants for the study were selected from the mine, community members who were participants on projects as well as the DMR. The study was designed to collect and analyse data based on the interview guide with regard to the corporate social responsibility impact brought by Exxaro Mine's social and labour plan in the community.

Primary data was collected by means of separate focus group interviews with representatives from the mine as well as community members. A one-on-one interview was conducted with a representative from the DMR. Semi-structured interviews were used to gather the information and this allowed the researcher an opportunity to probe further. The interview questions were formally structured, and all participants were asked the same questions. All interview data was transcribed and coded resulting in common themes emerging. Coding was done with the aid of software, which assisted in eliminating errors. The results from participants' responses were then used to inform the findings of the study.

Secondary data, chiefly the social and labour plan from the mine, was helpful to confirm that the mine had a social and labour plan (SLP), which was approved by the Department of Mineral Resources (DMR). No other archival records were available to determine and confirm the decision-making processes that were followed in the SLP compilation and implementation. Consequently, archival data was not successful in informing the research objectives.

1.5.2 Ethical considerations

In research, ethics are concerned with the responsibility of researchers to be honest and respectful to all individuals who are affected by their research studies or their reports of the studies' results (Gravetter & Forzano, 2018:101). In the main, the purpose of ethics is to avoid harm to the participants or institutions participating in research.

Gravetter and Forzano (2018:102) point out two basic categories of the ethical responsibility of researchers, namely responsibility to ensure the welfare and dignity of the individuals, both human and non-human who participate in their research studies, and responsibility to ensure that public reports of their research are accurate and honest. In other words, ethical consideration by the researcher goes beyond the physical contact period such as the data collection process. The researcher ought to remain moral and act in the interest of participants and participating institutions even during the report writing. In other words, present the findings responsibly and truthfully. Furthermore, the researcher has to be proactive in identifying potential aspects that could constitute unethical conduct.

Diener and Crandall (1978) note that ethical principles may be classified into four main areas, (1) whether there is harm to participants; (2) whether there is a lack of informed consent; (3) whether there is an invasion of privacy; and (4) whether deception is involved. In the main, the above principles are geared towards safeguarding the interest of participants. These principles will be dovetailed when securing informed consent from all participants. In simple terms, informed consent is about providing participants with a sufficient understanding of the research so that they understand what they are consenting to.

In this regard, the researcher submitted and obtained ethical clearance from the University's Ethics Committee (**see Appendix A)**. Furthermore, permission was obtained from Exxaro Mine to access records relevant to the study and to publish the results after the survey **(see Appendix B).** The researcher designed an informed consent form through which a brief project background, purpose, presentation of findings and protection of participant's identity were outlined **(see Appendix C).** Once consent was granted, participants were required to sign the consent forms, which were filed and stored. The informed consent form described the rights and responsibilities of the researcher as well as participants, including the right to withdraw should the participants deem it necessary.

Another critical ethical consideration is that of privacy and confidentiality, which form part of data management. Section 9 of the Protection of Personal Information Act (South Africa, 2013) requires that personal information must be processed lawfully and in a reasonable manner that does not infringe upon the privacy of the data subject. This right is further enshrined in section 14 of the Constitution (South Africa, 1996). Therefore, in this regard, no use of personal information identifiable to participants such as names and age will be made. Data collected from the study was stored electronically in files protected with passwords and kept confidentially.

Upon completion of the study, findings will be shared with participants and organisations.

1.5.3 Limitations

The two main limitations of this study were that a single case qualitative method was adopted to assess the impact brought about by the CSR implementation of Exxaro's SLP on the community. Participants were drawn purposefully from the mine and its surrounding community, and therefore findings from a single case study and specified community cannot be generalised to other settings.

1.6 Chapter division

The study is arranged into five chapters, which are outlined as follows:

Chapter 1: General orientation to the study, including the problem statement, goal and objectives of the study, the research question and research methodology, the ethical aspects, fundamental concepts and the limitation of the study.

Chapter 2: A literature review on social labour plans and a theoretical overview of literature related to social and economic development. All key concepts will be discussed in this chapter.

Chapter 3: Outlines the research methodology issues, data collection, analysis and interpretation of data. The findings of the study will also be presented in this chapter.

Chapter 4: Provides the data presentation and analysis of the study findings.

Chapter 5: Conclusions and recommendations of the study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

South Africa is described as among the most unequal societies in the world, where the conditions among the poor are characterised by a lack of employment, unhealthy quality of living environment, exposure to environmental hazards, and compromised health status which are vastly different from the wealthiest in the country (Mathee & Wright, 2014:114). Mining impacts have left significant legacies and have received high public scrutiny as a major risk (Ramontja *et al.*, 2011:39). The thrust of this study hinges on how social and labour plan (SLP) development by mines plays out practically to enable community development.

Every mining company is required to develop, in consultation with the affected communities, an SLP as a precondition to obtaining a mining license (Republic of South Africa Government Gazette, 2002). The SLP is not only to benefit mine employees, but should also contribute to the external environment and those who are affected by the mine. Therefore, an SLP is not inward looking, but rather seeks to reach out to the community as a stakeholder. In this regard, the MPRDA ought to be hailed as an important piece of legislation in South African history in compelling mines to develop their areas of operation. Furthermore, the MPRDA transformed CSR from being a simple company discretionary activity to a national demand with a legal backing that has far-reaching consequences (Japhet *et al.*, 2015). Implementation of developmental projects for the community is no longer optional and, failure to do so could have the mine's license revoked (Republic of South Africa Government Gazette, 2002).

In Chapter 1, it was put forward that the narrative of mining, which brings about development, was yet to be realised and instead that mines were seemingly benefiting from such impoverished communities. This is despite corporate social responsibility (CSR) being widely accepted in the mining sector.

According to (Webster & Watson, 2002), conducting a review of prior, relevant literature is an essential feature of any academic project. Furthermore, an effective review creates a firm foundation to advance knowledge, facilitate theory development, close areas where a plethora of research exists, as well as areas where research is needed. This chapter aims to provide an examination of applicable literature to the research topic.

2.2 Definition of key concepts

The study parameters are centred on the following terminologies: Mining industry (2.2.1) and the dichotomy surrounding its contribution towards community development; conceptualisation of corporate social responsibility (2.2.2) as a strategy for the mining sector to respond to societal needs; and social license to operate (2.2.3), which denotes that the mine cannot continue to operate in isolation with the host community. A social and labour plan (2.2.4) represents the legislative shift in South Africa towards enforcing active involvement by mines in community development; the stakeholder theory (2.2.5), which laid the foundation for the company-community collaboration; and lastly, stakeholder engagement (2.2.6) which stresses the need for consultation with stakeholders. These keywords are further elaborated upon and supported by the literature review as set out below:

2.2.1 Mining industry

South Africa is one of the top global mineral producers with the mining industry contributing significantly to the country's employment opportunities and gross domestic product (GDP) (De Villiers & Alexander, 2014:3). While there are significant economic benefits from mining, these are often accompanied by adverse environmental and social effects, which include depletion of non-renewable resources, land use, and health and safety concerns (Dube & Maroun, 2017:23). By their nature, extractive industries are non-renewable natural resource sectors, which make it particular challenging and interesting for CSR analysis and for environmental management (Ali & O'Faircheallaigh, 2007:6).

The extractive industries have the potential to create considerable wealth, and as such, may be able to fund social and economic development initiatives. Ali and O'Faircheallaigh (2007:6) argue that the extractive industry exploits public-owned minerals, which raises questions regarding the distribution of economic benefits, both in the current period and across generations. Therefore, the core challenge of CSR for the extractive industries lies in the inherent non-renewability of minerals, on the one hand, and sustainability, on the other, which is required for successful CSR implementation (Ali & O'Faircheallaigh, 2007:6).

Therefore, the mining industry presents dichotomies; at one extreme, opportunities for the production of substantial wealth, and on the other, threatening destruction of those lands and associated community life (Esteves, 2008:41). Mining operations go hand-in-hand with a number of social challenges, as highlighted by unprecedented strike action in Marikana described as a massacre of 34 mine workers by the South African state police on 16 August 2012 (Chinguno, 2013:160). This event is a painful reminder of living conditions of those associated with mining in South Africa.

Notwithstanding this, the idea of operating a mine is often associated with a better life for all attached to the business. Mining is associated with the creation of wealth and better living conditions (Murombo, 2013:39), rapid development such as opportunities for employment, a large influx of capital and in some cases in-migration and resettlement (Kemp, 2009:200). Despite this opportunity, Mittelman (2007) cautions that about 29 percent of people in the bottom billion (of the world's poorest people) live in countries in which resource wealth dominates the economy and points to high levels of conflict, bountiful natural resources, which limit exports in other commodities as well as bad government as stumbling blocks, and consequently persistent levels of poverty. This implies that, while mining has a huge potential to bring about socio-economic development, the management of this resource could have far-reaching effects.

One of the fundamentals of successful mining is their ability to align their interests with the values of society, and in particular with the communities in which they operate (Esteves, 2008:39). This is significant, as long-term success beyond the life of a mine shall be realised. In spite of this, the reality is that mining companies have not always acted in the best interest of their communities. Ghobadian *et al.* (2015:282) agree that the irresponsibility of business is often manifested in the imbalance between financial, social and environmental dimensions of business performance, typically favouring financial outcomes. Although in good faith, mining communities have opened their areas up in anticipation of a better life; however, this has not been experienced by all.

Therefore, if engaging in community development is a noble thing to do, what then are the factors limiting mining's contribution towards community development? Esteves (2008:39) notes that most mining companies understand their contribution towards their host communities; however, they are weary of assuming the functions of the national or local governments. Consequently, companies will be carrying the burden of social costs and obligations that are difficult to discard, and are therefore reluctant to commit beyond their legal obligation (Esteves, 2008:39).

The idea that corporations could bear a responsibility that stretches beyond their shareholders is contested by Schneper *et al.* (2015:22), who contend that companies in the modern era are increasingly held responsible for their activities up and down their value chains. Therefore, companies are subjected to pressure to go beyond their core mandate.

Another factor is the seemingly intransigent gap between the vision of the miners versus that of mine management about extractives (Bilchitz, 2010:10). Mine management, major corporate shareholders, directors and advisers speak the language of profit, production and a healthy corporate entity, while miners, mine-affected communities and civil society speak the language of human rights, labour rights, equal participation in the benefits of mining, reward for work, and decent monetary and social wages, and, at times, nationalisation (Bilchitz, 2010:10). This author argues that both sets of values can coexist as they are not inconsistent with a stable extractives industry. The narrative that the two can co-exist is crucial as opposed to attempts to wish the other away.

These views represent the two paradigms of profit maximisation that exist at the one end of the spectrum, and the language of nationalisation fuelled by the plight of communities at the other (Meyersfeld, 2017:34). The point of disjuncture between the two paradigms lies in understanding what constitutes 'successful mining'. The corporate theory of a successful extractives industry is one that yields a significant profit to the corporation, its investors and its shareholders (Meyersfeld, 2017:34). On the contrary, at the local level, primarily what is an issue is whether local communities receive an appropriate balance of benefits and costs associated with the negative impacts on livelihoods and socio-cultural and political problems. While the local community bears most of the environmental and other social costs of mining, most of the profits realised flow elsewhere (Schneper *et al.*, 2015:28).

Murombo (2013:34) argues that the ideal of social upliftment does not resonate with mines, because it is not a core ambition of mining that such growth and profit will reach the indigent communities. At the core is to create wealth for shareholders. Despite the seemingly reluctance by mines to fully embrace community development, companies have realised that, for their survival, matters affecting the people would have to be addressed.

2.2.2 Conceptualising corporate social responsibility (CSR)

The issuing of the King Codes in South Africa elevated the significance of non-financial reporting and introduced the concept of 'triple-bottom-line reporting' for companies to consider the impact of their corporate decisions on the surrounding communities and environment (Dube & Maroun, 2017:23). Corporate social responsibility (CSR) disclosures by mining companies are largely informed by the recommendations of King III (2009), the Global Reporting Initiative (GRI) and the IIRC's framework on integrated reporting (Carels *et al.*, 2013:994). Effective from 2010, the JSE introduced a listing requirement for companies either to comply with King III and prepare an integrated report, or to explain the reasons for not doing so (Solomon & Maroun, 2012:7). The reports are expected to communicate a company's plans, governance, performance (social, economic and environmental) and forecasts to relevant stakeholders in a manner that correctly provides the holistic picture (Dube & Maroun, 2017:26).

CSR is necessarily not a new concept, yet its flame of debate has not been put out (Japhet *et al.*, 2015:1). Mining companies are under pressure to convince stakeholders of the valuable role that they play in the South African capital market and the positive social contribution that they offer (Carels *et al.*, 2013:994). To this end, considerable attention is devoted to the nature and extent of CSR information being included in their reports to stakeholders. Notwithstanding this, investors' expectations to maximise profits increase while the public also demands social and environmental impacts of the business (Byerly, 2013). The public has become watchful, demanding access to reports and holding companies to account for their promises. CSR is no longer a simple company discretionary activity and has become mandatory with a legal backing in most countries (Japhet *et al.*, 2015).

The emergence of CSR in the extractive industries represents a bid to legitimise the sector after decades of environmental disasters and the trampling of indigenous rights (Gilberthorpe & Banks, 2012:185). The underlying justification for incorporating CSR is that it provides a framework for delivering sustainable development and addressing environmental, climate, alternative energy, and community development issues vis-a´-vis commercial extraction.

Therefore, CSR constitutes an acceptance by corporations that they have a responsibility to respect fundamental human rights in the way in which they organise and conduct their business (Ali & O'Faircheallaigh, 2007:12). Among others, these human rights include the right to a clean environment, safe workplace, political self-determination and indigenous free, prior informed consent (Ali & O'Faircheallaigh, 2007:12).

CSR within the South African mining context was closely associated with philanthropy and supporting good causes by way of hand-out donations (Hamann, 2008:20). While the motives were well intended, it did not alleviate the ever-growing social issues such as poverty, unemployment and poor living conditions around the mines. CSR implementation was fragmented, short-sighted and mainly a marketing objective. The narrative of CSR that contributes to the eradication of poverty and development has not materialised. To that end, the public has become critical not only of what firms say, but also, most importantly, what they are doing in practice – whether they are walking the talk (Rahman, 2011:172).

There is no universal definition of CRS and literature points to multiple explanations that have been put forward, mainly influenced by the developmental trajectory of that time and the quest for meeting the needs of society (Rahman, 2011:167). In other words, CSR has become a functional terminology that is shaped by societal needs. Matten and Moon (2008:405) concur that CSR reflects social imperatives and consequences of business success. Therefore, CSR's meaning resembles societal issues that the sector was grappling with. These assertions are consistent with Rahman's ten (10) major evolutionary dimensions of CSR, which acknowledge the social, economic, political and environmental context of those periods (Rahman (2011:166), as contained in Table 1 below:

Table 1: Dimensions of corporate social responsibility over the past six decades

Period	**Dimension of CSR**
1950s	Obligation to society
Definition: CSR is recognition by management of an obligation to the society it serves not only for maximum economic performance, but also for humane and constructive social policies (Heald, 1957).	

1960s	Relationship between corporation and society
Definition: Social responsibility is the growing recognition of the intimacy of the relationships between the companies and society and realisation that such relationships must be kept in mind when pursuing different goals (Walton, 1967:18).	
1970s	Stakeholders' involvement, well-being of citizens, a philosophy that looks at the social interest, helps solve neighbourhood problems, improves quality of life, economic responsibility, legal responsibility, ethical responsibility and discretionary responsibility
Definition: CSR is to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud (Friedman, 2007:6).	
1980s	Voluntariness, economically profitable, law abiding, ethical and socially supportive; economic, legal, ethical and voluntary or philanthropic
Definition: CSR involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible means that profitability and obedience to the law are foremost conditions to discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. Therefore, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic (Carroll, 1983).	
1990s	Stakeholders' involvement, obligation to society, environmental stewardship, people, planet, profit
Definition: A 'contract' between society and business wherein a community grants a company a license to operate and, in turn, the matter meets certain obligations and behaves in an acceptable manner (Woodward, 1999).	
2000 Century	Integration of social and environmental concern, voluntariness, ethical behaviour, economic development, improving the quality of life of the citizens, human rights, labour rights, protection of environment, fight against corruption, transparency and accountability
Definition: The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (World Business Council for Sustainable Development, 2008) (Holme & Watts, 2000).	

21st century	Growing recognition of stakeholders and communities' rights in holding corporates accountable for their commitment in developing their immediate surroundings. Emerging trends include requirements for transparency and accountability, as well as improvements in governance structures and on long-term planning (Brereton *et al.*, 2011).
Definition: CSR refers to the commitment of the firm to the community or society through provisions of welfare of the society by using corporate resources as well as promoting economic development, which improves the quality of life of the workforce, families, local community and society at large (Japhet *et al.*, 2015:1).	

Source: (Adapted from Rahman, 2011, 173)

From the above account and perspectives, it can be confirmed that CSR has different meanings. Authors tend to emphasise different aspects depending on its dispensation, including but not limited to people, society, culture, environment, economy, culture, governmental or legal framework conditions. CSR refers to an emerging movement that seeks to incorporate social and environmental issues within organisational behaviours (Bani-Khalid & Ahmed, 2017:203). In other words, CSR is a living concept that is modified by the prevailing circumstances. As such, there are a number of reasons, identified by (Mullerat, 2010:13), inhibiting the emergence of a concise definition of CSR, which are:

- CSR is a relatively new phenomenon;
- CSR is rapidly evolving;
- There are many faces to CSR;
- CSR is adopted by diverse companies in terms of size, culture, composition, products and services;
- Motivation for implementing CSR by company owners who seek to achieve different aims;
- The lack of consensus as to whether CSR involves only non-binding ethical rules and standards, or whether it also involves legal norms, including public criminal law rules; and
- Increasingly, the concept tends to encompass more elements.

Notwithstanding this, Ferreira and Real de Oliveira (2014:234) define CSR as "the firm's considerations of, and responses to, issues beyond the narrow economics, technical, and legal requirements of the firm to accomplish social and environmental benefits along with the traditional economic gains which the firm seeks”. What stands out from this definition is the position of the firm wherein it could influence and affect its surroundings, and/or *vice versa*. At the centre of CSR, though, is the entity’s actions and policies, which display a level of concern for the wellbeing of society as a whole (Dube & Maroun, 2017:26). No CSR can be attained without it being centred on its people.

According to Schneper *et al.* (2015:30), companies participate in CSR under different conditions, among others, the following:

- When there is a well-developed system or programme promoting CSR, and effective dialogue with stakeholder groups, such as unions and community groups. Such instils a sense of interest in community work and results in improved participation (Campbell, 2007:949). Christmann (2004:748) argues that industry associations and competitors’ actions influence a firm’s socially responsible behaviour.
- When there is stakeholder pressure exerted on industry (Schneper *et al.*, 2015) and demands.
- Companies operating in industries with a higher degree of scrutiny are more likely to adopt socially responsible practices. Perez-Batres *et al.* (2012:159) argue that companies with severe environmental impact are more likely to adopt self-regulatory standards to respond to normative pressures from powerful stakeholders.
- Larger firms, due to their capital resources, are more visible to the public and media, and therefore participate more in CSR initiatives (Graafland *et al.*, 2003:46).

Schneper *et al.* (2015:22) argue that companies have responded in a different ways towards CRS; some have committed to behave in a socially responsible manner, while others only adopt the rhetoric approach. Larger companies face substantial legitimisation pressures from stakeholders to adopt CSR practices, but they may have found ways to enable them to decouple rhetoric from action (Schneper *et al.*, 2015:22). Therefore, not fully accepting the CSR results in a gap between outward claims and actuality of social responsibility.

On actual practice of CSR, Owen and Kemp (2013:523) argue that despite widespread claims by the extractive industry that companies have adopted CSR as a ‘core competence’, the industry has yet to incorporate community relations and development functions. Mining companies' commitment to community development remains hindered among others by:

- the benefits and limitations associated with core-periphery thinking. In other words, whether community relations and development are 'primary' or 'secondary' to the mining business. The lack of clarity prevents the mine from fully responding (Owen & Kemp, 2013:529).
- the role of CSR becomes visible during crisis moments, such as community protests, but is largely subdued in the normal course of the business (Owen & Kemp, 2013:530).
- the lack of clarity inhibits placing matters of community development on the agenda of mining companies and within that, the configuration of priorities (Owen & Kemp, 2013:530). In other words, community relations and development are unlikely to take centre stage on the mine's agenda.

These views are supported by Ghobadian *et al.* (2015:282) that contention in locating community development by corporates manifests through imbalances between financial, social and environmental dimensions of business performance, typically favouring financial outcomes. Although in good faith, mining communities opened their areas up in anticipation of a better life, yet such has not been experienced by all.

Undoubtedly, companies have different responsibilities assigned to them by law, shareholders and society at large. These responsibilities, according to Yakovleva (2017), entail (i) economic duty that entails a productive company, (ii) legal responsibility that entails compliance to applicable laws and legislations, (iii) moral and ethical responsibility in recognising societal norms and values in the conduct of business, and lastly, (iv) social responsibility that upholds proactive participation in practices that profit the community beyond its economic, legal and ethical responsibilities.

CSR, as a notion, extends beyond the limited firm's requirements (Andriof *et al.*, 2017) and transcends to ethical outlook. One significant proposition of the idea of CSR is the understanding that companies may no longer be considered as purely private organisations, but rather as social organisations. In this regard, companies need to function in complete knowledge of the broad well-being of the community and to share the profits within the community by reacting to community needs (Brammer *et al.*, 2012). This is what makes CSR complex; it is multi-faceted and cannot readily be embraced in its fullness. CSR emanates from different theories that are summarised in Table 2 below:

Table 2: Theories of CSR

Theory	**CSR perspective**
Legitimacy theory	The theory suggests that a business functions under a mandate from the community that might be withdrawn when it is understood that business no longer satisfies the community expectations (Burke, 2017). The theory highlights the mode of response to community expectations by a firm's management.
Public responsibility theory	Public responsibility is a driving principle of CSR and highlights that firms are responsible for results regarding their primary and secondary areas of involvement with the community (Yakovleva, 2017).
Stakeholder theory	This theory provides a compelling explanation of CSR and it is closely related to legitimacy theory. Through its policies and programmes, a firm may impact many stakeholder groups, such as communities, government, consumers, suppliers, competitors, employees and shareholders. Consequently, the firm may encounter demands from its stakeholders to commit resources to meet its social responsibilities (Deresky, 2017).
Business ethics theory,	This theory is considered a 'normative theory', concerns holding management and the firm responsible for executing ethical principles in their organisation and applying proper explanation in their choices in the design of policies and strategies and the broad direction of the organisation (Bowie, 2017:111). In terms of CSR, management acts as moral players and are obliged to exercise the discretion of management, which is available to them in every sphere of social responsibility, towards socially responsible results (Arnaud & Wasieleski, 2014).
Corporate citizenship theory	The theory submits that there is a parallel line between companies and individual citizens and that companies are endowed with both the right and responsibility to undertake their operations. Like own citizens, firms are expected to make voluntary donations to assist in sustaining the general well-being of the community that supports those individuals (Zandvliet & Anderson, 2017).
Sustainable	Finally, the concept of sustainable development (SD) is healthy and

development	promotes CSR's long-term viability based on a company's environmental, social and economic performance through the design and application of a community engagement strategy (Schaltegger & Wagner, 2017).

Adapted from Falck and Spangenberg (2014)

From the above theories, it can be concluded that at the heart of CSR should be a sincere commitment to developing the internal and external people affected by the mine. This extends beyond the internal stakeholders such as employees and customers, and is more about how the business affects society beyond the extraction of mineral wealth. It is about leaving a legacy that impacts the lives of the people beyond the lifetime of the operations of the business. (Sharma & Kiran, 2013:19) acknowledge the shift in focus from a mere economic, philanthropic, and legal liability required by the market to include the environment, educational and health responsibilities, and this is supported by evidence. Adonteng-Kissi and Adonteng-Kissi (2017:198) concur that the impact of companies extends beyond the market, and therefore human values that cannot be exclusively considered by dwelling on economic values.

Although the term CSR is not limited to the mining industry, Hall *et al.* (2015:301) assert that social license to operate (SLO) resonates with the mining and extractive industries and is beginning to be adopted much more widely (Bice & Moffat, 2014:258). The significance of achieving SLO is well captured by Falck and Spangenberg (2014:193) that it is a "key condition for successfully establishing and running a mining project".

2.2.3 Social license to operate (SLO)

The term SLO originated in the mining industry as a metaphor for the power of communities to impose conditions on, or to altogether reject, the advancement of mineral exploration or the operation of an existing mine (Boutilier, 2014:270). SLO has become synonymous with the mining sector and was introduced when the extractive industry was suffering reputational damage owing to negative publicity on environmental and social harm (Bice & Moffat, 2014:258). SLO amplifies the industry's ongoing concern with broader social and environmental issues (Bice & Moffat, 2014:258).

Businesses invoke the SLO to indicate that their activities are considered as legitimate in the eyes of society (Demuijnck & Fasterling, 2016:675). Legitimacy, according to Suchman (1995:574), is "a generalised perception or assumption" that an organisation's actions resonate with a socially constructed value system and are, as a result, regarded as desirable or appropriate. Legitimacy is best understood as socially constructed and rests heavily on subjective and collective assessments of powerful stakeholders and is often described in terms of a social contract between companies and their stakeholders (Dube & Maroun, 2017:24). A company can only gain an SLO through the broad acceptance of its activities by society or the local community. Without this approval, a business may not be able to carry on its activities without incurring serious delays and costs (Davis & Franks, 2011:8).

SLO was initially offered as a metaphor to describe the 'quality' of company-community relations (Owen & Kemp, 2017:30). This view is contested by Boutilier (2014:266) who contends that initially, 'SLO' appears to be a harmless metaphor; however it presents a radical challenge to some pervasive tropes in contemporary discourses about transnational corporations and communities. The idea that communities have the power to stop projects and can speak for themselves is frequently resisted by corporations and anti-corporate activists alike (Boutilier, 2014:266). Demuijnck and Fasterling (2016:676) opine that businesses should therefore consult and dialogue with communities to make the acquisition of an SLO more likely.

Consequently, SLO is considered a response to calls for community involvement and democratic participation of communities affected by mining operations (Meesters & Behagel, 2017:275). To that end, mining companies should foster a relationship with the host communities. Owen and Kemp (2013:30) attest that SLO consists of four linked assumptions, namely that:

- SLO as a term is indicative of efforts made to satisfy stakeholder expectations or that same has been attained by companies;
- Notwithstanding the failure to respond to stakeholders' expectations, companies continue to assert that the social license is in place;
- Mining companies and their various stakeholders invariably have different expectations about what is necessary or desirable in terms of 'development';

- There is a gap between what companies presume as approval and what stakeholders increasingly require, which serves to exacerbate expectations. (Owen & Kemp, 2013:30).

The concept of SLO is closely related to the requirement of free, prior, and informed consent (FPIC), which is established in international law and integrated in the 2007 UN Declaration on the Rights of Indigenous Peoples (Wilburn & Wilburn, 2011:4). FPIC, according to Goodland (2004:66), places responsibility on the state to ensure consent is granted from affected communities before proposed undertakings occur. The goal of FPIC is to ensure consent is obtained before a project goes ahead and seeks to ensure that parties enter into an equal and respectful relationship with them, based on the principle of informed consent (Goodland, 2004:66).

While some parallels may be drawn between SLO and FPIC, (Wilburn & Wilburn, 2011:4) hasten to point out that the former differs on some critical points with FPIC in that SLO involves ongoing processes during mining operations and is considered a responsibility of companies, while the FPIC is considered more a responsibility of states. According to (Goodland, 2004:66), FPIC as well as community participation is part of a trust-building process to earn an SLO and serve as foundation for CSR.

It is widely recognised that mining companies need to gain and maintain a social licence to operate from local communities in order to avoid costly conflicts (Moffat & Zhang, 2014:61). In attempting to define SLO, Moffat and Zhang (2014:62) observed that certain attributes are glaring.

2.2.3.1 SLO as a tool to balance power

Meesters and Behagel (2017:275) consider SLO to be a tool to balance uneven power relations by requiring community consent with extractive operations and is characterised by the involvement of a multiplicity of authorities and agencies, including state and regional governments, international expert agencies, NGOs and businesses. The SLO operates by working on the interests and beliefs of local actors. Accordingly, the SLO as a policy instrument calls for an analysis of its capacity to exercise power in various ways (Arts *et al.*, 2014).

SLO represents a set of demands and expectations by local stakeholders and broader civil society (Moffat & Zhang, 2014:62). Gunningham *et al.* (2004:308) opine that with the increase in the pressure groups and awareness among civil society, social licence is also presented as the demands based on expectations for a business enterprise that emerge from neighbourhoods, environmental groups, community members and other elements of the surrounding civil society. Social license has over the past decade become implanted within the core mining industry (Owen & Kemp, 2013:30).

2.2.3.2 SLO is intangible

SLO is intangible and unwritten (Moffat & Zhang, 2014:62). This is synonymous with Parsons *et al.* (2014:84) that SLO can be seen as an intangible construct associated with acceptance, approval, consent, demands, expectations and reputation. Worth noting is that the vagueness in the definition has opened it up to criticism. Owen and Kemp (2013:482) acknowledge that SLO is unclear as to who is in the position to grant this licence and that it is constructed in concrete terms, but difficult to discern what a company has actually done to secure it. Further to this, Owen and Kemp (2013:482) argue the lack of generally accepted definitions of what constitutes such a community.

2.2.3.3 SLO depicts relations

Moffat and Zhang (2014:62) note that SLO represents a set of meaningful relationships between operational stakeholders based on mutual trust. SLO is not an agreement between communities and operations that can be formalised in any way, but rather a descriptor of the state of the relationship between a proponent and the community in which the proponent is operating and, therefore, as a process of continual negotiation (Franks *et al.*, 2013:9). In other words, an SLO is not an end in itself, but rather a means to maintaining continued relations aimed at attaining mutual trust. SLO is a dynamic and changing reflection of the quality and strength of the relationship between an industry and its stakeholders. In this regard, Moffat *et al.* (2016:480) attest that the industry is required to respond to the changing nature of societal approval and acceptance, arguing that “business must have regard for evolving social attitudes and expectations if it is to maintain its ‘social licence’”.

Nelsen (2006:233) is of the opinion that an SLO represents a genuine opportunity to transform mining into an activity that is recognised to promote the triple-bottom line (social, economic and environmental well-being) in local communities where they operate. Bice and Moffat (2014:258) concur that an SLO offers a middle ground through which project proponents can attend to or make claims to attend to stakeholders' concerns and leverage reputational gains without a minimum-standard regulatory compliance burden or official auditing of activities to gain or maintain the SLO.

SLO is increasingly used in extractive industries both as a response to calls for greater community engagement and as a corporate sustainability strategy (Meesters & Behagel, 2017:274). The mining industry representatives considered SLO as potentially transformative in the way that companies and communities might relate to each other as it is based on dialogue and participation, and is people-centred rather than business-focused and paternalistic (Hall *et al.*, 2015:307).

Undoubtedly, SLO requires active community participation for the aspiration of the community to be embraced. Owen and Kemp (2017:222) caution that SLO represents fear of conceding power by the mines at the risk of being overthrown by community action maintaining that the community authority is elevated through SLO. These authors accede that the language of social development and/or social license to operate masks the actual conduct of mining corporations, which stands in stark contrast to corporate development claims (Owen & Kemp, 2013:31).

Notwithstanding this, an SLO may be easily obtained from vulnerable impoverished communities and lead to subservience relationship rather than true 'buy-in' (Ali & O'Faircheallaigh, 2007:14). This acceptance may be misunderstood as synonymous to the license being granted, while communities' tensions and resentments build up and result in protest. This view suggests that the 'license' issued by the community ought to be critically reviewed against the impact made by the mines.

2.2.4 Social and labour plan

The South African mining industry was both a beneficiary and a driver of colonialism and apartheid as the sector perpetuated and strengthened ill treatment and economic exploitation of workers through government policies that favoured the mining industry at the expense of the masses (Naidoo, 2017:28). These views are consistent with (Turton *et al.*, 2006:318) that existing mining policy reflects a historical legacy in which powerful financial interests coincided with the benefits of a racially defined political elite, which saw government becoming an agent rather than a controller of the mining industry. An underlying driver of these injustices was an economic model built on profits derived from cheap black, and often migrant, labour.

Post-1994, upholding citizens' rights of equal access to water has been challenging and risks government losing its legitimacy more so as the majority still remain without access, while the mining industry pollutes the water without consequence (Naidoo, 2017:26). This necessitate a transformative agenda driven by government that requires the creation of conditions that will enable mining work to be dignified (Centre for Applied Legal Studies, 2018:8). The government introduced a social and labour plan system geared towards consolidating the state's power as custodian of mineral resources with the intention that companies offer opportunities for mine workers and communities to meaningfully benefit from the resources in their area (Meyersfeld, 2017:39)

Section 100(2) of the MPRDA establishes a legislative framework within which the proceeds of mining should benefit mine workers, mine-affected communities, and the communities from where mineworkers hail (Republic of South Africa Government Gazette, 2002). Every mining company is required to draft, in consultation with the affected communities, a social and labour plan (SLP) as a precondition to obtaining a mining license (Republic of South Africa Government Gazette, 2002), which spells out the mine's contribution to the community. The objectives of SLP are summarised as to (a) promote employment and advance the social and economic welfare of all South Africans; (b) contribute to the transformation of the mining industry; and (c) ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they are operating (Republic of South Africa Government Gazette, 2002). For this research, emphasis will be delimited on the contribution towards development of the area of operation.

Cawood (2004:58) observes that the tone of the charter commits and focuses the mining sector towards local and rural development, social upliftment of communities that have been affected by mining, and redressing the results of past racial discrimination, which are common themes throughout the Act.

A remarkable shift brought about by the MPRDA is the financial obligation placed on mines to fund the implementation of the SLP. While organisations have voluntarily funded community based projects through corporate social investments, what makes the SLP stand in sharp contrast with these is its legal status and that it is a precondition to obtaining a mining license. Meyersfeld (2017:39) points out that the SLP is not a CRS, neither is it a voluntary assumption of a socially responsible practice, but rather a legal requirement and condition to obtaining a mining license.

In contrast to CSR initiatives, the mine is to initiate LED programmes that would include "sustainable projects which the mine or production operation will initiate, implement and support financially or otherwise" (Republic of South Africa Government Gazette, 2002). Further guidelines require that the mine "must ensure co-operation with the formulation of the integrated development plans of the areas within which they operate; and co-operating with government in the implementation of the integrated plans for communities where the operation takes place."

In terms of the MPRDA (Republic of South Africa Government Gazette, 2002), the holder of a mining right must give an undertaking to comply with the SLP and make it known to its stakeholders. Rogerson (2011b:13376), however, notes as remarkable that after approval by DME, SLPs are not made public. The secrecy around these plans has created considerable concern and controversy (Rogerson, 2011b:13376).

The discretion of determining the priority projects to be contained in the SLP should be an outcome of a consultative process between the mine and affected stakeholders, including communities. Similarly, the power imbalances are most pronounced at the level of engagement with multinational mining corporations enjoying substantial state support (Mayes *et al.*, 2013), while communities are left to fend for themselves. While the degree of these power imbalances experienced varies from mining community to another, local communities carry significant mining-related burdens (McDonald *et al.*, 2012).

2.2.5 Stakeholder theory

Stakeholder theory is premised on organisational management and ethics (Phillips *et al.*, 2003:480). The approach is one of the management theories that directs primary focus of managers in how they should operate. The argument is articulated in two core questions, namely: What is the purpose of the firm? According to Freeman (1994), managers are encouraged to articulate the shared sense of the value they create, and what brings its core stakeholders together. This propels the firm forward. Secondly, what responsibility does management have to stakeholders? (Freeman *et al.*, 2004:364).

According to Freeman *et al.* (2010:26), the term 'stakeholder' was defined as "any group or individuals that can affect or be affected by the realization of an organization's purpose". There are six common types of stakeholders within a business context, identified by Freeman (1994), namely employees, customers, investors, suppliers, communities and management. Accordingly, Freedman, in Lock and Seele (2017:236), states that the theory draws a divergent between primary stakeholders as those who have a direct effect on the company or who are directly affected by it from secondary stakeholders such as media, government or civil society organisations.

Over and above wealth maximisation for shareholders, the stakeholder theory promotes the interests and well-being of non-shareholders (Phillips *et al.*, 2003:481). The theory urges managers to pay attention to the interests and well-being of those who can assist or hinder the achievement of the organisation's objectives, which is the central admonition of the theory. The theory paved the way in addressing the complex interplay of societal actors and lay the foundation for business-related theories, such as business ethics, general management, or business and society (Lock & Seele, 2017:236).

Freeman *et al.* (2004) caution against viewing stakeholder theory distant from shareholders' interest, and suggest the following arguments for viewing capitalism as creating value for stakeholders:

- The goal of creating value for stakeholders is decidedly pro-shareholder. In the first place, shareholders are themselves stakeholders and creating value for stakeholders creates value for shareholders (Freeman *et al.*, 2004:366).

- Creating value for stakeholders creates the appropriate incentives for managers to assume entrepreneurial risks. Freeman *et al.* (2004:366) purport that the stakeholder approach is an enabler for managers to develop a more robust theory of entrepreneurship, in which the stakeholders' interest for management to take risks that can lead to increasing the size of the pie for everyone lies.
- Having one objective function will make governance and management difficult, if not impossible. Sundaram and Inkpen (2004:355) advanced that having a single purpose for the firm makes life easier for managers precisely because it cuts through the morass of claims and potential responsibilities placed at the feet of managers. They claim management has only one duty, i.e. to make money for shareholders. Freeman *et al.* (2004:367) sharply contrast this narrative that it perceives managers as unethical in nature if financial benefits will be the underlying motivation for actions taken.
- It is easier to make stakeholders out of shareholders than *vice versa*. Freeman *et al.* (2004:367) caution against viewing shareholders separate from stakeholders, as the two are one.
- In the event of a breach of contract or trust, shareholders, compared with stakeholders, have protection (or can seek remedies) through mechanisms such as the market for shares. Shareholders have equal protection to stakeholders through their derivatives and various laws and regulations.

Unlike merely focusing on economic value creation for the firm, stakeholder theory enables managers to assess and determine more broadly value creation from the perspective of stakeholders (Harrison & Wicks, 2013:98). At the heat of the theory, practitioners should be able to derive insightful information to improve value creation. These authors argue that value creation extends beyond the business profits, but should extend to social, environmental and moral terms. This is critical in this study for two main reasons; firstly, the study seeks to understand how the mine has impacted the socio-economic environment of its community, and secondly the community is deemed an important stakeholder.

Rather than focusing primarily on economic measures of performance, a stakeholder-based performance measure challenges managers to examine more broadly the value that their firms are creating from the perspective of the stakeholders who are involved in creating it.

Therefore, it gives managers the information they need to engage stakeholders where they are and enhance managerial ability to use such insights to create more value.

Stakeholder theory stems from the premise that a company's success depends on its alignment of interests with its stakeholders, implying the ability to listen, understand and respond to the latter's demands and expectations (Tullberg, 2013:128). The management of stakeholders requires a close attention and essentially the management of needs and wants rather than the management of actual stakeholder groups.

2.2.6 Stakeholder engagement

Stakeholder management and stakeholder engagement are an inseparable part of stakeholder relations (Wheeler & Elkington, 2001). The purpose of stakeholder engagement is to communicate regarding topics that are important and to address concerns raised. Community engagement involves listening to and engaging with community groups and probably consenting to their participation in some company decision-making processes, which is a viable tool to secure their SLO (Adonteng-Kissi & Adonteng-Kissi, 2017:197).

Community interest groups' engagement in community decision-making is increasingly considered a critical element in community development models. This suggests that the company and the community are better off through exchanges developed through community engagement (Andriof *et al.*, 2017). This is because community involvement in decision-making can maximise interest groups' sense of community with those around them, while concurrently ensuring that the local population can be active agents in their own development and to improve the communities in which they live. This ensures maintaining relations and minimising conflict through the sharing of responsibilities that offer the unique possibility to improve an understanding of the matters at stake. Meaningful consultation helps to ensure a more just social development practice, and helps to accumulate knowledge on how communities want to be involved in infrastructural projects (Walsh *et al.*, 2017:163), as well as institutional conditions such as regulatory and economic settings; and personal, psychological and contextual site-specific conditions related to place attachment, identity, visual impact and economic gains.

Prno (2013) highlighted public participation and local benefits as one of five central factors required in establishing a social licence to operate for mines; the others being (a) context, (b) concern for sustainability, (c) relationships, and (d) adaptability. Engaging with communities is not a once-off process, but rather an approach required throughout the lifecycle of the mine. The paradigm shift in the governance landscape has a direct impact on the role the communities play in the mining environment (Prno & Slocombe, 2012:347). To maintain understanding among the stakeholders, community engagement will be required.

Meyersfeld (2017:42) cautions of the unequal 'power paradigms' involved in the negotiations between the mine and affected communities. Therefore, parties to the mining project should have equal power, which means the ability to consent to, or refuse a mining project, and equivalent knowledge when making decisions about and negotiating mining projects. While it may be desirable that all parties in the negotiation have equal information, in the case of the mine and communities, this is highly unlikely. Negotiations at these levels are uneasy also because the business sector holds considerable economic power through the threat and carrying out of retrenchments and mining closures (Plagerson & Stuart, 2018:22).

At the level of communities affected by development, power has been demonstrated through mobilisation by social groups in opposition to the extractive sector, when those groups perceive that their interests and values have not been addressed (Davis & Franks, 2011:8). Community power has been demonstrated through actions such as road blockades, protests, campaigns, legal suits or sabotage, which have a huge cost to the company (Davis & Franks, 2011:8). Therefore, it is in the best interest of the stakeholders to engage, because that could yield mutual benefits.

Mining is an important and widespread activity that requires understanding and interactions between stakeholder groups when planning and during mine development as central in acquiring a social licence to operate. Consultation is the predominant method for community engagement and it can take many different forms and serve many purposes.

2.3 Conclusion

The literature review demonstrated that in order for the mining sector to make meaningful impacts in their areas of operation, the sector ought to be willing to look beyond its economic interest. Business can no longer address environmental and developmental issues only as a consequence of its footprint, but would have to fully embrace CSR and SLP implementation as core to its operations.

Within the context of South African mining, it is evident that efforts to move away from voluntary CSR to mandatory obligation on mining companies towards the development of mine communities have been attained. The introduction of, among others, the SLP, was an attempt to divert mining companies away from a narrow financial focus in ways that could develop their communities. In order for the desired outcome to be attained, CRS will have to be in the agenda of corporates and not simply to appease compliance, but in line with the spirit and letter of the MPRDA. There has to be an orientation towards community engagement that involves listening to and engaging with community groups and probably consenting to their participation in some company decision-making processes on matters affecting them. Participation of communities in the development of the SLP is paramount towards the attainment of a responsive plan leading towards local development.

The literature review was conducted to articulate discussions on the main study's focal points essential for CSR and SLP in a mining environment. CSR, stakeholder theories and related literature were examined to establish their influence on the study objectives.

The next chapter (3) outlines the research methodology for the study.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3. Introduction

The literature review in Chapter 2 of this study provided an overview of the concepts of corporate social responsibility (CSR) within the mining context. Emphasis was placed on the social labour plan (SLP) as a legal instrument to bring about a positive impact on the community. The rationale behind this study was to establish the impact brought about by the Exxaro SLP implementation in the lives of Siyathuthuka community.

In this chapter, the structure and nature of the enquiry are discussed. Discussions on methodology will include topics such as the research design and approach, data collection, population and sampling, research instrument, data analysis and ethical considerations. The research design is discussed in the next section.

3.1 Research design

A research design serves as a guideline to addressing a research question and provides a framework for the collection and analysis of data (Bryman *et al.*, 2014:100). It basically spells out the procedure to be followed during research.

3.2 Research Approach

Hillman and Radel (2018:2) distinguish between qualitative and quantitative approaches and attest that the adjective 'qualitative' indicates a focus on 'qualities' as opposed to the adjective 'quantitative', which implies a focus on measurements and numbers that indicate 'quantities'. Owing to the researcher's interest in uncovering the views of respondents, a qualitative approach was used. The objective was to uncover views from the stakeholder involved in SLP development and implementation, and the study, therefore, is exploratory in nature. A qualitative approach was beneficial as it allowed different participants to freely express views and perceptions concerning the SLP's impact on the community.

Sahu (2013:4) attests that, in a qualitative approach, research is mainly concerned with the subjective assessment of the respondents and this approach is primarily concerned with, among others, attitudes, opinions, behaviours and impressions. Therefore, qualitative research is an approach to generate insights into the subject involved in non-quantitative form, or not subjected to rigorous quantitative analytical tools.

In view of the issues that the study sought to explore, which can be understood from the perspective of those attached to the study area, the qualitative method was useful in generating insights from the participants' point of view. This approach enhanced the investigation because it did not limit the respondents' input to a set of predetermined responses.

An enquiry into the impact by the SLP was limited to Exxaro Mine's operations situated in Emakhazeni, Belfast. The researcher, within this context, solicited views, meanings and interpretations that various stakeholders hold. This is in line with Denzin and Lincoln (2018:10) assertion that qualitative researchers study things in their natural setting, attempting to make sense of or interpret phenomena regarding the meanings people bring to them. Qualitative research consists of a set of interpretive, material practices that make the world visible. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings and memos to the self. At this level, qualitative research involves an interpretive, naturalist approach to the world (Denzin & Lincoln, 2018:10).

Silverman and Patterson (2015:2) note that qualitative methods are particularly valuable to research focusing on social welfare and community development policies that bridge the profession. According to these authors, this is the case because these policies increasingly focus on comprehensive approaches to community development that integrate housing, social services, education, public health, workforce development and other components. Qualitative methods allow researchers to examine the intersections of these components of community development policies and to generate a holistic understanding of them (Silverman & Patterson, 2015:2).

The researcher agrees with this notion as, on the whole, the study into the impact by Exxaro Mine's SLP on the community is by nature an assessment of the policy implementation. The research questions are informed by the researcher's oncology that the state of development is socially constructed and people are active participants in the construction of their surroundings. It is on this basis that a qualitative approach is adopted.

3.3 Research strategy

This enquiry was conducted using a single case study, which, according to Bryman *et al.* (2014:110), means it was conducted using one incidence. A case study design involves the detailed and intensive analysis of one or more cases that the researcher aims to study in-depth. According to these authors, what distinguishes a case study from other designs is the focus on understanding a bounded situation or system. In this regard, the study was confined to the impact made by Exxaro Mine's SLP on the community using a single case study strategy. Case studies tend to use qualitative methods of research because these are viewed as conducive to the generation of an intensive detailed examination of a case (Bryman, 2016:60).

Two methods of collecting data were used, i.e. documented sources and interviews. Data was collected in two stages, first from documented sources as well as through face-to-face interviews.

Semi-structured interviews were used to gather the information, as this allowed the questions to be based on research, experience and theory. The interview questions were formally structured, and all participants were asked the same questions. The two strategies discussed above were used to obtain the necessary information.

3.4 Research method

A research method is a tool to collect or generate data, and they are selected because they are inclined to produce data sought for (Leavy, 2017:14). Qualitative research methods are appropriate when the primary purpose of the study is to explore, describe or explain phenomena, and values the people's subjective experiences and meaning-making processes (Leavy, 2017:9).

Data triangulation was employed wherein information was collected from multiple sources that can corroborate the same finding (Yin, 2018:128).

In undertaking the study, the following methodology was followed:

3.4.1 Literature review

A complete literature review regarding Exxaro's impact in the community will be conducted using the following keywords: mining industry, corporate social responsibility (CSR), social license to operate (SLO), social and labour plan, community development and stakeholder theory. A broad range of sources of literature that is relevant to the topic was consulted, including, but not limited to Exxaro's SLP document, applicable legislation, textbooks, dictionaries and journals.

3.4.2 Research setting

The study was conducted on-site. Interviews were conducted with representatives in venues that are welcoming, open, noise free and comfortable at the boardroom and community hall, respectively. All settings had relaxing seating and an open neutral environment that ensured the privacy of the participant. The setting was perfect because it was familiar to participants offering no disruptions.

3.4.3 Entrée and establishing researcher roles

Entrance to the mine was gained through the mine representative responsible for SLPs. A formal request detailing the aims and objectives of the study was submitted and subsequently approved by the mine. The researcher explained the reason and role of the researcher to the relevant mine participants. Prior to participating in the study, participants signed a consent and confidentiality form to obtain mutual trust between the researcher and participants.

Regarding community stakeholders, a sample was selected from members who were involvement in various SLP projects. The participants were also informed about the study and requested to grant their informed consent.

3.4.4 Sampling

Bryman *et al.* (2014:186) describe a sample as the segment or subset of the population that is selected for investigation. To explore the research question, the researcher adopted purposive sampling. According to Creswell and Plano Clark (2018:176), purposive sampling means that the researchers intentionally select participants who have experienced the central phenomenon or critical concepts being explored in the study. It is the researcher's view that examining the impact made by the SLP in the community could be understood from the perspective of the mine and community stakeholders from within the study area.

As such, purposive sampling was utilised. Purposive sampling is a non-probability form of sampling so the researcher cannot generalise to a population. The researcher does not seek to sample research participants on a random basis (Bryman *et al.*, 2014:186). In other words, participants were deliberately selected to participate in the study on the basis that their participation could enrich the understanding of the subject matter. According to these authors, the goal of purposive sampling is to sample cases or participants strategically, so that those sampled are relevant to the research question.

The following criteria were used to select the participants:

- The participants should be willing to participate in the research and must give written consent that they fully understand the research and the purpose thereof.
- The participants should be willing to be interviewed.
- The participants should be prepared to have their interviews recorded on a digital device.
- The participants should have a good command of English, isiZulu or Setswana, since this is the languages in which the interviews will be conducted.
- Participants should be attached to the study area, mine or Department of Mineral Resources dealing with SLPs and will be sampled as follows:

3.4.4.1 Mine representatives

Sampling was derived from the representatives who were involved in the development and/or implementation of the SLP in the following positions: Manager: Stakeholder Affairs, Manager: Sustainability, Senior Specialist: Community

Development and Community Development Specialist. Given the limited population, all four officials were sampled.

3.4.4.2 Community stakeholder representative

For purposes of implementing the SLP, the mine established teams that were made up of participants from the respective areas under which development projects were implemented. The goal of selecting a sample from this population would be to obtain an understanding of this stakeholder's perspective about the impact brought about by the SLP implementation. A total of eight (8) community stakeholders were selected from those who participated in the period between 2013 to 2018.

3.4.4.3 Department of Mineral Resources (DMR)

DMR plays a significant role in approving SLPs (MPRDA: 2002). On this basis, DMR was identified as an expert on the subject matter. Interviews with three (3) DMR officials responsible for Exxaro Mine would aid in assessing SLP projects towards achieving community development.

Against this criterion, the following table depicts the level of participation for the study that was achieved:

Table 3: Level of participation for the study

Institution	Planned number of participants	Actual number of participants
Exxaro Mine	4	6
Community	8	8
DMR	3	1
Total	**15**	**15**

3.5 Data collection methods

There are different methods of collecting data. Sahu (2013:18) distinguishes between primary or secondary data. Primary data is that collected by the user from the field of investigation with specific objectives in mind. Secondary data is collated from different sources by the user for his or her purpose. In this study, the research made use of both primary and documented data, as follows:

3.5.1 Phase 1: Documented data

Documented data is, according to Sahu (2013:63), secondary, and is collected by someone, an agency and/or an organisation, but is being used by some other users. In this regard, the researcher consulted data in the form of literature on the subject, be it books and journals, the IDP and SLP, which formed the bedrock without neglecting other sources. A review of documented data aimed to gain historical information about the projects implemented.

3.5.2 Phase 2: Interviews

Primary data was collected through interviews. Interviews are described as one of the most common methods of data collection, particularly in social and behavioural sciences (Sahu, 2013:64). The researcher collected data through the use of personal interviews because this afforded the researcher an opportunity to probe the participants. Picken (2018:201) concurs that interviews can be used to "drill down" into a phenomenon, question or problem to provide a closer, more detailed understanding of the topic or inquiry.

Interviews were conducted with the aid of semi-structured questions. According to Silverman and Patterson (2015:61), semi-structured interviews are particularly useful to professionals studying applied policy questions. They argue that semi-structured interviews can be used to gain an in-depth understanding of how key stakeholders perceive and understand an issue. The researcher argues that the selected research topic is in principle a study of the policy implementation that seeks the participant's views.

To keep and maintain the interview focused, an interview guide was employed. The interview guide is composed of open-ended questions that are used to guide a conversation between the researcher and an informant (Silverman & Patterson, 2015:61). The researcher developed a set of broad, open-ended questions that were used to guide the interviews.

To facilitate the collection of wide-ranging information, the researcher intended to conduct focused group interviews per sector with the mine, community representatives as well as the Department of Mineral Resources. This assisted in providing a three-dimension quality to the issue under focus. Three focus group interviews were planned; however, the saturation of data will determine whether there is a need for more interviews. The researcher made use of the services of an assistant whose role it was to assist with taking notes and administering the recording.

Sahu (2013:66) acknowledges that interviews may be expensive and time consuming, particularly when the area of study is big. In this regard, the subject matter will be explored through focus groups. Patton (2002:380) points out that focus groups have the following benefits: (1) data collection is cost effective, (2) interactions between participants is enhanced, thereby enriching data, (3) consistency and diversity of views in the group can be easily determined, and they are enjoyable. The researcher agrees that a focus group could assist in taking away the pressure from respondents as compared to a one-on-one interview.

Focus groups were conducted along the strata the participants belong to. Two focus groups with the mine representatives and community stakeholder as well as one face-to-face interview with a DMR representative were conducted.

3.5. 3 Interview guides

Interviews were conducted at the respective participants' place of work and, in the case of the community representatives, at the community hall, which is a neutral facility. Interview guides (**see Appendices D, E and F**) were used to keep the interviews focused for different stakeholders, covering the following questions:

- What are the specific CSR activities that Exxaro Mine is involved in?
- What are the reasons for Exxaro Mine's involvement in CSR?
- What are the current processes undertaken to develop an SLP?
- How are the SLP priority projects identified?
- What role is played by the community in the development and implementation of SLP projects?
- What will the impact brought about by SLP implementation be?
- What are the challenges confronting SLP implementation?

3.6 Recording of data

The researcher utilised two data collection methods, namely interviews and archival data. Concerning interviews, an audio recording of all interviews conducted was made, and the researcher also took hand notes. The research assistant administered the audio recording and took notes, while the researcher facilitated the interview discussions. Data was transcribed afterwards into a Microsoft® Word document to extract the main ideas from information obtained in the interview. Recordings were encrypted to ensure the privacy and confidentiality of the participants. The transcribed documents are safeguarded through encryption and passwords for safety of the information obtained.

3.7 Data analyses

As indicated earlier, data was collected from two sources, i.e. documented and primary data. Raw data was analysed using the following procedures:

3.7.1 Analysis of documented information

Data analysis of documents was conducted using Henning *et al.* (2004) method of content analysis. These authors submit that data analysis takes place throughout the data collection process, and proceeds through the following phases:

- Familiarisation: The researcher immerses herself in the raw data (or typically a pragmatic selection from the information) by reading transcripts and studying notes to list critical ideas and recurrent themes.
- Data segments: Data was then divided into smaller and more meaningful units. The units are organised in a system derived from the data. This process is described as an inductive analysis (Henning *et al.*, 2004:127).
- Categories: The researcher used comparisons to build and refine categories, define conceptual similarities and discover patterns. Categories are flexible and may be modified during the analysis. Henning *et al.* (2004:127) emphasise that analysis should reflect a respondent’s perception.

- Description: To describe means to outline in words, to recite the characteristics of a person, object or event (Henning *et al.*, 2004:128). According to these authors, the description should include information about the context as well as the intentions and meanings that organise action.

Bryman *et al.* (2014:274) point out the advantage of documented material, that they are non-reactive, so the researcher can mostly ignore a reactive effect as a limit to data validity. Notwithstanding this, the researcher utilised secondary data mainly to ascertain background information on SLP development and projects implemented. To determine the impact of the implementation of SLP on the community, reliance was placed on primary data to be collected through interviews.

Henning *et al.* (2004:102) argue that qualitative content analysis may lead to superficial and naively realistic findings because it captures what is presumably the 'real world' through the eyes of the researcher without interrogating data. To address this bias, the researcher used interviews to ascertain and supplement documented facts and record inconsistencies that may be produced.

3.7.2 Analysis of primary details

Data analysis is a process of working with the data to describe, discuss, interpret, evaluate and explain the data regarding the research questions or hypothesis of the research project (Matthews & Ross, 2010:317).

The researcher adopted Creswell and Clark (2018) data analysis procedure. According to these authors, qualitative data analysis proceeds through the following stages:

- Prepare the data for analysis: These authors attest that, before qualitative data analysis, the researcher needs to prepare the data, which means transcribing text from interviews and observations into word processing files for analysis. Therefore, towards the analysis, the researcher transcribed all audio-recorded material into word-recorded documents. When doing so, the researcher maintained the participants' words to ensure that transcriptions remain accurate and data is not lost in the process. Data was organised per participant group.

- Explore the data: Exploring the data in qualitative data analysis means reading through all the data to develop a general understanding of the database. Through this process, initial thoughts and codes will develop (Creswell & Clark, 2018:213). The researcher deems this very critical in that, through reading through data collected, specific common themes emerged.
- Analyse the data: The researcher begins by identifying the best approach to the research question. These authors acknowledge the various qualitative data analysis software programs and recognise that they aid in implementing the core feature of qualitative data analysis, i.e. coding (Creswell & Clark, 2018:214). The researcher made use of software that assisted in eliminating errors.
- Represent the data analysis: Creswell and Clark (2018:215) point out that, in qualitative data analysis, presenting the results may involve a discussion of the evidence for the themes or categories, the presentation of figures that depict the physical setting of the study, or diagrams presenting frameworks, models or theories. In this regard, the researcher provided evidence for the themes such as through verbatim quotes and data was also presented with the aid of tables and figures.
- Interpret the results: Creswell and Clark (2018:216) attest that, after presenting the results, the researcher next seeks to interpret the meaning of the results. They contend that, in qualitative interpretation, the researcher provides similar explanations about the effects, but with few differences. They outline that the researcher provides a summary of significant qualitative findings, interprets how the results answer the research question, relates conclusions to past literature or theories, and brings a personal assessment of the meaning. The researcher also identifies the limitations of the study and identifies the implications for future research. The study findings were interpreted and supported by the applicable literature and presented in Chapter 5.

- Validate the data and results: This phase entails assessing whether the information obtained is accurate and valid. Creswell and Clark (2018:217) recommend that researchers should adopt three of the following methods to validate their findings: Firstly, member-checking, whereby the researcher summarises the results and presents them to participants to confirm accuracy. In this regard, the researcher showed the results to the various respondents for confirmation. Secondly, triangulation, which involves the building of evidence for a code or theme. This method was not adopted. Thirdly, reporting disconfirmation evidence. The researcher, as part of the presentation of findings, highlighted disconformities, and lastly, peer-review method, wherein the supervisor of the researcher served as the reviewer of the findings. The researcher documented the procedures used in the study.

3.8 Strategies employed to ensure quality data

When conducting qualitative research, it may be difficult to ensure quality data. Lincoln and Guba (1985) identified four main criteria that should be available in research. Firstly, credibility: this requires the researcher to establish that the results are credible and believable from the perspectives of the participants in the study. This includes searching for disruptive evidence invariably throughout the research supported by the perceptions of the participants. Secondly, transferability, which refers to how results can be generalised to other contexts. This requires the researcher to provide sufficient information regarding the context and framework of this study to make it more transferable. Thirdly, dependability, which concerns itself with repeatability and replicability. Moreover, detail descriptions regarding the research methods, analysis and reporting were made available to the readers to ensure that they know what and how the research was done; and finally, conformability, i.e. the degree to which the research results could be confirmed. The researcher documented the procedures used in the study.

3.9 Reporting

The research findings are reported through a qualitative style of writing. According to Creswell and Clark (2018:215), in qualitative research, writing strategies for providing evidence include conveying subthemes or subcategories, citing specific quotes, and using different sources of data to cite multiple items of evidence. Apart from the above, the researcher utilised graphs, figures and percentages. Contrary views or disconfirmations are also reported.

The researcher presented the findings to the participating institutions and, only upon request, a final copy of the results will be availed to the parties. Findings would also be given to the community.

3.10 Ownership of data

Data collected from the study shall be under the sole ownership of the researcher. Should the respondents be interested in the raw data, it shall be availed without any identifiable details to the specific participants.

3.11 Chapter summary

The researcher adopted a qualitative approach as the most suitable method to achieve the study objective, which is to assess the impact brought about by the CSR implementation of Exxaro's SLP on the community. This method enabled participants to think back and reconstruct events in relation to the objectives of the study (Bryman, 2016:494). An interview guide was used to collect data and guide the researcher through the topics that were outlined for the study. In this regard, the interview guide ensured that the different respondents covered the same material and were kept focused on the same pre-determined topics (Rubin & Babbie, 2014:503).

This chapter outlined the research methodology, strategies and design used in the study, including procedures, participants, data collection and analysis instruments, and data credibility as well as ethical issues. The research design for this study is a descriptive single case study qualitative method. The next chapter presents and discusses the major findings of the study.

CHAPTER 4: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The purpose of this chapter is to document the findings that were elicited through the qualitative study conducted. The study is based on Exxaro Mine and participants were drawn from the labour-sending community as well as DMR, the department tasked with SLP implementation oversight in South Africa. The study findings were derived following the qualitative method of study, which allowed participants an opportunity to express themselves freely without any predetermined responses. Three focus group interviews were conducted as well as one in-depth interview. Discussions of qualitative data analysis will be based on the image of theory applicable. The researcher looked for patterns appearing across collected data, and themes and sub-themes are discussed to satisfy the research objectives.

This chapter presents the significant findings of the study, against the set objectives, which were identified as:

- To determine the specific CSR activities that Exxaro Mine is involved in.
- Establish the reasons motivating Exxaro's involvement in CSR.
- Examine the current processes undertaken to develop an SLP.
- To establish the processes followed to prioritise projects contained in the SLP.
- To clarify the role played by the community in the development and implementation of SLPs.
- Explore the impact brought about by SLP implementation.
- Identify challenges (if any) confronting the SLP implementation.

4.2 Data analysis

Qualitative data analysis is the segmenting of data into relevant categories and the naming of categories with codes while simultaneously generating the categories from data to generate a theoretical understanding of phenomena (Boeije, 2009:1976). Qualitative data analysis is characterised by inductive analysis to knowledge building aimed at generating meaning (Putman & Rock, 2017:132). Data analysis helps to create meaning, and Vogt *et al.* (2014:2) point out that "data do not speak for themselves", but have to be spoken for. Data analysis is a process of summarising and organising data and interpretation as finding meaning or making sense (Trent & Cho, 2014:652). For purposes of this study, data analysis was conducted as follows:

4.2.1 Analysis of archival records

Analysis of archival data helped confirm that Exxaro Mine had a social and labour plan (SLP), which was approved by the Department of Mineral Resources (DMR). No archival records were available to determine and confirm the decision-making processes that were followed in the SLP compilation and implementation. Equally, there was no documented evidence of what impact the SLP had on the community. Therefore, archival data analysis was not successful in informing the research objectives other than confirming that Exxaro Mine developed and implemented its SLP as approved by DMR.

4.1.2 Analysis of interview data

Interview data was analysed using Creswell and Clark (2018) data analysis procedure, which is outlined below:

- Prepare the data for analysis: Interview data was transcribed into hard notes and later captured into electronic word documents. Data collected for each focus group interview was obtained and captured separately in the words of the participants.

- Explore the data: The researcher read through the data to develop a general understanding; after that, initial thoughts and codes emerged. Similar ideas and/or conflicting views were of particular interest to the researcher.

- Analyse the data: The researcher worked through the meanings, aided by software programs, and began to identify common themes.

- Represent the data analysis: During this phase, the researcher focused on presenting data under specific themes or categories. Demographic data of participants was shown in tables, figures and diagrams to orientate the readers of the participants' background.

- Interpret the results: The researcher provided interpretation and meaning to the results that were established. Study limitations have also been documented.

- Validate the data and results: Validation was done by documenting the results to the various respondents for confirmation; disconfirmation has also been recorded. Lastly, a peer review by the supervisor of the researcher serves as the reviewer of the findings.

4.3 Demographic profile of sample

A total of three focus group interviews were conducted separately. Although the researcher planned a single session with the three respondent groups, it became necessary to convene an additional meeting with the community respondents. After a few failed focused group interviews with DMR officials, a one-on-one interview was conducted. Through these interviews, points of saturation were attained. Interviews were conducted as per the below schedule in Table 4 below:

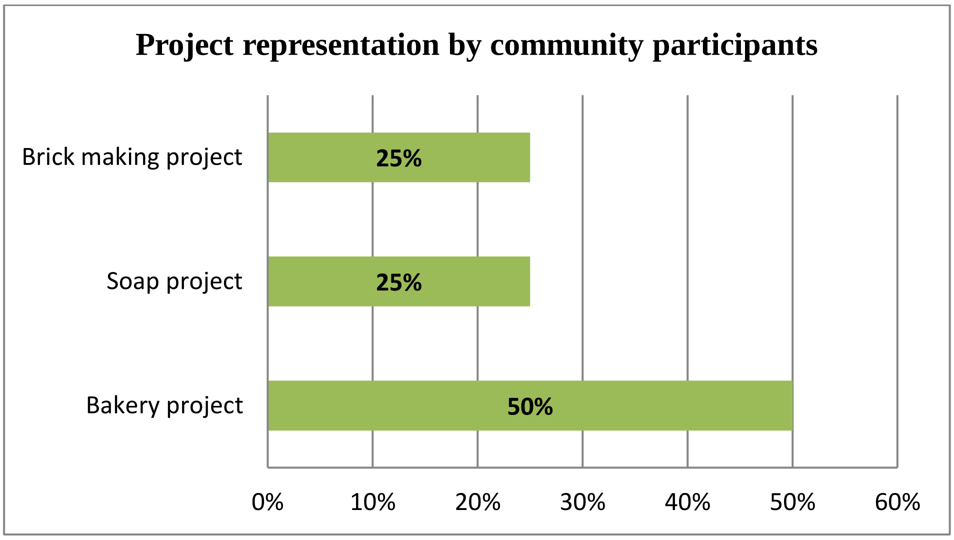
Table 4: Interview schedule for participants

Target group	Date	Time
Community representatives	5 August 2019 12 August 2019	57 minutes 26 minutes
Exxaro representatives	19 August 2019	44 minutes
DMR representative	26 August 2019	42 minutes

4.3.1 Demographics of community representatives

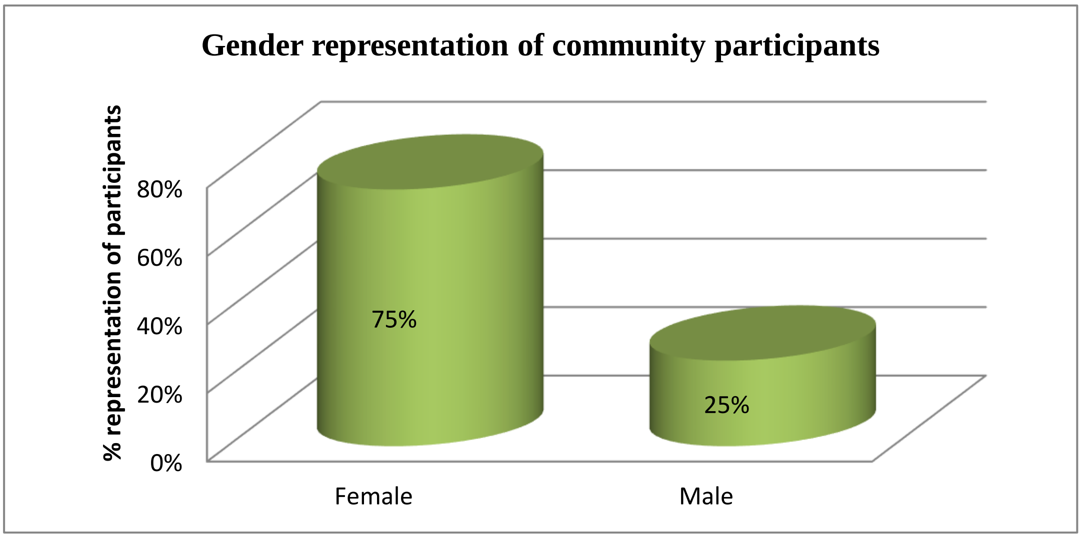
Representatives from the community were made up of six females and two male participants. The participants were drawn from three different community-based projects that were implemented by Exxaro's SLP between 2008 and 2013. In total, the community participants' views characterise 21 years of combined experience, and were selected from three projects as presented in Figure 1 below:

Figure 1: Representation of community participants per project



A total of eight participants were interviewed, and 75% were female, while males represented 25%. No particular gender representation was targeted other than participants had to be involved in the projects as depicted in Figure 2 below:

Figure 2: Gender representation of community participants



4.3.2 Demographics of mine respondents

The six participants interviewed from the mine were male, representing four different departments. This representation is indicative of the gender representation in the middle to senior management level of the mine. Participants were directly involved in the SLP implementation, and therefore provided first-hand information. Worth noting is that the study aimed to interview four participants from the mine; however, six representatives participated, thereby enriching and broadening views, and consequently adequately informing the research and outcomes. Table 5 below depicts representation from the mine:

Table 5: Representation of mine participants

Participant	Gender	Level	Department
Participant 01	Male	Senior level	Finance
Participant 02	Male	Senior level	Stakeholder Management
Participant 03	Male	Senior level	Sustainability
Participant 04	Male	Senior level	Training and Development
Participant 05	Male	Middle management	SCM
Participant 06	Male	Lower level	Training and Development

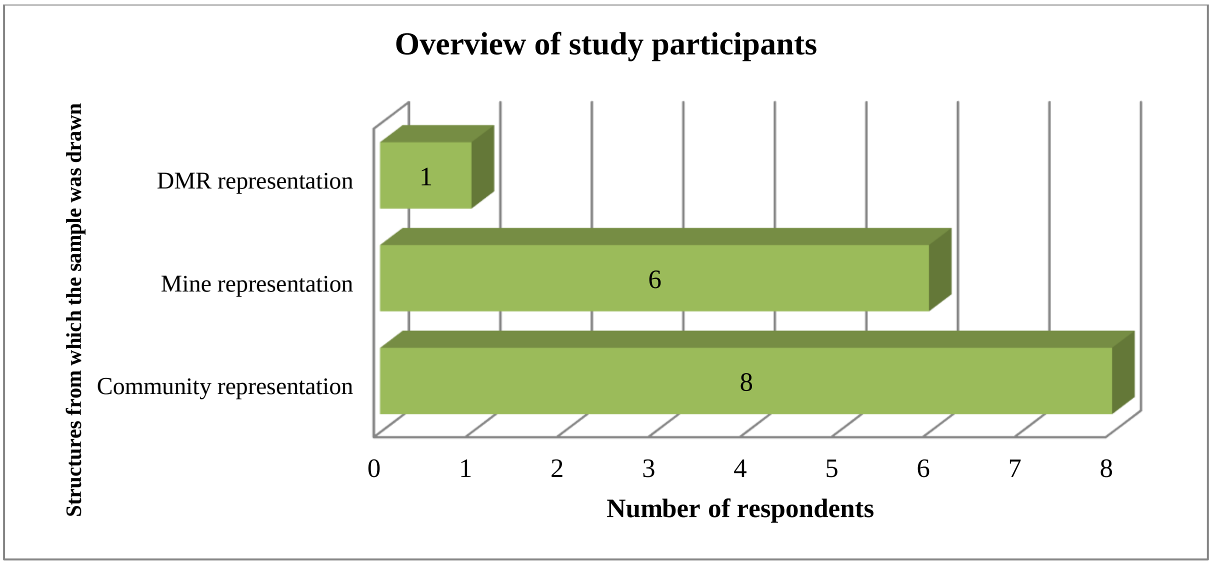
4.3.3 Demographics of DMR respondent

DMR was identified as an essential participant owning to the fact that the department is the custodian of the MPRDA, which introduced SLPs. The views captured were through a face-to-face interview, following two failed attempts to have the conversations. The respondent had 11 years of experience within the SLP section and was in middle management.

4.3.4 Overall demographics of respondents

The study findings are informed by views from 15 participants as per the outline provided in Figure 3 below:

Figure 3: Overview of study participants



4.4 Research-specific findings

All focus group interviews were conducted on the same interview schedule, meaning that all participants were asked the same questions. The study findings reveal similar themes and patterns that emerged between the three focus group respondents, namely the community, mine and DMR. Results are presented in an integrated manner using verbatim quotations from the respective respondents obtained during focus group interviews. During the data analysis process, the following themes and sub-themes, as contained in Table 6 below, emerged and are discussed further:

Table 6: Data analysis themes and sub-themes

Theme	Sub-themes
Theme 1: Mine community development	
Theme 2: Reasons for mine involvement in mine community development	
Theme 3: SLP development as a consultative process	Sub-theme 1 IDP as a consultation method
Theme 4: SLP priority project identification	Sub-theme 1: The project implementation model Sub-theme 2: Political interference
Theme 5: What role is played by the community in the development and implementation of SLP projects?	
Theme 6: Impact of SLP implementation	
Theme 7: What are the challenges confronting SLP implementation?	

The analysis revealed the following themes:

4.4.1 Theme 1: What are the specific CSR activities that Exxaro Mine is involved in?

To understand the contribution brought about by Exxaro's CSR, participants were asked the question: **"What are the specific CSR activities that Exxaro Mine is involved in?"**
The researcher established that Exxaro Mine has a CSR fund under the discretion of the chairperson, from which projects such as water supply and electrification were implemented. This was captured in the words of the mine respondent, as follows

> *"Currently, we are involved in the Zenzeleni farming community. We are providing electricity and water rejuvenation to the community. Zenzeleni is just a farm probably 20km from where we are mining consisting of about eleven households. So we are in the processes of assisting them".*

The mine was quick to point out the distinction between CSR and SLP projects, as this was aptly put across by another participant whose response was:

> *"We also assisted them with the road which is not in the SLP but was implemented as part of our Corporate Social Responsibility. We also provided for the pavement of roads in Siyathuthuka wherein we paved three streets and spent about R6million on that project".*

The mine representatives also confirmed that there was an SLP in place from which other projects were implemented. These views were approved by the **mine respondent,** who indicated that:

> *"In 2008 as part of our SLP, we had a couple of projects, the first was brick making, second, bakery, third, soap and soap, the fourth was the housing project in BELFAST town. We had other projects like your coal yard and mobile canteen. These were the projects in our SLP 2008 to 2013."*

DMR corroborated the finding. The researcher established that DMR was legally obligated to audit SLP compliance and they did not have a mandate over the CSR of mines. The respondent articulated this as follows:

> *"Let, I start by pointing out that DMR does not have a mandate to audit CSR projects but rather deal with SLP's. It is more like if companies are doing CSR, they do so over and above the SLP commitments but on our part, we require the mines to develop the document called* SLP's *that is where the mining companies are audited".*

Having outlined this, **DMR** acknowledged SLP projects that had been implemented by Exxaro and captured this in the following utterances:

> *"the bakery project that Exxaro assisted with but immediately they left, it collapsed, and the other project was the brick making plant, which in our understanding created seven permanent employments to the community of Belfast."*

Worth noting is that the community respondent did not draw any distinction between CSR and SLP projects. The two programmes were seen as achieving one objective of bringing development to the community and as such CSR and SLP were used interchangeably. One **community respondent** outlined the following:

> *"I think CRS is when we speak about things the mine had to do for the community because they are mining in the area. Exxaro has implemented projects like fixing roads, building schools and helping small businesses and so forth. I think that what I can remember".*

The **community respondent** pointed out that:

> *"CSR is centred on development and funding for projects, and they have to maintain that community because they extract minerals from that area. They therefore need to bring development through their SLPs".*

Another **community respondent** specified that:

> *"At the bakery, we were baking bread cakes, buns, and other bakery related products such as fat cakes, and bunny Chau, we had regular customers from the location where products were delivered daily."*

Another **community respondent** added that:

> *"We were manufacturing bricks for upcoming projects…"*

A **community respondent** also indicated that:

> *"We were producing washing powder pine-gel Sunlight liquid, Handy Andy, Jik and toilet paper."*

In addition to the above list, respondents from Exxaro mentioned two projects that could not be corroborated by the community representatives, possibly because, by their nature, the beneficiaries were individual community members. These are Saturday school as well as Awarding bursaries, which were offered to learners in the mathematics stream. A **mine respondent** mentioned that:

> *"We forgot to mention the Saturday school project."*

Across the three respondent groups, namely DMR, mine and the community participants, they unanimously agreed that Exxaro Mine implemented various projects within their area of operation. Bearing in mind that the community sample was drawn from the bakery, brick making and chemical making projects, these participants' contributions were project specific. Community respondents made no distinction between CSR and SLP projects, while DMR defined their obligation towards SLP and not CSR, while Exxaro emphasised funding towards CSR and SLP alike.

4.4.2 Theme 2: What are the reasons for the mine's involvement in CSR?

To gain insight into the mine's involvement in CSR, the research participants answered the question: **"what are the reasons for Exxaro mine's involvement in CSR and SLP implementation"?** Various reasons were cited as demonstrated below:

A **mine respondent** deemed CSR as corporate citizenry and described this as follows:

> *"…the mine has directly affected communities….it could be negatively or positively. We always try to minimize the negative impact, so it is part of being a corporate citizen or citizenry, so it's part of goodwill to say while we can mine and extract the minerals, the people surrounding us need to feel the impact of the mine… that could be in terms of social cooperate investment projects and also upgrading their lifestyle in terms of employment and other opportunities".*

Another **mine respondent** concurred with this notion and further highlighted how SLPs are furthering the objectives of the company, as follows:

> *"You know as Exxaro we are not delivering SLP projects just for compliance. I think our stance is actually to make a meaningful impact on the community. You know, we want to change the profiles of the communities we live in that is why our slogan says "We are Powering Possibilities in Africa" so that is why we not in it just for compliance, but for ensuring* that we change the lives of ordinary community members of the communities we are operating in"

All three respondent groups unanimously cited the legal obligation bestowed on mining companies as a reason for their involvement in community development. This was captured in the following responses:

A **mine respondent** outlined the subsequent opinion:

> *"….. when you apply for a mining right, part of your submission of the right mining license is a section on SLP. So it also guides you to say as part of the government granting the license what will be your obligations."*

A **community respondent** stated the following:

> *"My understanding is that mining alone leaves damages to communities; that is why the government made a law for them to be involved so that they do not leave the community struggling".*

The **DMR respondent** pointed out that:

> *"the SLP is a pre-requisite of the right mining application, and also the SLP system emanates from the promulgation of the Mineral Petroleum Resources Development Act which is the act we use that became effective in 2004, and the Act authorises the state to issue mining rights".*

The **mine respondent** further deemed SLP development as a social instrument for change in communities, and indicated that:

> *".... Exxaro is not just to extract coal; we want to change the lives of the people. This negative thinking about the mine that mines are just here to extract the coal and they disappear, but that is not the main aim we want to change the lives of the people we want to contribute positively to the lives of the people".*

This view was emphasised further with the following statement:

> *" ... when you provide people with electricity and water it's a social impact, you know besides the number of jobs you created during construction and project, we recorded just around 20. You are bettering the lives of many, and you are also assisting the government at the end of the day… because we all know that the provision of services is the responsibility of government and the fact that we are partnering with the municipality to ensure that the peoples social status change is significant."*

The **DMR respondent** shared the same view, highlighting the contribution that mines ought to make in the communities:

> *"The idea behind is to see mining companies contribute to the socio-economic development of the area within which they are operating."*

Another **mine respondent** deemed the implementation of SLP by mines almost like doing the work of government. This respondent stated that:

> *"to deal with social ills, I mean your health issues eradication of ill's just to make impact on people's social status because we have much unemployment*

> *that leads to drug abuse, alcohol abuse, so that is part of assisting the government of the day because we know that the government is actually responsible for reducing those social challengers facing the community"*

This view was amplified by another **mine respondent,** adding that:

> *"my colleague spoke about the need to assisting the government to deal with unemployment some of the things we have done in the previous SLP, is actually to provide training opportunities in the form of leadership, internship programs and also bursaries to community members so that we can empower them to be marketable so that you know they can go up there compete with other people"*

Owing to the nature of projects that mining companies were implementing through their SLPs, the **DMR respondent** concurred that mining companies were doing the work of government and pointed to the following:

> *"in most cases, they are because the projects that are given to mining companies are supposed to be implemented by municipalities any way. …although that was not the intention of the SLP to take over the work of government in terms of service delivery, but in many instances, the projects given to the mines are those that should be implemented by the government. Such as the construction of roads implemented by mining companies, construction of houses to address the backlog, water projects on behalf of the municipality, construction of clinics and schools and so yes, not only the work of municipalities but they have taken over the work of government, and it was not intended like that."*

C**ommunity respondents** viewed the mine's involvement in community development to manage the socio-environmental issues due to mining affecting communities. The respondent highlighted the following challenges warranting the mine's participation in the following statements:

> *"Mostly, due to air pollution and blasting, which are problematic nowadays. Blasting and pollution is a problem. After they leave… we think it is important*

for them to leave us in good condition because houses are cracking and roads are damaged, and that is why there should be that involvement coming from the mine to the community."

Another **community respondent** deemed the involvement of mining companies in communities necessary due to the social exchange for minerals taking place; the respondent was captured saying that:

"In my understanding, first is because when they are looking for a mining license and water use license, the community need to know how they are going to benefit as they strip minerals from their community".

The **DMR respondent** offered the following explanation for the mine's involvement in community development:

"It is a pre-requisite for right mining application, so in other words, there is no mining company operating over five hectors without an SLP, so that is a requirement within South Africa and is a law".

The **DMR respondent** further alluded to the department's expectation that:

"…the idea behind is to see mining companies contribute to the socio-economic development of the area within which they are operating".

The respondent expressed the positive effects that the mine's involvement in the community could create and further pointed out the challenges encountered where community involvement was absent in the following statement:

"… it is more of an inclusive approach wherein communities feel as if they are part and parcel of that particular mine. Because as we know, mining companies will not absorb everyone in terms of employment in that space, but we are trying to at least make everyone in the community to feel or view the whole company as part of that community …. but is more of inclusive approach".

“if they don’t feel a sense of belonging within that particular mining operation they develop a negative approach towards that particular company and so that is to say, let us bring the community to participate with the municipality and the company that is when we come up with projects that the mine have to implement within the community or where mining is taking place”.

"Community development is the leg that will assist the government in terms of creating employment and issues of inequality unemployment and…., so the mine community development is created in such a way that we try to lessen the issue of employment in that particular area."

The above responses by participants indicate that there are eight different reasons for the mine’s involvement in CSR, namely good corporate governance, furthering the objectives of the company, legal obligations, social instrument for change, doing work of government, management of negative aspects associated with mining, inclusive approach, and creation of sense of belonging and addressing unemployment. This finding is consistent with literature that definitions of CSR stem from five broad dimensions, namely the environmental, social, economic, stakeholder and voluntariness dimensions (Dahlsrud, 2008:4). In the same breath, the reasons provided for the mine’s engagement in CSR were expressed along one or other dimension.

4.4.3 Theme 3: What are the current processes undertaken to develop an SLP?

One of the key objectives of this study was to establish how the SLP development process is undertaken. To help solicit responses from the various participants, the researcher asked: **“What are the current processes undertaken to develop an SLP?** All three respondent groups were in agreement that the SLP should be a culmination of a consultative process with various stakeholders.

The **DMR respondent** confirmed the need for consultation between the mine, communities and municipalities and other stakeholders in the following:

“The mining companies are expected to consult with the affected parties which will mean community, municipalities and other affected stakeholders and so there should be consultations in terms of the Act before the mine commences”.

The mine respondents also confirmed that there was community consultation and where necessary, consultations were carried through directly in the following views:

" We do have our directly affected communities so as we engage with them; we normally have our directly consultative processes with them we will know so that we will know what their cry's problems are."

A community respondent, also in agreement, confirmed knowledge that there ought to be consultations in the following words:

"I cannot say I know it all, but my little knowledge is that they (the mine) need to engage the community, municipality and DMR. Those are the three relevant parties."

All respondent groups were in agreement with community consultation as significant to SLP development. Their views align with Adonteng-Kissi and Adonteng-Kissi (2017:204) that strong empirical evidence is available to conclude that community engagement must be conceptualised as a basic strategy to address conflicts in mining communities.

4.4.3.1 Theme 3, Sub theme 3.1: IDP as a community consultation mechanism

While all the respondent groups agreed on the need to consult, the IDP was deemed as a consultative tool and perceived to be representative of community views.

The **mine respondents** outlined their consultation with the community to be undertaken through the municipal IDP. In other words, there was hardly direct consultation with the community because they believed the municipality had already documented the priority issues from the community. The respondent outlined the mine’s consultation with the community as follows:

Another **mine respondent** also confirmed the IDP as a recognised process and sufficient to represent the community's views. This was captured in the following statement:

> *"then its engagement between the mine and municipality to say we have looked at your IDP, and these are the projects that we think we can sponsor responding to our assessments. The municipality will engage, and they will give a letter of support to say EXARRO we are happy with this project and then from there the support letter its where we do write-ups and submit to DMR and at some point they might contact the municipality and go through the project whatever we might have suggested so they can verify the budget are they realist including the milestones so once they are happy then obviously we have an approved process, so our role submit our draft to the regional office of DMR".*

This view was inconsistent with that of community respondents. Worth noting is that the **community respondents** differed regarding the process of mine's consultation with the municipality as a representation of community consultation. In fact, one **community respondent** expressed mistrust in the indirect communication in the following statement:

> *"What kills us is that information is communicated via the municipality…., the information should be directly communicated to the community, not via the municipality and those who are interested will take it from there,"*

Another **community respondent,** who was in agreement with the municipality representing community views, pointed out that:

> *"It is important for the mine first to engage the municipality and interact with them so that they know what the municipality wants before the mine go to the Forum (LED Forum). Whenever the mine presents its projects, they need to consider the IDP so that they can see what they need to do".*

In light of the *different expectations about how the consultation must take place,* expressed by the two respondent groups, the researcher enquired from the **DMR respondent,** and the following views were offered:

"So the IDP is a consultation process and gets to be reviewed annually so, all the projects in the IDP have been through the municipality's imbizo, and they were consulted there."

The **DMR respondent** further elaborated that:

"Our understanding as the government is that where ever mining companies mine there is a municipality and they need to consult and identify projects from the IDP. They also need to consult the communities to see what they want the mine to implement within their area and also consult other broader stakeholders within that community, and we want mining companies to consult those stakeholders".

DMR acknowledged the mine’s consultation with the community through the IDP as the common practice and captured this view in the following statement:

"When we developed an SLP we understood that mine companies operate within the space of local municipality and there is a district and provincial and our understanding was that all these spheres of government have clear processes or projects that they have on their IDP or development frameworks ……that was our understanding as national department ... however, now when we get to a local municipality space, we realise that there is a gap between the needs of the community and what is in the IDP. And why I am saying so is because most of the projects that mining companies are implementing come from the IDP… however, once the project is implemented, you realise that there is a disjuncture between the project and the community. There was a different expectation/project that the community had in mind as opposed to what is in the IDP. So, in terms of the SLP, we did not want to by-pass the IDP because it is where the needs are captured in that document. Moreover, as and when a company identify the project, it will be responding to the needs of the community but most cases that are not the case. That is why there are community riots and dissatisfactions directed towards mining companies and this is mainly displayed by communities and also municipalities in some cases".

The **DMR respondent** acknowledged shortcomings in relying on municipal IDPs and outlined that the legislative changes that now make it mandatory for the mine to consult the community directly in the following sentiments:

> *"All that was in line with the old mining charter but due to so many community "issues" we felt that there is a need to include the communities in this consultation and not subject it to municipalities. So in terms of the new Mining Charter, you will see that there is a consultation that is required to be done by the mining companies within the community… consultation with the community… consultation with the municipality and the mine and that is how we are trying to accommodate the communities within the mine community development".*

This finding is consistent with the provisions of section 16 (1) of the Municipal Systems Act (South Africa, 2000), wherein a municipality must develop through its IDP a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose (a) encourage and create conditions for the local community to participate in the affairs of the municipality. The mine and DMR were satisfied that the IDP integrates the views of the public and therefore constituted community consultation. This is crucial because the stakeholder theory hinges on the notion that a firm's success depends on alignment with stakeholder interests in so far as the meeting stakeholder demands and expectations (Tullberg, 2013:128). Notwithstanding this, community participants held different views. While others accepted the IDP as a tool through which the community aspiration can be fulfilled, a need for direct engagement was still deemed crucial.

4.4.4 Theme 4: How are the SLP priority projects identified?

Carroll and Buchholtz (2012:2) articulate that business needs to help ameliorate problems in society. CSR and SLP therefore should be directed towards meeting the needs of the community. Notwithstanding this, communities are, however, not homogeneous. To that end, the researcher was keen to establish how SLP priority projects were determined and invited respondents' views to the question: **"How are the SLP priority projects identified"?** The question elicited different responses across the participant groups as follows:

The **mine respondent** emphasised the need for projects to fit within the available resources, i.e. budget, and expressed the following:

> *"Our resources determine SLP priorities, if we have a certain amount of millions to spend we look at the projects that are responding in terms of EXARRO's mandate or focus areas."*

Another **mine respondent** agreed that:

> *".... we have certain macro-economic indicators that will guide you, for instance taking 2% of revenue to be allocated for SLP. Once (the revenue) is quantified, we liaise with the Stakeholder Affairs Department because they are the champions in the execution of the SLP,…we say here is our budget to identify the projects that will match this budget...sometimes you get projects that have a bigger impact, and you get constrained by the budget then .. you can have special approval to have extra funds…"*

Mine respondents outlined the SLP project prioritisation process as follows:

> *".... an SLP committee consisting of Manager Finance, Stakeholders, Sustainability and People Operations what we call HR (was established) and we will get hold of municipal IDP... check-in terms of the priorities of the municipality and what are their projects given the budget. From there, its engagement between the mine and municipality to say we have looked at your IDP, and these are the projects that we think we can sponsor responding to our assessments. The municipality will engage, and they will give a letter of support to say Exxaro… we are happy with these projects."*

The **DMR respondent** was very clear in that the prioritisation of projects under SLP should be based on a lasting impact in the following sentiments:

> *"To us we cannot allow companies to donations like food, shoes or smaller things to the community…. what we want on the SLP is to bring impact within communities ....in such a way that we know mining will come to an end and*

when that happens, we want communities to associate specific projects with that company to say…. at least they have left Belfast, but we have something, or literally they can see something that the company has left for them to leave a legacy.

Community respondents in this regard were of the view that priority projects should be those that came from the community through proposals. The respondent indicated that:

"The bakery I was the one who sent the proposal to the LED forum, and then they took it from there. The brick plant a proposal was submitted to the LED forum".

"On the Brick Plant, a proposal was submitted by a community member to the LED forum, the LED Forum manager."

Data gathered from participant's revealed what each stakeholder held high in the prioritisation of SLP projects. The mine emphasised the need for projects to fit within the available budget, while DMR elevated impact-making projects, and the community idealised projects that are determined by the public. These diverse opinions are indicative of the power dynamics between the stakeholders and the associated challenges that lie ahead when consenting to a project. This difference indicates the position and power base from which each stakeholder approaches decision-making on projects prioritisation. The authority of the mine lies in the allocation of budgets, while the community has the authority to consent or reject a plan. Given the unequal power paradigms, Goodland (2004:66) calls for all parties to the mining project to enter into an equal and respectful relationship based on the principle of informed consent before a project goes ahead. If this is not achieved, mining companies will enforce their vision on the community who, in turn, will revolt. This narrative is supported by Phiri *et al.* (2019:28) that understanding the power dynamics, particularly that of asymmetry within a particular institutional context, is key to gaining insights into the legitimating actions of key stakeholders and of the relevant interactions between these actors about CSR practices.

4.4.4 Theme 4, Sub-theme 1: Screening of project beneficiaries

While there was a general consensus that the implementation of SLPs was driven through projects, there was discontent in the selection of beneficiaries that they felt ought to be corrected.

The **mine respondent** lamented the selection of beneficiaries who were not business-minded, as they did not have a long-term perspective and sustainability mentality in their operations. Instead, they perceived the projects as something owned by the mine, and this resulted in the projects failing. The mine respondent conveyed this notion in the following:

> *"Well, unfortunately with the brick making project it made an impact, but I think somewhere the problem with our communities is that there is an element of "the people", the beneficiaries of the project, they were people who were looking for jobs and were not business acumen. I think somewhere we didn't get it right there, so you get a person who's looking for a job does not get a bigger picture. The same applies to the bakery. Thus the beneficiaries were looking for employment. Whatever they get they (meaning income generated) they believe it goes to their pockets and not looking after the business. We (Exxaro) tried several times to save the business, and all that they(beneficiaries) would do is whatever you put in to try to keep the business they would put it into their pockets because all that they were looking is a job, not people who have are business-minded".*

Community respondents shared the same sentiments that, although the projects were well conceived, the beneficiaries (called shareholders) somewhat failed to comprehend what was intended. Despite project proposals coming from community members, the model inhibited the effective running of operations as beneficiaries assumed leadership roles without any party willing to listen to another, resulting in project collapse. A **community respondent** captured this as follows:

> *"there was a problem which started between the shareholders; they wanted to do as they pleased because they are "shareholders" and didn't want to listen to each other. Money was misused, and the business could not afford to purchase stock anymore, we then went to Exxaro for assistance, and they funded us, and we recovered. Then there was a change of management we voted for a new manager after the manager was appointed the situation at the bakery got worse, money was misused, and we could not afford to purchase*

stock and or pay the municipality… and that is when the business collapsed, and we closed doors."

Another respondent confirmed this view, pointing out that the challenges of the projects were from within, as follows:

> *"The bakery also had its sharks (thieves) because we cannot say money was misused because we could all see what happened with the money. The money worked for certain people. Not all of us knew what the money was used for, some managers used money and we were not told where it went and there was much profit made, sometimes when the money was banked we will go together but when we get to the bank someone will be hiding somewhere, and the money will end up not being banked. Sometimes Coca-Cola would deliver drinks, but the receipts of the same stock that was delivered will be paid twice….to be honest, the bakery was killed by the shareholders".*

A **community respondent** deemed the model adopted as unsuited and recommended the following:

> *"And another thing, in future if you are starting bakeries the model of cooperatives that business will have shareholders should be destroyed. At least have one person who is in charge of the whole project because if we are all shareholders, no one wants to listen to anyone and everyone wants to do things their way".*
>
> *"The CEO is never listened to and often told that they are also shareholders".*
>
> *"I heard one participant mentioned that there was someone who submitted a business proposal but was never provided with the opportunity to lead the project, which was funded. That might cause the project to fail because if a person brings something, and he ends up not being involved when the business start, there might be a challenge. If someone brings a business plan, he has done research. I will be honest the day I shifted as a manager …. others were focusing on that they will not be shouted at anymore because I would shout if things did not go well because I knew what must happen."*

Another **community respondent** acknowledged the risk associated with the corporative model; however, held a different view that training should be provided. This view was captured as follows:

> *"In my view, as a way forward cooperatives should not be scrapped. The stakeholders (referring to the mine) should teach the community on how to manage a business. You cannot take a person from the street and provide them with the opportunity to run a business which generates millions monthly, because all three projects had potential, people need to be trained or appoint people who are able to manage a business, but the beneficiaries should be provided with relevant skills and work under the supervision of a manager".*

The **DMR respondent** acknowledged the same narrative, pointing out that:

> *"There are challenges with beneficiaries from the municipality, some are not financially curvy, and others are there for a stipend so ultimately when the mine exit the project, it is going to collapse. Take, for example, the bakery project that Exxaro assisted with, immediately they left, it collapsed. There is a lot of money spent on the project. There are lots of dynamics in the SMME projects, and for the SLP is for five years, the projects cannot be sustained for the life of the mine. The model used is not sustainable. The model ... the SMME model because if we were to identify an entrepreneur who has a passion for developing the bakery project, the project would be sustained... however, now, there are four, five people identified to run that, they have different views, and it is not possible because the SLP is for five years".*

All respondent groups were concerned about the selection criteria of beneficiaries who were seemingly put together without any proper screening or prior involvement and/or interest in the project. They attributed project failure to this.

4.4.4. Theme 4,Sub-theme 2: Political interference

Data solicited from respondents acknowledged the IDP as a means of consulting, which is driven by the municipality, but also identified the political interference that came along with this consultative method, which was perceived as a stumbling block towards the attainment of project sustainability. This sub-theme was brought up by all respondent groups in the following:

A **respondent from DMR** pointed out the following:

> *"Another thing we struggle with, especially with municipalities … there is also much political interference, especially within projects."*

A **community respondent** also alluded to the challenges presented by the political interference in the following:

> *"The SLP did not assist, what kills us here in Belfast and make us undeveloped is that there are politicians involved in the projects, and if you don't get along with them, you do not benefit anything."*

> *"The role the community played was to support the projects, and what happened is that the support from the community was not enough due to politicians who wanted to take over the projects and own them. The community did not have the power to defend that because the purpose of the project was to develop a community and capacitate the members of the community. What happened is that people were sabotaged I will not go into details as this is a sensitive matter… however, some sharks took the finances, and the community did not have the power over that, people stole the funds from stakeholders, the stakeholders are the ones who gave us a problem".*

The **mine respondents** concurred in the following views:

> *"So, going forward to what we are doing is to check with the project we are implementing because the issue of beneficiaries is critical. We now do assessments to check if this person has the business acumen or not. So we have introduced a rigorous process so that at least from our side we are satisfied that we have people who are going to be supported but must also be wanting to be in business and also maybe try to avoid any politics… we more politics out of business".*

Worth noting, the participants acknowledged political interference with project implementation; however, were reluctant to share the exact details. This finding is consistent with views by Plagerson and Stuart (2018:15) that acknowledge the state's ability to maintain political and administrative impartiality as a challenge highlighted within several contexts. In this regard, individuals with political and economic advantages disproportionately benefit from the policy positions, thereby preserving existing systems.

4.4.5 Theme 5: What role is played by the community in the development and implementation of SLP projects?

To understand the nature and role played by the community in the development and implementation of SLP projects, the research participants answered the questions: **"What role is played by the community in the development and implementation of SLP projects?"**

Community respondents identified with projects that were initiated by themselves or from the community. One respondent gave the following account:

> *"The bakery it was my baby, I brought the proposal, and I can't dwell much on the other projects because I found Exxaro already discussing them that is the (the brick plant and chemical) the coal yard had already started operating, and the project had challenges. It re-started again when the other projects started operating. The community-initiated the projects and that is the role played by the community".*

The DMR highlighted community participation in identifying the projects that the mine could implement as an essential role in the following:

> *"They (communities) will identify all that they need the mine to implement where they are mining, and those will be incorporated into the EMP document. Over and above consultation, there comes a time where before the issuing of the rights that the mining companies are required to consult with the municipality in terms of the projects to be implemented in that space. So the IDP is a consultation process and gets to be reviewed annually so, all the projects in the IDP have been through the municipality's imbizo, and they were consulted there. There are other projects that are budgeted for like the MIG and those that are not funded and mining companies could implement.*

All that was in line with the old mining charter but due to so many community "issues" we felt that there is a need to include the communities in this consultation and not subject it to municipalities. So in terms of the new mining charter, you will see that there is a consultation that is required to be done by the mining companies within the community, meeting with the municipality and the mine and that is how we are trying to accommodate the communities within the mine community development".

The **mine respondent** signalled that the community has no direct role to play in the SLP development, as the municipality through the IDP has their views documented. This was captured as follows:

"The community is the sole responsibility of the municipality. Our take is that the IDP which is the bible of the municipality is a consultative document between the Executive Mayor and the community, so the projects that are captured there are representative of those engagements. We normally don't go to the community and say…. because that is the function of the municipality. However, we do have our directly affected communities so as we engage them; we normally have our directly consultative processes with them we will know so that we will know what their cry's problems they are not that far apart from IDP and our studies are."

In addition to this, another **mine respondent** outlined the role played by the community during SLP implementation as:

"The SLP will continue to empower the community so that they can be able to participate in the employment opportunities that are still coming for them".

Data elicited showed that community consultation was pivotal in SLP development. Notwithstanding this, no clearly defined role could be articulated for the community neither in the event nor implementation of the SLP. Without a clear role, community consultation runs the risk of being a tick box exercise.

4.4.6 Theme 6: What will the impact brought about by SLP implementation be?

One of the key objectives of the study was to explore the impact brought about by SLP implementation. The researcher was keen to find out how the SLP has impacted the life of the community and participants were asked: **"What will the impact brought about by SLP implementation be"?** There was a general view that there was a positive impact made in the following expression of the **community respondent:**

> *"I don't want to lie the project changed our lives; there's a lot I achieved. I was able to purchase a vehicle, pay municipality (meaning utility services). My house was empty, but I was able to purchase furniture as a result of the project… however, after the project collapse, I am having challenges with calls that I often receive now that I cannot pay my debts."*

Another **community respondent** shared the same view, indicating that:

> *"It (the project) had an impact on the community. They loved butter-field (bakery project), we would even bake on Christmas day thinking that we will not draw enough support because people usually bake on that day, but they would still come to buy bread from butter-field. Even now, the community still wants the bakery to re-open, customers loved butter field; blacks and whites well supported it… they all loved the food; it was clean and friendly.*

A **mine respondent** articulated the following achievements registered through SLP implementation:

> *"The impact made by the paving project, I mean more than 100 local people were employed. More than 11 SMMEs got opportunities, and I think the supplier or service provider of that project upgraded his CIDB from level 3 to level 5. I mean that is a meaningful impact, and now it means he can participate for even bigger projects.*
>
> *"a company that has never had any opportunity they get an opportunity from Exxaro, so at least with this opportunity they have been able to have something to add to their profiles and services so that they can easily market in other mines because we always say, we are not only confiding you to Exxaro".*

Regarding the expected impact by the SLP projects, the **DMR respondent** remarked that:

> *" not everyone will be satisfied with any mining activity taking place though we cannot satisfy all. However, regarding the impact, yes we are satisfied because…. ours was to ensure that we create employment… and in this case, employment has been created. Ours was to ensure procurement opportunities…. and opportunities were created. Ours was to ensure that there is mine community development projects are implemented, and they have implemented almost all their community development projects. There have not been retrenchments in Glisa Exxaro instead they are expanding the mine. So it ticks all the objects that we have identified as a department".*

Worth noting is that the DMR had been explicit to their obligation to monitoring SLP as opposed to CSR, citing the following:

> *"To us we cannot allow companies to donate things like food, shoes or smaller stuff to the community…. what we want of the SLP is to bring impact within communities ….in such a way that we know mining will come to an end and when that happens, we want communities to associate specific projects with that company to say…. at least they have left Belfast, but we have something or literally they can see something that the company has left for them. To leave a legacy.*

All respondent groups were in agreement that there had been a positive impact made through the SLP implementation of Exxaro. Participants agreed that the time through its operations had created economic spin-offs through direct employment and/or contractors associated with the mine. In relation to community-based projects, they were reluctant to acknowledge failure in attaining project sustainability beyond the involvement of the mine. This finding is consistent with Owen and Kemp (2013:523) assertion that, notwithstanding claims by the extractive industry of having adopted CSR as a 'core competence', their failure in the projects was indicative that the sector has not yet incorporated community development function as its 'core business'. While that might be the case, a lack of clarity as to the anticipated 'impact' of SLPs in communities leaves a vacuum and subjective interpretation to the phenomenon.

4.4.7 Theme 7: What are the challenges confronting SLP implementation?

The researcher sought to understand the challenges confronting SLP implementation and for that reason, enquired from the participants: **"What are the challenges confronting SLP implementation'?** All three respondent groups acknowledged the problems in the following sentiments:

The **DMR respondent** cited the poor quality of the IDP as having an impact on the SLP, in that poorly conceived projects were prioritised. This was captured as follows:

> *"One of the challenges we encounter is that the IDP's are not detailed skeleton meaning they lack proper projects, they are often a copy and paste from another municipality and not responsive to the needs of that community."*
>
> *"There is a silo approach that is not assisting communities because the development plans are not aligned to the National Development Plan, and we implement inferior projects. There is a need to align projects towards more significant integrated projects we will achieve a lot.*
>
> *"There is an issue of not having a threshold towards the mine community development project there is no specified percentage threshold to be allocated in the Act".*

To that end, one **mine respondent** expressed the difficulty associated with providing short-term solutions to long-term problems, and pointed to poverty as an immediate challenge that could be addressed through training, if no time was afforded. The view was expressed was:

> *"I mean one thing that you must think is of is the level of exposure in terms of education. They must accept that there is a gap in the system, and obviously part of what is implemented on people's operations said is your adult education where you get to say those who have lost out (meaning dropouts) how do you also bring them on board. The other challenge is pure communication in line with expectations 'cause sometimes we as Exxaro we communicate but only to find that our interface is always aligned with expectations ... and therefore you need to manage those expectations. It goes back to stakeholders aligning first in terms of communication. We need to*

verify common understanding of what is being communicated so that the expectations can meet. So what I experience is that it takes a bit of time because one thing that you must realize if you sitting in a community like this one where people feel exposed, people are hungry so whatever comes their way they're going to take as long as it puts money on their table, you must also think of sustaining by putting bread on their table because it's one thing giving them exposure today but also giving them something that is going to sustain, so it's going to be a long term challenge but I think we are on the right track.

A **community respondent,** on the other hand, lamented the lack of support from sector departments in purchasing locally produced materials, for instance the bricks, chemicals as well as bakery products. This **community respondent** indicated that:

".... the community protected the brick plant project, and the community supported it by buying from it, but it was however not enough because the product sold was not what people needed daily. They had to save money before they can start building houses. Okay and then what made us suffer the way we did was because the Department of Human Settlement did not assist us with anything."

Another **community respondent** also shared the same sentiments concerning procurement and/or lack thereof from the municipality and Exxaro, citing the following:

".... there was lack of support, Exxaro supported the bakery, but other projects had to wait, the brick plant had to wait for the housing project in town so that it will be supported. The municipality did not support anything ... those are the challenges that the other projects faced even the municipality did not support the chemical projects they said they had a contract with other suppliers."

Another **community participant** echoed the same view and pointed to the following:

"Even Exxaro said there is a document we need to have before we could receive any support (procurement) from them. They did not assist; we

> *submitted proposals to the municipality they did not support us. We were supported by individuals of which it was not enough because the raw material used for the products was expensive".*

The respondents were diverse in the challenges identified. Each participant who is a stakeholder utilised the opportunity to vent their frustrations. Community respondents lamented the lack of local procurement by the very stakeholders that have established them. This helped expose barriers that confront SMMEs, such as legislative compliance. This is ironic given that the SMME was a product of these very organisations. Concerning the mine, attempts to bypass processes of training and sourcing right beneficiaries were seen as inhibiting to the processes. The DMR noted poorly developed IDPs as a major stumbling block to achieving the ideals of the SLP. The mine pointed to a lack of skill and capacity in the community resulting in the recruitment of ill-equipped individuals.

4.5 Chapter summary

This chapter has presented the research findings along with seven key themes, namely:

- Specific CSR activities that Exxaro Mine is involved in;
- Reasons for the mine's involvement in CSR;
- Current processes undertaken to develop an SLP;
- How are the SLP priority projects identified?
- What role is played by the community in the development and implementation of SLP projects?
- What will the impact brought about by SLP implementation be?
- What are the challenges confronting SLP implementation?
- Three sub-themes emerged, namely:
    - ✓ IDP as a community consultation mechanism;
    - ✓ Screening of project beneficiaries; and
    - ✓ Political interference.

Where applicable, the empirical findings were backed by the findings of the literature review. Similarities and conflicting views within the opinions of the mine, community and DMR representatives are contained. Table 7 below provides a summary of the main findings:

Table 7: Summary of main findings

Theme	Summary/finding of the theme
Theme 1: What are the specific CSR activities that Exxaro Mine is involved in?	All respondents unanimously agreed that Exxaro Mine implemented bakery, brick making and chemical making projects within their area of operation. The community respondents made no distinction between CSR and SLP projects. DMR specified their obligation towards SLP and not CSR, while Exxaro emphasised funding towards CSR and SLP alike. The community did not know of other projects such as the bursary and the mathematics Saturday school, possibly because they had no participation therein.
Theme 2: Reasons for mine involvement in mine community development	There were eight different reasons cited for the mine's involvement in community development, namely good corporate governance, furthering the objectives of the company, legal obligation, social instrument for change, doing work of government, management of negative aspects associated with mining, inclusive approach, and sense of belonging and addressing unemployment. This finding is consistent with literature that the CSR definition stems from five broad dimensions, namely environmental, social, economic, stakeholder and voluntariness dimension (Dahlsrud, 2008:4). In the same breath, the reasons provided for the mine's involvement in CSR were expressed along one or other dimension.
Theme 3: What are the current processes undertaken to develop an SLP?	All respondents agreed that community consultation was paramount. Notwithstanding this, the lack of direct consultation with the community during the SLP development was conspicuous. The mine deemed consultation with the municipal IDP as representative of the views of the community. This approach exposes the plan to legitimacy questions more so because MPRDA identified community consultation as a requirement. In this regard, strong empirical evidence is available to conclude that community engagement must be conceptualised as an essential strategy to address conflicts in mining communities (Adonteng-Kissi & Adonteng-Kissi, 2017:204), but also for the development of an inclusive and responsive plan.
Theme 3, Sub-theme 1: IDP as community consultation mechanism	The mine and DMR were satisfied that the IDP integrates the views of the public, and therefore constituted community consultation. This view is consistent with the stakeholder theory that a firm's success depends on alignment with stakeholder interests in so far as the meeting of stakeholder demands and expectations is concerned (Tullberg, 2013:128).

	Notwithstanding this, community participants held different views. While it was accepted that the IDP contains community aspiration and constituted consultation, others opined that there was a need for direct engagement with the community. The requirement for consultation is also consistent with the provisions of the Municipal Systems Act (South Africa, 2000) that a culture of public participation should be created, however inconsistent in the current consultative mechanism employed.
Theme 4: How are the SLP priority projects identified?	Prioritisation of SLP projects was approached differently. The mine emphasised the need for projects to fit within the available budget; DMR promoted initiatives that are impactful, while the community idealised those that are determined by the public. These diverse opinions are indicative of the power dynamics between the stakeholders and the contestation associated with approving a project. These differences indicate the position and power base from which each stakeholder approaches decision-making. This finding is consistent with literature, and therefore Goodland (2004:66) calls for parties to the mining project to enter into an equal and respectful relationship based on the principle of informed consent before a project goes ahead. This narrative is supported by Phiri *et al.* (2019:28) that understanding the power dynamics, particularly that of asymmetry within a particular institutional context, is key to gain insights into the legitimating actions of key stakeholders and of the relevant interactions between these actors about CSR practices.
Theme 4, Sub-theme 1: Lack of screening of project beneficiaries	All respondent groups were concerned about the selection criterion of recipients who were seemingly put together without any proper detection or prior involvement and/or interest in the project. They attributed project failure to this.
Theme 4, Sub-theme 2: Political interference	The participants acknowledged political interference with project implementation; however, they were reluctant to share the exact details. Plagerson and Stuart (2018:15) concur that the state's ability to maintain political and administrative impartiality has also been highlighted as a challenge within several contexts.
Theme 5: What role is played by the community in the development and implementation of SLP	Data elicited formed that community consultation was pivotal in SLP development. Notwithstanding this, no clearly defined role could be articulated for the community, neither in the development nor implementation of the SLP. Without a clear purpose, community consultation runs the risk of being a tick-box exercise.

projects?	
Theme 6: What will the impact brought about by SLP implementation be?	Participants agreed that the mine through its operations created economic spin-offs by way of direct employment and or contractors associated with the mine. About community-based projects, they were reluctant to acknowledge failure in attaining project sustainability beyond the involvement of the mine. This finding is consistent with Owen and Kemp (2013:523) assertion that notwithstanding claims by the extractive industry of having adopted CSR as a 'core competence', the failure of the projects is indicative of the sector having not yet incorporated community development function as its 'core business'. While that might be the case, lack of clarity as to the anticipated 'impact' of SLPs in communities leaves a vacuum and subjective interpretation of the phenomenon.
Theme 7: What are the challenges confronting SLP implementation?	Respondents acknowledged that the corporative model of implementing projects was not achieving intended goals because of ill-equipped beneficiaries. Community respondents lamented the lack of local procurement by the very stakeholders that have established them. This helped expose barriers that confront SMMEs, such as legislative compliance. This is ironic given that the SMMEs were a product of the very organisations. Regarding the mine, attempts to by-pass processes of training and sourcing the right beneficiaries were seen as inhibiting to the procedures. DMR noted poorly-developed IDPs as a significant stumbling block to achieving the ideals of the SLP.

4.6 Chapter conclusion

Mining companies stand a chance to contribute towards economic development of the areas in which they operate. Participants confirmed knowledge of projects implemented by Exxaro Mine; however, they could not draw a clear distinction between CSR and SLP projects. This could be as a result of limited participation during SLP development, since the mine accepts the projects in the IDP as a reflection of community needs. Accordingly, there is no direct community engagement in the development of the SLP as the mine places reliance on municipal processes. On projects that were implemented, the screening of beneficiaries presents challenges to the projects, as there was no common goal resulting in sharp differences that derail projects. Concerning, however, is that all SLP projects by the mine were no longer operational at the time of the interview. Failure to ensure that SLP initiatives are successful beyond the involvement of the mine cast doubt on whether mine community development has been fully embraced by the stakeholders involved.

Chapter 5 provides the conclusion and recommendations drawn from the study.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This research study was conducted through a qualitative method investigating corporate social responsibility: Impact of Exxaro Mine’s social and labour plan in the community. This chapter presents the conclusions that are derived from the key findings as documented in Chapter 4, as well as the literature review contained in Chapter 2. This chapter concludes with recommendations based on the results and gaps identified.

The study overview reveals that Exxaro Mine implemented various CSR as well as SLP projects in their area of operation. The projects that were implemented were identified by the mine in consultation with its stakeholders, chiefly, the municipality. The mine relied on the municipal integrated development plan (IDP) to determine the needs and priorities from the community. The stakeholders collectively identified eight reasons for the mine’s involvement in CSR initiatives and this is indicative of the power dynamics involved in negotiating to identify SLP priorities. It is for this reason that stakeholder engagement remains a crucial aspect of SLP development and implementation, failure of which, the views and aspiration of the community may not be embraced together with the intended impact. While it is uncontested that the mine has contributed to the economy of the area through employment creation and contractors, the impact brought about by SLP projects is disputable.

The following section reports back on the most important findings, based on the research objectives as outlined in Chapter 1.

5.2 Main findings according to objectives

This section of the study reflects on the research objectives and the associated findings as derived from the relevant chapters.

Objective 1: To determine the specific CSR activities that Exxaro Mine is involved in.

It emerged from literature in Chapter 2 that CSR is no longer optional for mining companies in South Africa, as by law they need to implement SLP projects. Exxaro developed its SLP and further executed the intended projects, such as mathematics Saturday school, bakery, brick making and chemical projects. At the level of the community, there is no distinction drawn between CSR and SLP projects, which is unfortunate, because CSR commitments are voluntary and therefore offer little commitment particularly over the longer term (O'Faircheallaigh, 2015:6), while SLP is legally binding. The lack of direct community consultation on SLP development may be contributing to this gap, resulting in mines escaping accountability on its commitments.

Objective 2: Establish the reasons motivating Exxaro’s involvement in CSR.

The literature review in Chapter 2 confirms that there are different definitions of CSR that make the concept commonly diverse and cover a broader spectrum. CSR stems from various schools of thought, and this gives rise to distinct explanations why the mine is undertaking it. The reasons are summarised in Table 8 below:

Table 8: Summary of reasons for CSR implementation

Reasons for mine’s involvement in CSR	Mine	DMR	Community
1. Good corporate governance	√		
2. Furthering the objects of the company	√		
3. Legal obligation	√	√	√
4. A social instrument for change	√		
5. Doing work of government	√	√	
6. Management of negative aspects associated with mining			√
7. Inclusive approach and sense of belonging		√	
8. Addressing unemployment.	√	√	√

Concerning, though, is that stakeholders; views converged in two areas, namely legal compliance and employment creation as the reasons for undertaking CSR projects. Mining companies and stakeholders to SLP implementation invariably have different rationales and expectations of why CSR is undertaken. This is crucial, in that reconciling the views of stakeholders around SLP implementation is likely to pose challenges in so far as what SLP should achieve.

Objective 3: Examine the current processes undertaken to develop an SLP.

Chapter 4 of the study contains existing processes undertaken to develop an SLP. Community participation in the development of the SLP is paramount towards the attainment of public contribution and a responsive plan leading towards community ownership and development. Regrettably, the mine does not consult the community directly to jointly develop an SLP, but places reliance on the IDP of the municipality to determine the priority needs of the community. Non-participation of communities may (i) result in failure to produce SLPs that are credible and transformative of mining communities, (ii) completely silence communities in a process aimed at addressing their plight, and (iii) the mine foregoing an opportunity to interact with one of its critical stakeholder, the community. For these reasons, community participation through IDP is compromising SLP development and implementation.

Objective 4: To establish the processes followed to prioritise projects contained in the SLP.

The literature reviews in Chapter 2 reveal that there are power dynamics at play between the stakeholders during project prioritisation. This is because stakeholders engage from different perspectives. The processes followed in prioritising projects are driven by the mine in consultation with the municipality in representation of the community. There is neither consultation with the community members nor do they have any role in the prioritisation of projects, as it is accepted that the IDP is a reflection of the views of the community. The absence of the community in the negotiations with the mines is consistent with (Meyersfeld, 2017:42), and is indicative of unequal power, which means the ability to consent to, or refuse a mining project and having equivalent knowledge to enable informed decisions. The current ‘consultative’ approach lacks the ingredients of FPIC in that it is: (1) not freely given by communities as stakeholders; (2) there is no information communicated to the consenting stakeholder; (3) no permission is granted to proceed with the project; and (4) it is not consensual. Therefore, the current method of prioritisation utilised by Exxaro does not conform to the FPIC.

Objective 5: To clarify the role played by the community in the development and implementation of SLPs.

While both the MPRDA as well as the SLP acknowledged mine communities as an integral part of mining development, there is no clearly defined role for the community neither during the SLP development nor implementation process. The current practice reduces community participation to employment. Without clear roles, community consultation becomes a tick-box exercise. There need to be clearly specified roles, spelling out what exactly the community is being enjoined to participate in, for what purpose, who is involved and who is absent (Cornwall, 2008:281). This clarity of roles is required from the beginning to enable communities in shaping CRS and SLP projects.

Objective 6: Explore the impact brought about by SLP implementation.

Chapter 4 of the study documented some of the positive economic impacts brought about by the mine in as far as employment is concerned. There is, however, no visible impact or legacy that was identifiably arising from the SLP projects that the mine implemented. Concerning, though, is that no projects were in existence any longer. This conclusion raises questions as to whether the narrative of mining contributing to socio-economic development is attainable. Meyersfeld (2017:36) refers to this narrative as a 'myth' that profits generated from mining could bring about social and economic development to the affected communities. Therefore, exploring 'impact' arising from SLP could not be achieved mainly because there was neither any documented impact nor projects from SLP implementation to inform the study conclusion. The absence of such leaves any effort of enquiry to subjective interpretation. In this regard, a more deliberate focus on SLPs to impact communities is essential.

Objective 7: Identify challenges (if any) confronting the SLP implementation.

Chapter 4 of the study confirmed that SLP implementation is confronting several challenges largely stemming from the multiple reasons offered by different stakeholders. The challenges noted in the study are captured as follows:

- Corporative model of implementing projects is not achieving the intended goal, as a selection of beneficiaries is not based on competency and/or vision for the project. Furthermore, the model gave rise to leadership contestation.

- Lack of local procurement of products produced from projects such as bricks, chemicals and bakery products, mainly by the stakeholders in the SLP arrangement.

- The mine pointed to the lack of skill and capacity in the community resulting in the recruitment of ill-equipped individuals mainly due to political interference.

- DMR noted poorly developed IDPs as a significant stumbling block to achieving the ideals of the SLP.

5.3 Recommendations

Mining companies are obligated to develop and implement SLPs within their area of operation. Given the above findings and conclusions drawn from this study, the following recommendations that aim to address the gaps and challenges identified are as follows:

- Mines should directly engage the community as a stakeholder to allow them to participate in the SLP development and implementation directly. By so doing, communities will differentiate between CSR and SLP projects, which will empower them to hold the mine accountable.

- CSR is explained from a different school of thoughts, and means different things to different people. Therefore, it is recommended that the stakeholders to the SLP should dialogue in identifying the common reasons so that the ideological differences do not become stumbling blocks to SLP implementation.

- The responsibility to ensure SLP implementation is bestowed on the mine. To that end, mines should take a leading role in initiating a consultation with its broad stakeholders. By so doing, the voices of the stakeholders, in particular the community, will not be distorted. This approach would result in a win-win situation for parties involved.

- The processes of SLP project prioritisation require consultation with stakeholders, chiefly the mine, municipality, DMR and community to reconcile views and agree on the priorities, which is crucial. It is therefore recommended that initiatives to broadly consult the applicable stakeholders such as traditional authorities where applicable and others be facilitated. This will help in increasing participation, increased information sharing and empower participants to these processes.

- There should be clearly defined roles for the community throughout the SLP development and implementation phases. This could include participating by being members of steering committees to monitoring and evaluate project progress. This approach could result in greater transparency, improve communication and resolve challenges as they arise. Therefore, a model for stakeholder engagement in the SLP processes should be developed.
- There is a need for stakeholders to agree on the expected impact that SLP project implementation should yield in the community during project planning. This will assist in determining whether projects achieve the intended impact, and there is a fair evaluation against the intended outcome. This will reduce subjectivity.

- Screening of project beneficiaries and the development of a mechanism for a project leader to be appointed will help to hold someone accountable and develop hierarchy within the project.

- Stakeholders to the SLP should develop institutional arrangements that enable their organisations to deviate from the normal procurement processes and procure goods and services from projects that they initiate. This will assist in creating a market for the SMMEs. Furthermore, the institutions should then help the SMMEs to comply with respective supply chain processes fully.

- Training and continuous capacity building of projects participants will help equip the members. Where a particular skill is required, such as a bookkeeper, suitably qualified persons should be recruited to projects so that projects are sustainable.

- The IDP should be utilised as an instrument to provide an overview of the municipal area. However, the mines should continue engaging its communities to solicit SLP inputs. This will improve communications between these two stakeholders, which is critical for successful SLP implementation.

5.4 Managerial implications

The empirical outcomes have, to a large extent, mirrored the outcomes already in the literature concerning the CSR definition and critical role played by stakeholders in mine community development. There is no requirement for mines to ensure that the community development projects attain sustainability beyond the SLP period. Assessing the impact brought about by SLPs in the community is made difficult if some communities are not part of the project planning. The implication for management is that project planning should include clear measurable indicators to assess impact in the community.

The MPRDA goes as far as mandating the mine to develop an SLP in consultation with stakeholders; however, no clearly defined roles and responsibilities are outlined for communities throughout the development and implementation processes. Below, in Figure 4, is the proposed model for roles and responsibilities for community stakeholder to fulfil throughout the SLP life.

Figure 4: Proposed model for roles and responsibilities for community engagement in SLP

5.5 Recommendations for future studies

It is recommended that the above recommendations and model be tested and re-examined in Exxaro to determine how participation has been affected.

The study findings are derived from a single case study, and therefore further research could be expanded to other mines and their immediate communities.

5.6 Final conclusion

The study sought to assess the impact brought about by the CSR implementation of Exxaro's SLP on the community. The empirical findings of the study showed that the mine had economic benefits to the community; however, SLP projects at the time of the study were no longer in operation. To ensure that SLP projects continue to operate beyond the SLP period, stakeholder engagement during SLP development, implementation and monitoring is required. Beneficiaries to the projects need to be visionary, possess the requisite skills and be fully engaged. The mine needs to have direct stakeholder engagements, especially the mine communities.

Mining resources are non-renewable and once exploited, their economic benefit cannot be enjoyed by future generations. The future of mining towns will rely heavily on sustainable community-based projects. Without successful CSR and SLP projects, the economic benefit brought by the extractive industry to its host communities post the life of a mine will be lost completely.

5.7 Chapter summary

This chapter concludes the research through the presentation of key findings, recommendations, and providing managerial implications from the findings. The study proposed a model for roles and responsibilities for communities during the SLP development and implementation. The researcher is of the view that the primary and secondary objectives of this study have been met. The study concludes that while CSR and SLP implementation is embraced by mining companies, their impact on communities remains elusive.

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26 July 2019

Prof Jan Visagie
Per e-mail
Dear Prof Visagie

FEEDBACK: ETHICS APPLICATION 26072019: EK Tshabalala (31443184)
MBA Prof Jan Visagie

Your ethics application on*, Corporate Social Responsibility: Impact of Exxaro Mine's Social and Labour Plan in the community,* that served on the EMS-REC meeting of 26 July 2019 refers.

Outcome:

Approved as a minimal risk study. A number **NWU-00730-19-A4** is given for three years of ethics clearance. Kindly take note that a permission letter from the relevant gatekeepers committee, within the institution, should also be obtained.

Kind regards,

Prof Bennie Linde
Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)
Potchefstroom Campus

APPENDIX B: PERMISSION FROM EXXARO

Enquiries: Walter Makgai
walter.makgai@exxaro.com

11 December 2018

Mrs EK Tshabalala
MBA Student
University of North West
Belfast
1100

Attention: EK Tshabalala

PERMISSION TO UNDERTAKE RESEARCH STUDY ON BELFAST COAL'S SOCIAL LABOUR PLAN

The above stated matter bears reference.

This letter serves to confirm approval to your request to undertake the above stated research study.

Walter Makgai, Manager: Stakeholder Affairs, responsible for the mine's Social and Labour Plan, will be your contact person during your research and will avail the required documents to yourself once you have signed our confidentiality agreement.

Enquiries in this regard can be directed to Walter at mobile number 073 583 0262 or e-mail walter.makgai@exxaro.com

Yours faithfully

Signed by: Mosimanegape Lazan
Signed at: 2018-12-11 09:54:30 +
Reason: I approve this document

Lazarus Ramashilabele
BU MANAGER: BELFAST COAL

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COAL

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Exxaro Coal (Pty) Ltd Reg No 2000/011078/07

APPENDIX C: INFORMED CONSENT FORM

DEAR PARTICIPANT

I ____ (the respondent) am being asked to participate in a research project titled: Corporate social responsibility: Impact of Exxaro Mine's social and labour plan in the community.

The researcher (Elizabeth Tshabalala) is a master's degree student at the North-West University, Faculty of Economic and Management Sciences. She is required to subscribe to a code of ethics that respects participants' rights.

The researcher will make every effort to safeguard the confidentiality of the information provided by the participants. The researcher understands that any information obtained from this study that can be identified will remain confidential and will not be given to anyone without my permission.

I have been requested to participate in a focus group interview conducted by the researcher and have been assured that there will be no risks or anticipated discomfort suffered for participating in this research study. I understand that the researcher will neither offer any benefits nor incentives for my participation.

I understand that I have the right to refuse to participate in this study. My signature below indicates that I have given my informed consent to participate in the above-described project and further indicates that:

- I have been given the opportunity to ask questions about the described project and my participation and that my questions have been answered to my satisfaction.
- I have been permitted to read this document and have been given a signed copy thereof.
- My participation in this study does not require me to give up any legal right.
- I understand that if, at any time, I would like additional information about this project, I can contact the researcher by email at lizzyt@telkomsa.net or telephonically at 082 796 7744.

Signature of participant ______________

________________________ Date

Signature of researcher ______________

________________________ Date

APPENDIX D: INTERVIEW GUIDE FOR DMR

Section A: Demographic information

Participant	Gender	Level of seniority	Department/unit	Years of service with DMR
Participant 01				
Participant 02				
Participant 03				
Participant 04				
Participant 05				
Participant 06				

SECTION B: Research-specific questions

1. What are the specific CSR activities that Exxaro Mine is involved in?
2. What are the reasons for Exxaro Mine's involvement in CSR?
3. What are the current processes undertaken to develop an SLP?
4. How are the SLP priority projects identified?
5. What role is played by the community in the development and implementation of SLP projects?
6. What will the impact brought about by SLP implementation be?
7. What are the challenges confronting SLP implementation?

APPENDIX E: INTERVIEW GUIDE FOR MINE RESPONDENTS

Section A: Demographic information

Participant	Gender	Level of seniority	Department/unit
Participant 01			
Participant 02			
Participant 03			
Participant 04			
Participant 05			
Participant 06			

SECTION B: Research-specific questions

1. What are the specific CSR activities that Exxaro Mine is involved in?
2. What are the reasons for Exxaro Mine's involvement in CSR?
3. What are the current processes undertaken to develop an SLP?
4. How are the SLP priority projects identified?
5. What role is played by the community in the development and implementation of SLP projects?
6. What will the impact brought about by SLP implementation be?
7. What are the challenges confronting SLP implementation?

APPENDIX F: INTERVIEW GUIDE FOR COMMUNITY RESPONDENTS

Section A: Demographic information

Participant	Gender	Project	Years of involvement in the project
Participant 01			
Participant 02			
Participant 03			

Participant 04			
Participant 05			
Participant 06			
Participant 07			
Participant 08			

SECTION B: Research-specific questions

1. What are the specific CSR activities that Exxaro Mine is involved in?
2. What are the reasons for Exxaro Mine's involvement in CSR?
3. What are the current processes undertaken to develop an SLP?
4. How are the SLP priority projects identified?
5. What role is played by the community in the development and implementation of SLP projects?
6. What will the impact brought about by SLP implementation be?
7. What are the challenges confronting SLP implementation?