

**COMMUNITY-BASED ACTIVISM AND LOCAL CONTENT DEVELOPMENT:  
THE CASE OF PLATINUM MINING COMMUNITIES IN ZIMBABWE**

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# DECLARATION

## DECLARATION

The Registrar Academic  
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Dear Sir/Madam

### DECLARATION

I, Tinashe Gumbo (Student Number 214582448), hereby declare that the thesis entitled "Community based activism and local content development: The case of platinum mining communities in Zimbabwe", is a product of my own research. I have not submitted it in part or full for any degree or to any other University. Where I used other people's work, I have duly acknowledged.



Tinashe Gumbo

Student Number 214582448

## **DEDICATION**

For my wife, Angela Zvipo Gumbo and my kids Tadiwanashe Jobert, Tapiwanashe Jobert and Tanyaradzwanashe Rose Gumbo

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## **ABSTRACT**

Through examination of community-based activism on local content development (LCD), the study considers the applicability of the “double movement” theory of Karl Polanyi (1944) against the ongoing neoliberal agenda favoured by the multinational mining companies (MNCs) in Zimbabwe. Karl Polanyi (1944:136) observed that the attempts to “dis-embed” the market from social controls in the 19<sup>th</sup> and early 20<sup>th</sup> centuries (market liberalisation) led to what he called “double movements” (countermovement). The countermovement were meant to “re-embed” the market within social constraints with the state’s facilitatory and regulatory role being guaranteed. Activism emerged in the target areas pushing for mining companies to promote LDC in the platinum sector. However, the activism was not fully supported by the state through relevant policies and laws. Thus, the researcher uses Polanyi (1994)’s “double movement” theory in explaining the activism, its dynamics, strategies employed and outcomes.

The study argues that the local communities fail to maximise mining opportunities due to lack of an appropriate legislative and policy framework on LCD. Without a proper governing framework and clear quantitative and qualitative measurable targets on LCD, it is not possible to regulate and monitor the activities of foreign firms’ community activists. Mining firms are also not obliged to fulfil corporate social responsibility (CSR) programmes. Yet, local communities are directly affected by social and environmental impacts of mining. Conflicts also arise between the government and local communities, where the latter expect the former to protect citizens’ interests.

This is a qualitative research that utilised participant observation (42 events observed), key informant interviews (44 key informants interviewed) and documentary search while the quantitative data was engaged with regards to statistics from the mining companies on employment and local spending issues. Through cross case analysis, the researcher noted the critical similarities and differences in activism patterns among the three sites. The researcher found that LCD and CSR are different but are practically linked hence the need to simultaneously address them in the country’s policy and legislative mining frameworks. The researcher proposes an LCD-CSR model which shows the key variables in the LCD discourse in Zimbabwe’s mining sector, linking LCD, CSR, politics (policies and laws), community activism and engagement processes as way of strengthening community activism on LCD matters.

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## ACRONYMS

AMIs	Alternative Mining Indabas
AMV	Africa Mining Vision
ASCM	Agreement on Subsidies and Countervailing Measures
ATM	Automated Teller Machine
AU	African Union
BSAC	British South African Company
CA	Corporate Accountability
CBOs	Community-based Organisations
CEOs	Chief Executive Officers
CSOs	Civil Society Organisations
CSOTs	Community Share Ownership Trusts
CSR	Corporate Social Responsibility
EIA	Environmental Impact Assessment
ESAP	Economic Structural Adjustment Programs
FDI	Foreign Direct Investment
GATT	General Agreement on Tariff and Trade
GDP	Gross Domestic Product
GoZ	Government of Zimbabwe
ICDT	Impala Community Development Trust
IEE	Indigenisation and Economic Empowerment
IFFs	Illicit Financial Flows
IMF	International Monetary Fund
LCD	Local Content Development



LED	Local Enterprise Development
MASO	Midlands Aids Service Centre
MDC T	Movement for Democratic Change-Tsvangirai
MMAB	Mines and Mineral Amendment Bill
MNCs	Multinational Corporations
MRCDT	Mhondongori Resource Community Development Trust
NAFTA	North American Free Trade Agreement
NGOs	Non-Governmental Organisations
NIEEF	National Indigenisation and Economic Empowerment Fund
NNPC	Nigerian National Petroleum Corporation
PAYE	Pay As You Earn
PGMs	Platinum Group of Metals
POSA	Public Order and Security Act
RBZ	Reserve Bank of Zimbabwe
SADC	Southern African Development Community
SCDT	Shurugwi Community Development Trust
SDGs	Sustainable Development Goals
SED	Socio-Economic Development
SI	Statutory Instrument
SMC	Selous Metallurgical Complex
SMEs	Small to Medium Enterprises
TRCT	Turf Resources Conservation Trust
TRIMS	Trade-Related Measures
WB	World Bank

WTO	World Trade Organisation
ZANU PF	Zimbabwe African National Union Patriotic Front
ZCC	Zimbabwe Council of Churches
ZCTU	Zimbabwe Congress of Trade Unions
ZELA	Zimbabwe Environmental Law Association
ZESA	Zimbabwe Electricity Supply Authority
ZIMASSET	Zimbabwe Agenda for Sustainable Socio Economic Transformation
ZIMCODD	Zimbabwe Coalition on Debt and Development
ZIMRA	Zimbabwe Revenue Authority
ZMDC	Zimbabwe Mining Development Corporation

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background to the Study**

The study is aimed at examining and articulating the demands or grievances of community activists in the platinum mining communities of Zimbabwe as well as the strategies they use to communicate them and their outcome. It traces how community activism emerged in the study areas and its links with the broader mining sector struggles. The researcher's employment at the Zimbabwe Council of Churches (ZCC) influenced his thinking in many ways, but particularly about the role of community members in any project undertaken by the government or private companies in an area. He began to appreciate that local communities can have a voice in how local resources in their areas are exploited and utilised. The study was therefore motivated by the quest to investigate the role of community activists in influencing mining processes at local levels.

The researcher's training in Economic History and International Relations at undergraduate and graduate levels respectively also influenced his pursuit at PhD level. An appreciation of the mining sector in Zimbabwe as well as the globe at large motivated him to contribute to the debates around the role of community activists in influencing mining activities in a country. This academic background further influenced the researcher's choice of theoretical framework grounded in Karl Polanyi's (1944) "double movement" as the main theory of study. The study contributes to the discussion on its applicability in a Zimbabwean context.

This chapter highlights the major mining issues in Zimbabwe including the general contribution of the sector to the country's economy. It also traces the historical background of platinum mining as well as the major uses of the mineral. This is important to allow the audience to have an appreciation of the setting of the study. The statement of the problem and the subsequent research questions are elaborated while the structure of the thesis is also presented. The chapter also discusses the major players in the sector where host communities are now pushing for participation in the value chain hence the emergence of community activism.

#### **1.1.1 Understanding Mining in Zimbabwe**

Having observed community activism in the 19<sup>th</sup> and early 20<sup>th</sup> century, Karl Polanyi (1944) saw what he called attempts to "dis-embed" the market from social controls to establish a "self-regulating market", resulting in widespread protective "countermovement" against "free

market” (Polanyi, 1944:136; (Levien,2007). Polanyi (1944) called the later development, “double movement”. In the current study, the researcher acknowledges the fact that originally, the theory was formulated to describe the situation of Polanyi’s time in a given context different from that in Zimbabwe, but it can still be relevant to the present situation in the liberalisation of the mining sector. The theory is utilised in the current study in explaining the community activism that emerged in the target mining areas.

‘Local communities’ in this thesis refers to mining areas that host platinum mining companies under study, namely Mhondoro-Ngezi, Zvishavane and Shurugwi. The concept of LCD in the mining sector has attracted some scholarly discussion as it is variously understood with regards to the mining sector in Zimbabwe and elsewhere. This has also affected the stakeholders’ understanding of the country’s laws and policies that relate to LCD. Thus, the study contributes to the LCD discourse by linking it to community activism.

At the time of writing this thesis (2018), Zimbabwe was desperately in need of foreign direct investment (FDI) and this meant that the country’s bargaining power was low, compared to that of international investors in terms of negotiating business contracts. The country needed resources to address the health, food security challenges and other critical needs, yet its capacity was limited by then. The new administration in Zimbabwe adopted the “*Zimbabwe is open for business*” mantra as a way of attracting FDI and other forms of foreign assistance. The administration came to power in November 2017 through military assistance. In November 2017, the military assisted in the removal of the former President Robert Gabriel Mugabe from power and the current President Emmerson Dambudzo Mnangagwa took over the reins. This context needs to be appreciated as the study looks at the role of international companies in the mining sector in Zimbabwe whose projects contribute to the much needed FDI.

The principal law governing the mining sector in Zimbabwe is the Mines and Minerals Act of 1961 and for almost eleven years up to 2018, there has been advocacy around the need to reform it so that it addresses some critical issues of concern for the local and national activists. In August 2018, President Mnangagwa referred the amendment bill (2015) back to parliament for reconsideration to address some gaps that were noted. The question of whether or not the Government of Zimbabwe (GoZ) had the political will to reform the law is also a critical issue for this study. This is particularly important when one discusses other specific legislative frameworks that have a bearing on the LCD. By 2018, Zimbabwe did not have a functional minerals policy but only a draft which was yet to be approved by Cabinet. The draft policy was

thought to have some progressive clauses which incorporate issues of local community development which is hinged on mining. The available legislation, Minerals Act cited above and the Indigenisation and Economic Empowerment Act (IEEA) (2008), among others, had a direct bearing on LCD hence the study engages the debates on their effects on community monitoring of the mining sector as well as the gaps that exist in them with regards to local community development. The 2013 National Constitution for Zimbabwe provides an elaborate Bill of Rights for individuals and communities in Chapter 4. It clearly provides for the enjoyment of natural resources by local community members and such critical instruments could be utilised by mining stakeholders in their work.

The study looks at the role and impact of local based activism in influencing LCD in the platinum mining areas in Zimbabwe. It assesses the extent to which community-based activism can be a vehicle for LCD in mining communities through the help of government's "protectionist" efforts. A number of components are examined by this study including the dynamics in community-based activism, opportunities, their capacity and the challenges they face, as well as their advocacy strategies. The economic or business dimension of activism is considered through focusing on what the researcher refers to as activist entrepreneurs with special reference to one of the study communities of Mhondoro-Ngezi.

As Zimbabwe struggles in its post 1990s' Economic Structural Adjustment Programme (ESAP) dispensation, the country's socio-economic efforts are embroiled in the effects of economic liberalism and the need to protect the local socio-economic interests of the citizens on the other. Society (community in this study) would then counter the effects of the market (Bond, 2005). Polanyi (1944) argues that the state has a special place in regulating the economy (Burawoy, 2003) of which, if it withdraws from the sector, the citizens are exposed to the effects of market liberalism. The current study therefore attempts to investigate the contribution made by the community activism towards mitigation of the effects of economic liberalism through influencing laws and policies.

The GoZ ideally would guarantee that benefits of the state's mineral endowments are extended to and reach every sector of society. In theory, it should be the major agency for the distribution of resources to its citizens, rather than existing to serve the interests of the market. The aspiration of many African countries with natural resources today manifests in the promotion of participation by local people at every stage of the resource development process (Dhliwayo, 2014).

Zimbabwe finds support in continental initiatives such as the Africa Mining Vision (AMV) of 2009 which calls for the linkages between mining and other economic sectors for sustainability purposes. Presumed benefits of domestication of the AMV in individual countries are many. They include the development of linkages that will propel sustainable growth and broad-based development through promotion of investment and diversification hinged on mining. The move will also enable local companies, including small to medium scale enterprises (SMEs), to provide commodities to bigger companies. Thus, more efficient supply chains and new employment opportunities, and optimisation of development benefits by helping local communities contribute to LCD will be ultimately created. In Chapter 5 of the study, the researcher discusses the policy and legislative frameworks governing mining in Zimbabwe and highlighting the critical role of AMV in the sector.

The global market system continues to dominate the international economy and this study examines its impacts on the local platinum mining communities of Zimbabwe. Zimbabwe is said to have the third largest platinum deposits in the world. Literature reviewed indicates that 97% of the global platinum is mined in the United States of America, Zimbabwe, Canada, South Africa and Russia (World Atlas.com). Zimbabwe has got three major platinum mining companies operating along the Great Dyke. The Great Dyke is a geological feature that stretches for over 500 kilometres across Zimbabwe from Mutorashanga in Mashonaland West via Mhondoro, Chegutu, Kwekwe, Gweru, Shurugwi, Zvishavane and Mberengwa to West Nicholson in Matabeleland South. The mines are Mimosa in Zvishavane, Unki in Shurugwi and Zimplats in Mhondoro-Ngezi. However, following the disappointing performance of the diamonds mining industry against the background of the very high expectations they had raised, Zimbabwean communities are showing a growing ambivalence towards the mining sector (Sethi, 2005). In this study, the researcher interrogates the role of community activists in influencing LCD in the sector in the context of the “double movement” theory.

Evidence from low to middle income mineral producing countries show that, on average, countries tend to benefit mostly on FDI inflows into the mining sector to as high as 90% of the total FDI inflows into their countries by 2015. Impacts on employment tend to be nominal, averaging 1% to 2% of the total country labour force (Muchichwa, 2015). This means that investors emphasise importation of mining equipment at the expense of local employment.

With the unfolding of the 21<sup>st</sup> century, mining remains a key economic sector for Zimbabwe. The country hosts sixty minerals, but only forty have been exploited (Mugandani and Masiya,

2011, cited by Mlambo, 2017). The major minerals exploited in Zimbabwe as of 2017 are shown in Table 1.1 below.

**Table: 1.1 Major Minerals Mined in Zimbabwe**

<b>Precious Metals</b>	<b>Precious Stones</b>	<b>Base Metals</b>	<b>Industrial Minerals</b>	<b>Hydrocarbons</b>	<b>Dimensional Stones</b>
Gold	Diamonds	Copper	Asbestos	Coal	Black granite
Silver	Emeralds	Nickel	Graphite	Coal Bed	
Platinum		Tantalite	Phosphate	Methane Gas	
Palladium		Lithium	Limestone		
Rhodium		Iron Ore	Feldspar		
		Chromium	Magnesite		

**Source:** Mlambo, 2017:12

Mining trends clearly show that mining has important opportunities for the GoZ to leverage or extract rent. In 2010, mining grew by about 44% while agriculture grew by 33%, which contributed to the historic double-digit gross domestic product (GDP) growth rate of 10.4% (Sibanda, 2015). In 2015, platinum and gold combined production contributed more than 50% of Zimbabwe’s nearly US\$2 billion minerals exported and foreign currency received, while mining constituted almost 16% of the country’s GDP (Zengeni, 2015).

Mlambo (2017) indicates that other contributions of the mining sector by 2017 were: GDP 9%, national exports 55%, formal direct jobs 35,000, indirect jobs through upstream and downstream industries 70,000, fiscal revenue 11%, total fixed capital formation (national investment) >50% and total private sector investment 65%. Of interest in the statistics, is the issue of contribution to upstream and downstream industries which is the thrust of LCD programmes. The GoZ Mid-Term Fiscal Policy Review (8 September 2016) indicates that the worth of mineral production for January to June 2016 increased by 8.8% to US\$806 million against US\$741 million in the first half of 2015. The same policy statement claimed that

mineral yield for platinum, nickel and gold, was likely to maintain its positive drift (GoZ, 2016).

The Reserve Bank of Zimbabwe (RBZ) indicated that the country had lost about \$3 billion through illicit financial flows (IFFs) in three years to 2012 (ZIMCODD, 2016). The sale of the country's minerals was happening in ways that did not benefit the citizens as the channels could not be subjected to formal accounting systems. These huge amounts of money lost through IFFs should be a cause for concern as they could have been utilised for the development of the country (GoZ, 2017). An additional issue pertaining to administrative deficiencies in Zimbabwe's mining sector is taxation, especially the incentives and subsidies that benefit companies rather than their employees or customers or the host communities (Sibanda, 2015). Tax incentives are fiscal measures used to attract or to direct local or foreign capital investment activities towards certain sectors or regions of the country.

Although this study is not focused on taxation, one needs to note that mining in Zimbabwe is one major contributor of taxes, according to the Zimbabwe Revenue Authority (ZIMRA), the tax authority in Zimbabwe. Mining companies are subjected to a variety of taxes which include royalties, income tax (corporate tax), Pay As You Earn (PAYE), Value Added Tax (VAT) and customs duty, among others (ZELA, 2013). The tax framework allows foreign mining companies to declare "losses" in perpetuity. Yet they made huge profits without paying much to the host country. This has also led to the amplification of the "to extract or not to extract" debate among Zimbabweans. Maguwu (2016) is one scholar who has argued that the country needs to put mining on halt until such a time when it would have strengthened its policy and legislative systems and established a thorough-going democracy. He disputes the official position on mining in Zimbabwe.

## **1.2 Problem Statement**

Statistics on mining in Zimbabwe from the preceding section clearly show that the sector is export oriented leaving the host communities exposed to the effects of mining projects in terms of environmental degradation and displacements. The mining outputs continue to be exported in their raw state and this does not support related manufacturing industries to nearly the same extent as agriculture once did (Richardson, 2012). The sector is mainly dominated by the MNCs which enjoy the effects of a liberalised mining sector while the regulatory role of the state is weakened.



The Mines and Minerals Act of 1961 does not adequately address issues of LCD. Furthermore, Zimbabwe does not have LCD policy, and this compromises community activism around LCD. Yet, for a country to fully benefit from its natural resources, the legal and policy frameworks should guarantee that host communities benefit from the local resources in terms of employment and enterprise development opportunities.

Activism emerged in the target areas pushing for the mining companies to promote LCD in the platinum sector. However, the activism is not fully supported by the state through relevant policies and laws. Thus, the researcher uses Polanyi (1944)'s "double movement" theory in explaining the activism, its dynamics, strategies employed and outcomes. He examines the applicability of the theory in Zimbabwe's activism on LCD as the available literature does not directly address the subject matter. The researcher proposes the LCD-CSR model that is expected to strengthen the role of community activists in influencing LCD processes in the mining sector which will in turn ensure that host communities benefit from the platinum resource.

### **1.3 Aims of the Study**

This study is an examination of community-based activism on LCD. It is aimed at interrogating the role of community activism in response to the effects of global market liberalism that favours the multinational (MNCs) mining companies. The study further examines the capacity of community-based activism in both participation in platinum value chain and influencing LCD.

Specifically, it sought to:

- a) To investigate the meaning of "local content" from the perspective of the GoZ, platinum mining companies, and the platinum mining communities of Zvishavane, Shurugwi and Mhondoro-Ngezi;
- b) To assess the effectiveness of community-based activists in influencing LCD in Zimbabwe within the context of market liberalism;
- c) To examine Zimbabwe's platinum mining communities' ability to contribute in the platinum mining's value chain with special interest on gender dimensions;

- d) To explore how local content policies and laws can be effectively monitored by local community activists and how the latter's impact can be measured based on lessons from other countries;
- e) To develop a framework/model on the linkages between community activism and local content development in Zimbabwe.

#### **1.4 Research Questions**

Five specific fundamental questions which sought to be addressed are:

- a) What exactly constitutes “local content” within the platinum mining value chain and how is it viewed by the GoZ, platinum mining companies, and the platinum mining communities of Zvishavane, Shurugwi and Mhondoro-Ngezi?
- b) How effective is community-based activism in influencing LCD in Zimbabwe within the context of market liberalism?
- c) To what extent are local mining communities in Zimbabwe participating in the platinum mining value chain and with what challenges and gender dimensions?
- d) How can the execution of local content policy and laws be monitored by local community activists and their impact measured? What are the lessons from other countries?
- e) What model can be developed to articulate the linkages between community activism and local content development in Zimbabwe?

#### **1.5 History of Platinum Mining in Zimbabwe**

Musingafi *et al.* (2015) demonstrate that mining in Zimbabwe can be traced back to the 15th century when communities practised traditional small-scale gold and iron mining. Modern mining started at the turn of the 20th century with the re-examination of more than 4000 old mining centres by the British South Africa Company (BSAC) (Musingafi *et al.*, 2015). Throughout the colonial era (1890-1980), Zimbabwe was well known for her rich minerals like gold, coal, copper, asbestos, iron, chrome and many others. During this period, the mining industry benefited a small section of the white minority population. From 1980 (at independence) to 1985, mining remained regulated by the colonial era policies and legislations, especially the Mines and Mineral Act Chapter 21:05 of 1961. Amendments of the legislation

were cosmetic and, thus, they did not have much of effect on the prevailing macro-environment (Musingafi *et al.*, 2015).

Platinum is known to be in existence for several years in the country, but it only became a prominent mineral when platinum mining companies started to make real progress in extraction in the 20<sup>th</sup> century (McCoach, 2008, as cited in Shangahaidonhi and Gundani, 2014). According to McCoach, (2009:n.p), Dr. Carl Mauch first recorded the Great Dyke in 1867, but it was not until the early 20th century that the presence of platinum, and other minerals, was discovered. Specifically, Siebert and Sternberg (2009) hold that the mineral was discovered in 1918 and early attempts at mining it were generally unsuccessful. As for South Africa, the history of platinum mining dates to the mid-1920s and the industry has since grown in leaps and bounds over the decades to become one of the foreign currency earners in the mining sector for that country (IDC, 2013). Yet Zimbabwe's platinum finds its way to South Africa in its raw form.

With the turn of the 21<sup>st</sup> century, Zimbabwe had about 40 different types of minerals and metals (Mahonye and Mandishara, 2015). Such mineral wealth provides huge economic opportunities for the country to transform its social and economic status through employment creation, skills and local enterprise development. With its comparative advantage in platinum, Zimbabwe is one among few southern African countries with the potential to reduce poverty through development led by mining. Studies show that prospects exist for enhanced backward and forward linkages between mining and the rest of the economy, including local communities. The Great Dyke is endowed with PGM, and since early 1920s, platinum production has expanded between 1996 – 2008 (Mahonye and Mandishara, 2015).

**Table 1.2: Zimbabwe Platinum Mining Industry Developments**

Date	Platinum News
1918	Discovery of platinum on the Great Dyke
1996	Hartley Mine initial mining
1998	Mimosa's entry
2000	80% production drop of platinum. Zimplats controlled all the PGM assets in the Hartley, Ngezi, Mhondoro and Selous areas (9.7 million kilograms). Unki project puts on hold by Anglo American.
2002	PGM production increased by 500% with the Makwiro project (Zimplats) in operation
2003	Revised exchange control system affects mining costs.
2005	Commencement of Unki underground infrastructure.
2006	Zimplats and Mimosa are the only mines producing PGMs while Unki still under development
2009	The same as in 2006

2014	15% export tax introduced on raw platinum.
2015	Reprieve is given on 15% tax so as to align it to the proposed strategy on beneficiation and value addition.
2016	Platinum producers are expected to set up a domestic platinum refining capacity up to base metal stage by 31 December 2016.
2017	The 15% export tax on raw platinum still suspended. Government partners an Australian company, Kelltech Limited to establish a platinum refinery plant.

*Source: Constructed from data from United States Geological Survey in Siebert and Sternberg (2009:47) and also from the 2016 and 2017 National Budget Statement (Zimbabwe)*

### **1.5.1 An Account of Platinum's Characteristics and Utility**

This section outlines the usage of the platinum in various sectors of the economy. An appreciation of the characteristics and utility of the mineral helps in explaining the significance attached to it by various stakeholders involved in this study. Platinum is a member of metals known as platinum group of metals (PGMs), namely platinum, iridium, osmium, ruthenium, rhodium and palladium. The first three are categorised as heavy, while the rest are deemed light (IDC, 2013). The minerals are also known as the noble metals as they are all relatively inactive. That accounts for some of platinum's uses, including making laboratory equipment since it does not react.

One of the challenges in platinum production is separating it from PGM minerals. The rest of the metals are found through mining of some other metals, like nickel and copper, wherever they occur in masses large enough to extract (IDC, 2013). This is different from gold mining. Table 1.3 below summarises the main characteristics of platinum. An appreciation of platinum as a mineral is critical for the suppliers to know where they can fit in the value chain.

**Table 1.3: Characteristics and Utility of Platinum**

Characteristics	Utility
<ul style="list-style-type: none"> <li>• It looks “beautiful and was resistant to corrosion”.</li> <li>• Silver-grey and it shines metal.</li> <li>• It is malleable (can be hammered into thin sheet).</li> <li>• It is ductile (can be drawn into thin wires).</li> <li>• Melting point is about 1,773°C (3,223°F).</li> <li>• Its boiling point is about 3,827°C (6,921°F).</li> <li>• Density is 21.45 grams per cubic centimetre thus it is one of the densest elements.</li> <li>• A relatively inactive mineral.</li> <li>• Does not tarnish or corrode even if exposed to air.</li> <li>• It is not attacked by most acids. However, it dissolves in <i>aqua regia</i> (a mixture of hydrochloric and nitric acids).</li> <li>• Dissolves in very hot alkalis (a chemical with properties opposite to those of an acid, e.g., sodium hydroxide and limewater).</li> <li>• Absorbs large quantities of hydrogen gas at high temperatures.</li> </ul>	<ul style="list-style-type: none"> <li>• Jewellery and art objects,</li> <li>• The practical demand for platinum is made up of three components, namely auto catalysts, industrial demand and jewellery</li> </ul>

Source: IDC, 2013

### 1.5.2 Major Players in Zimbabwe's Platinum Sector

The platinum mineralisation of the Great Dyke constitutes a major world PGM resource, estimated at 4.4 billion tonnes. This positions Zimbabwe with the world's second largest PGM resource after South Africa and contributing 6% of the world's primary platinum production (Chitando, 2016: n.p.). Platinum output increased since 2002 when Zimplats and Mimosa resumed operations. The subsequent entry of Unki in 2010/2011 added further impetus for increased output. The sector is one of a few that survived the hyper-inflation crisis when the other minerals recorded declines in output (Chitando, 2016; Mawowa, 2013). Thus, by 2017, there were three existing major players in the PGMs industry, namely Zimplats, Mimosa and Unki. Potential new projects included ENRC, Ruschrome (Rostec) and Zimari Platinum which were listed as Joint Venture projects under Zimbabwe Marketing Development Corporation. The average contribution to platinum output during the period 2014-2015 was as follows: Unki 15%, Mimosa 30% and Zimplats 55% (Chitando, 2016: n.p)<sup>1</sup>.

Plans to expand the sector and the entry of new players were expected to result in major increases in investment levels. For existing mines, planned investment (only for Zimplats and Mimosa) was expected to increase from \$141.13million (2014) to a peak of \$277.90 million (2017) (Mlambo, 2016:52). The key governance issues that would ensure attainment of the growth plans in the sector included the fiscal regime and policies on mining, beneficiation, indigenisation and local procurement. The fiscal regime under which the platinum sector operated was complex due to multiplicity of agencies, legislative instruments and tax heads, which made the cost of compliance high (Mlambo, 2016). Yet, there was a need to simplify the regime to a single collecting agency, a single document outlining the legislative provisions governing the sector, and a single tax head.

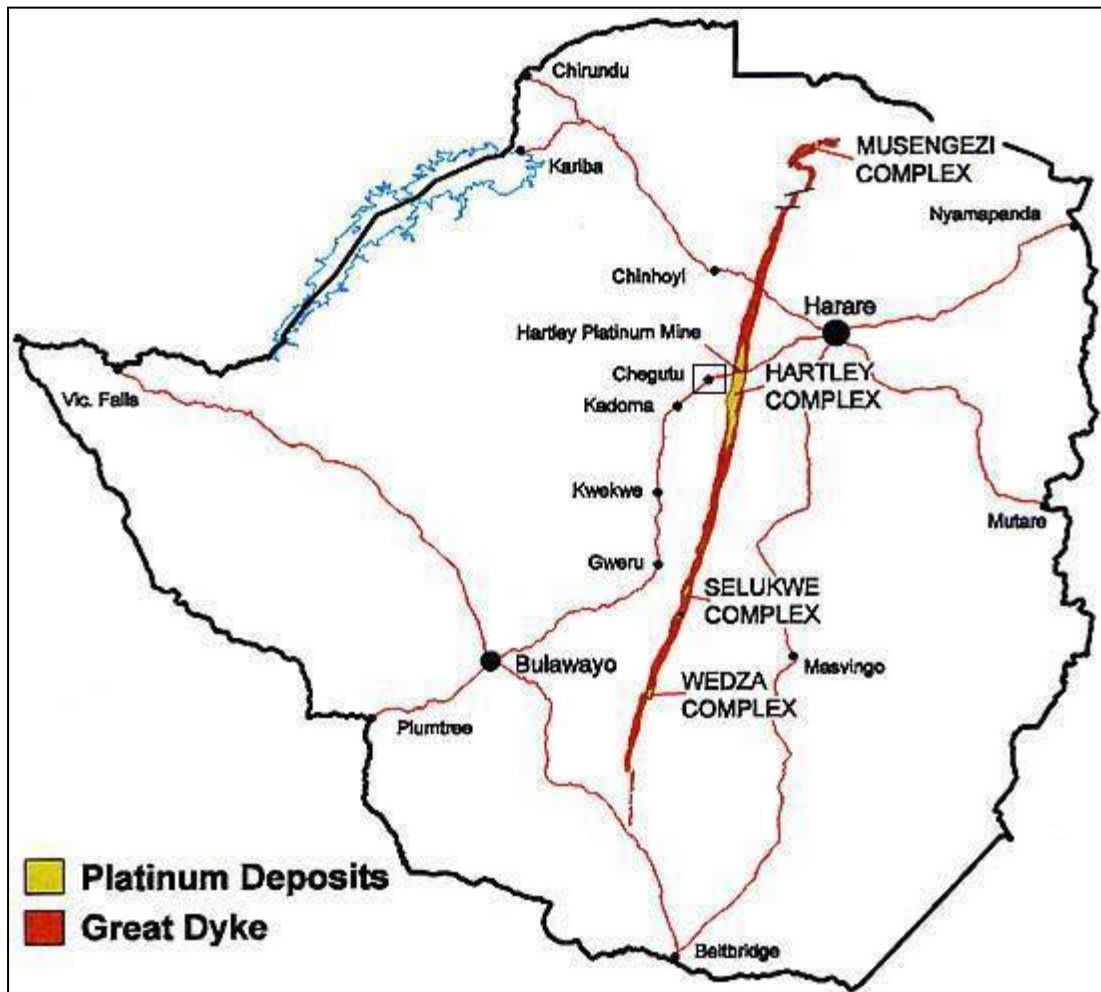
The following map shows the geographical areas where platinum mining takes place in Zimbabwe. While the figure shows the major players, some small operations continue to be supported in various areas along the Great Dyke. For the purpose of this study, reference is made to the main operations as indicated on the map.

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<sup>1</sup>Chitando is the Minister of Mines from late 2017 but when he shared these statistics, he was still with Mimosa in the senior management. Thus, the researcher noted the need to verify the figures with other sources which was done.



**Figure 1.1: Map Showing the Three Areas of Study**



**Source:** Mawowa, 2013

### **1.6 A General Mining Value Chain**

This subsection gives a general mining value chain, but also focuses on platinum so that it becomes clear at which stages local entrepreneurs can be involved in the chain. The presentation also shows the potential opportunities and challenges for all the stakeholders in the platinum value chain.

Exploration represents the first stage in mining and it includes all the activities leading to the discovery of resources. The total cost of exploration stage may vary from \$20 million to over \$150 million, and it can take 3-10 years before feasibility decisions are made (Sigam and Garcia, 2012:11). However, one can say that the issue of costs may vary based on the type of the mineral being sought. Once a decision has been made, then development follows, including building of the mine, the processing plant, roads and rails, sewer and water lines, as well as

accommodation for workers. The phase requires the largest amounts of investment, ranging from \$100 million to \$3 billion and taking about 2-4 years (Sigam and Garcia, 2012:11). The mining stage starts with the commercial exploitation of the mine and consists of the removal of the mineral value in ore from the host rock or matrix and can be classified in two types or extraction methods that are surface mining (open pit or open cast) and underground mining (Sigam and Garcia, 2012). The method to be used is dependent on the size, shape and depth of the ore body. The mining method will further affect the nature of the linkages that can be made with the rest of the economy in the host community.

When commercial activity comes to an end, decommissioning and mine closure activities must be carried out. The time needed to shut down a mine varies from two to five years. Normally, the bigger and more complex the operation, the longer it takes to close. After mining, processing related activities start with the mineral processing or beneficiation stage, which involves the activities to separate the mineral from waste material, removal of impurities, or preparation of the ores for further refinement. Mining processing or beneficiation is completed at the site. The process is meant to yield a product that has a much higher content of valued material (concentrates). The stage has always caused tension among local communities, government and the mining companies.

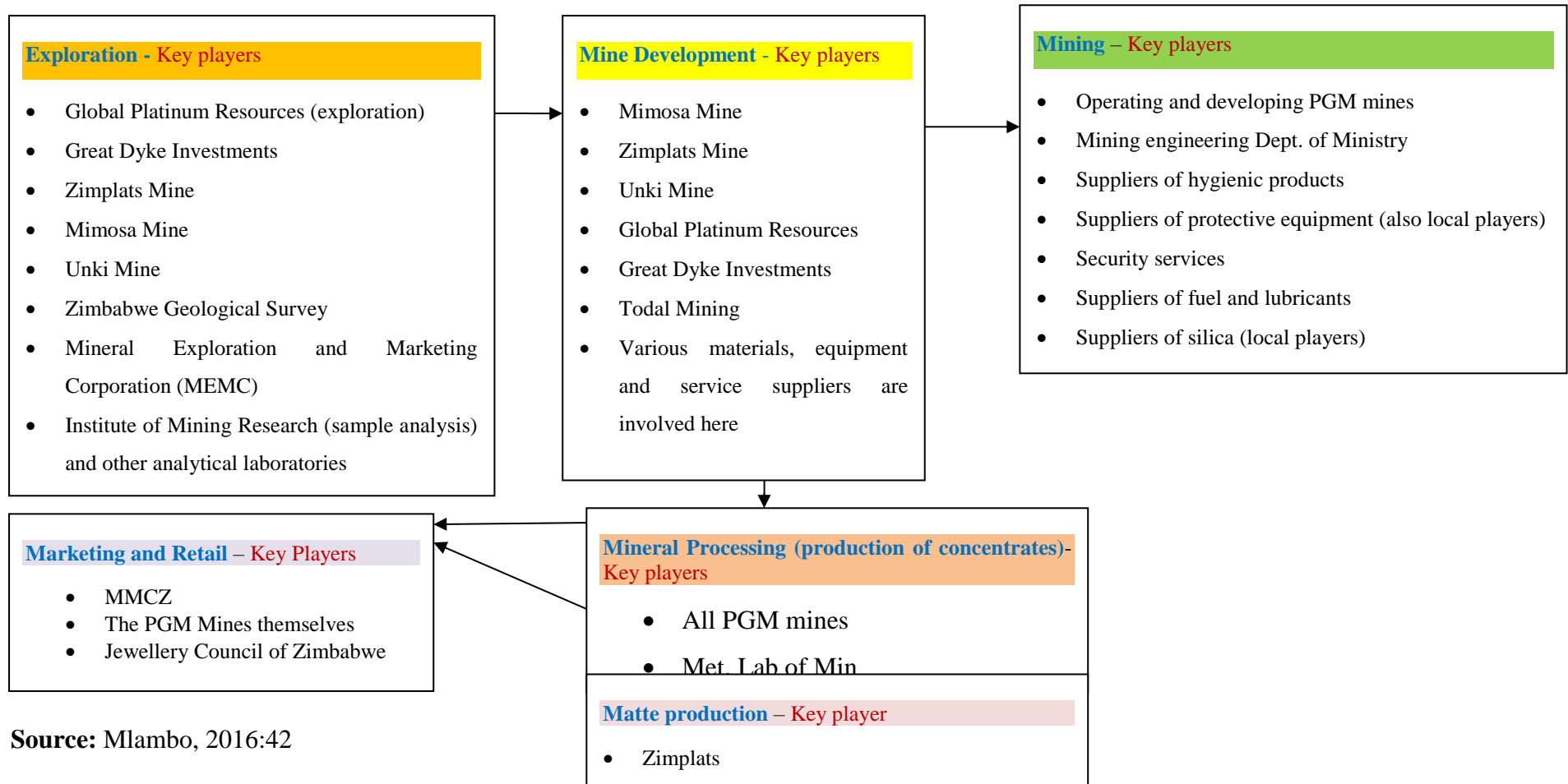
Following beneficiation, the concentrates are transported to smelters or refineries to further extract and/or refine the metal. The value addition activities at this stage include the metal working industries that process pure metals, forming it into commercially traded shapes such as ingots or cathodes (Sigam and Garcia, 2012).

As mineral deposits can be located in remote places, transport and storage activities play a critical role in carrying the minerals from one stage of the value chain to another and this can be by sea, rail or road depending on the distances involved and the mineral characteristics. The issue of storage will also be considered at various points in the chain. Minerals are transported mainly in batches and, thus, the supply chain should accommodate surges and lulls in demand at the mine; at the origin and receipt dock or port for water shipment; and at the end user, such as a power plant in the case of coal (Sigam and Garcia, 2012).

In the value chain, the community activists have a special role to monitor mining companies' activities as well as the implementation of the available regulatory frameworks. The figure below presents a platinum value chain in Zimbabwe. It shows the main players in the sector

and opportunities for local suppliers to penetrate the chain. The community activists may also be local suppliers themselves.

**Figure 1.2: PGM Value Chain Map and Current Players in Zimbabwe**



Source: Mlambo, 2016:42

## **1.7 Economic Contribution of Platinum in Zimbabwe**

The platinum mining companies send their raw platinum from their Zimbabwean mines to South African refineries. At the time of writing the thesis, there was no domestic refining and associated refining, of which Richardson (2012) blames the host government. As Deputy Minister of Mines during the Inclusive Government, Gift Chimankire, explained: “They need to start investing in a refinery in Zimbabwe. We need value-addition for our minerals here; we cannot keep on exporting jobs” (Richardson, 2012:12). The Zimbabwean platinum was thus, exposed to the world price fluctuations to which the host government did not have control. Processed platinum is dependent on market prices, further exposing the country’s resources to international developments. This political economy was created during the colonial era where Zimbabwe always produced raw materials for the world market.

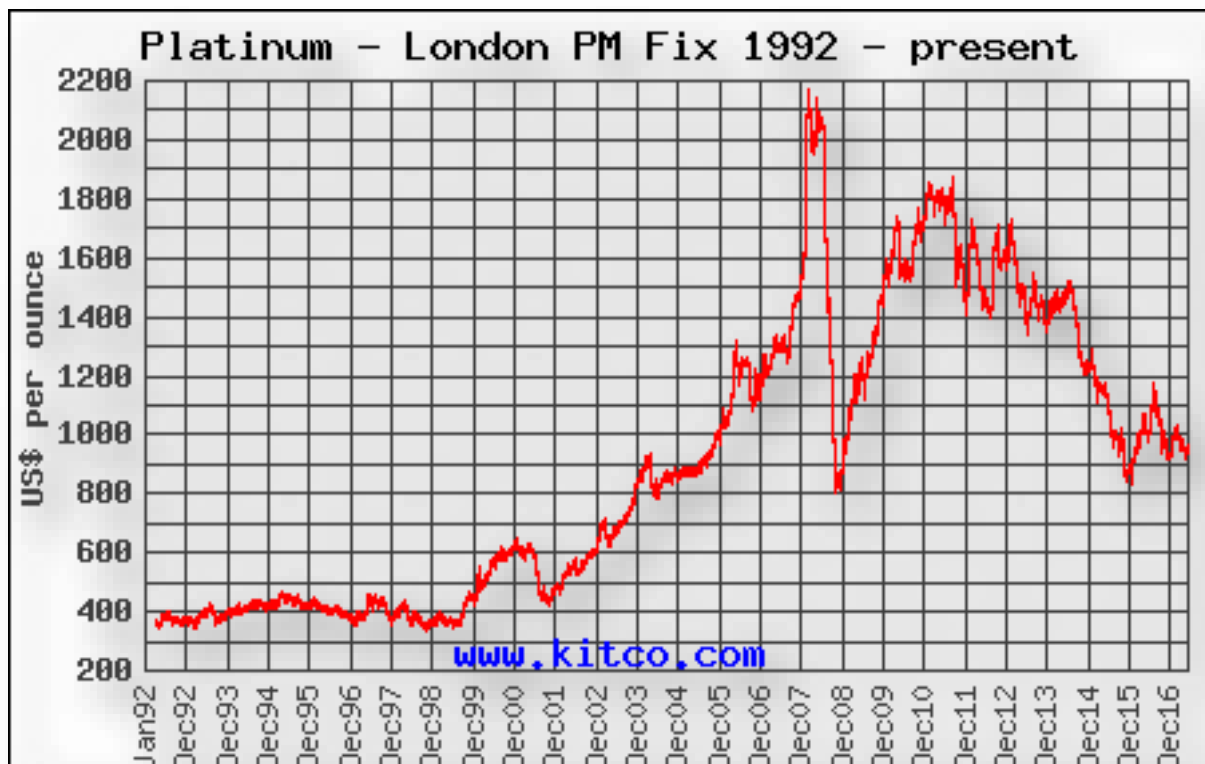
In a speech by the then Minister of Mines, Walter Chidhakwa, in 2015, exports of PGM concentrates were the only mineral recording positive growth rate, at 13.86%, increasing to 152 362mt from 134 046mt in 2014 (Chidhakwa, 2016). The question that remains unanswered is the extent the platinum sector contributes to the social and economic change of host communities. The export increase should translate into positive changes in human lives in the host communities.

Mines are often the key economic engines for host communities if there are legislative and policy frameworks that are favourable. However, in most cases, the positive impacts for local communities are not felt due to “limited spill over and multiplier impacts” (World Bank, 2010, as cited in Rogerson, 2011:5412). A successful local economic development programme would improve community and employee relations, develop and deepen supplier linkages, and reduce dependence of local communities on the mine for long term economic and social well-being (World Bank, 2010, as cited in Rogerson, 2011). This can be done through partnerships with local communities leading local communities to gaining the capacity to organise, negotiate and take advantage of the opportunities offered by the mining operations to pull themselves up by their own boot straps”(World Bank, 2002c: v, as cited in Rogerson, 2011:5412). In order to enhance local content, different partnerships are often required to ensure that local labour, materials, goods and services meet the necessary quality standards for large-scale mining companies (ICMM, 2009, as cited in Rogerson, 2011).

Platinum prices remained depressed and hence, the boost in platinum outputs to US\$396 million from US\$185 million from January to June 2016 was attributed to production gains: 7

968 kg in the first half of 2016 up from 4 919 kg during the first half of 2015(GoZ, 2016). The review statement reveals that government was still engaging platinum mining companies to establish a local metals refinery, which would have a direct implication on LCD. The trends in the pricing of platinum show the following: a peak of over US\$2,100/oz in mid-2008, a crash to less than \$900 in 2009, followed by a rise to \$1900 in 2011 and another crash to the US\$850-950 since 2015 (Mlambo, 2017).

**Figure 1.3: Trends in the Price of Platinum at Global Level**



**Source:** Mlambo, 2017

The extreme volatility of raw platinum prices and the economic importance of mining justify the need for the GoZ to pursue interventionist policies that allow local communities to derive maximum benefits from local extractive resources (Ramdoo, 2015). This study investigates the role that collaborative partnerships between communities and some specific mining companies play to facilitate industrial policies and programmes that foster LCD play in ensuring that local people benefit from the platinum mining. The next section is a discussion of the concept of beneficiation and how that can enhance local social and economic development.

## 1.8 Perspectives on Beneficiation

Mineral beneficiation emerged as one of the major drivers in advancing the empowerment of historically disadvantaged mining communities while it also presents opportunities for development of new entrepreneurs in large and small mining. Yet, countries which consider beneficiation in their economic planning tend to overlook the role of local communities in the implementation of such programmes. This is because of the varied perspectives on the concept and how the mining stakeholders view beneficiation.

Platinum was among the major minerals that were exported from Zimbabwe to South Africa as concentrate (at the time of writing) hence the country's production figures ended up being credited to the latter (Shangahaidonhi and Gundani, 2014). Shine (2014, as cited in Chatham House, 2014) demonstrates how, historically, natural resource wealth has failed to bring about many political and economic benefits for host countries and how the demand by host governments for greater value addition at source is now increasing particularly in Africa. The question of beneficiation or value addition, therefore, must be interrogated here so that community-based activists would be able to have an appreciation of the process. The minerals industry value chain denotes stages and processes that a mineral project goes through to produce mineral products. Each stage represents a value-add (ed) on the previous and there are opportunities to invest at each of the major stages of which the local players can get involved in the value chain. Thus, value addition provides the main processes, players involved, as well as an outline intermediate, finished and value-added or end-user products (Mlambo, 2016).

Beneficiation can be understood from different perspectives where, in general terms, it is transformation of a mineral to a higher value product which can either be consumed locally or exported and the term is used interchangeably with "value addition" (South African Strategy on Beneficiation, 2011:ii). In the current study, the two words are thus used interchangeably. The process focuses on ensuring that greater local processing of a country's natural resources takes place internally in a host country thereby creating more downstream and side stream linkages with other sectors of the economy. The ability of a resource-rich country to derive economic benefits from different stages of the mining value chain is an important dimension of economic development. It is important to determine how beneficiation is defined and how it is used as a policy tool (Baissac *et al.*, 2015).

The two important aspects of the process are downstream and side stream. The former involves a range of activities, including large scale capital-intensive activities such as smelting and

refining as well as labour-intensive activities such as craft jewellery and metal fabrication (Mungoshi, 2011). The side stream value addition refers to inputs, namely capital goods, consumable and services, into the value chain and the total net beneficiation of minerals is maximised by a combination of the two types of stream linkages (Mungoshi, 2011). Describing the same aspects, Walker (2005) asserts that at industrial level, the linkages include downstream activities which are beneficiation as well as backward linkages (the supply sector). Lateral linkages arise from the modification and application of generic technologies to the rest of the industrial sectors (Walker, 2005).

At continental level, next to “resource nationalism”, governments across Africa regard beneficiation as the next frontier in ensuring that the region benefits more from its mineral resources (Mberi, 2016). The beneficiation agenda is being driven through the African Union (AU)’s AMV adopted in 2009. The AMV emphasises the need for African countries to create linkages between mining and other economic sectors. However, without political will, beneficiation cannot achieve intended results. There is a need for member countries to domesticate the vision through crafting policies and laws that promote beneficiation.

## **1.9 Definition of Key Terminology**

This section defines the key words in the study as they are subject to a variety of explanations in the available literature. There are no agreed definitions, thus, it is critical for this study to adopt some working definitions for each.

### **1.9.1 Community**

MacQueen *et al.*, (2001:n.p) identify four main community issues in this context: “locus, sharing, joint action, and social ties”. These are usually found within social scientific definitions of the concept community. Most definitions cite social interaction, geographical location and familiar ties as necessary fundamentals of neighbourhood being, while others emphasise “people with common ties residing in a common geographic area.”

Community can also be defined from the perspective of a “place”, yet, as such the concept is subject to generalisations of mining life (Spence and Stephenson, 2009:72). However, ideas developed by Anderson, as cited in Spence and Stephen (2009), with regards to statehood imply that neighbourhood is built via cultural processes of imagination. Bauman, as cited in Spence and Stephen (2009), further argues that there is nothing like community in any practical sense,



while Plant holds that community can be successfully mobilised as a process, a set of relations and principles that people self-consciously endeavour to create (Spence and Stephen, 2009).

Tattersall (2007:n.p) defines community in three separate ways, that is, as organisation, common interest distinctiveness, and local locality. One can adopt the definition as offered by MacQueen *et al.*, (2001:n.p) that regards community as a “group of people with diverse characteristics who are linked by social ties, share common perspectives, and engage in joint action in geographical locations or settings”. A more localised definition (community around activities) is used as the focus is on specific host communities. For the current study, local community refers to the people that are located within Mhondoro-Ngezi, Zvishavane and Shurugwi, who collectively pursue common mining interests.

### **1.9.2 Activism**

According to Martin (n.d.), as cited in Gary (2007), activism is acting in the interest of others or oneself for a cause. It can take the form of one on one canvassing, use of alternative radio, community meetings or rallies and various other advocacy strategies and tactics. An activist advocate for change in each society. The current study is focused on community-based activism around LCD in the platinum mining sector and takes seriously the perspective of community-based activists in the study areas. Activism can be both pro or against the status quo. For this study, activism comes in various forms that include engagement meetings, workshops, and protests. Furthermore, it targets the mining companies and local authorities or the central government.

### **1.9.3 LCD**

Adedeji *et al.*, (2016) argue that the common view on the regulatory role of local content policy regards it as an instrument meant to ensure that benefits of a state’s resources could be improved for the local people. For this thesis, the researcher considers LCD with regards to employment of local people in the platinum mining companies, participation of local entrepreneurs as suppliers of commodities in the value chain as well as in mining partnerships with the companies. While skills and technological transfer to the local people is also key in the definition of LCD, it is outside the scope of the current study. For this study, LCD also involves initiatives that are implemented by mining companies to ensure that they increase local spending through employing local people as well as procuring some of their critical goods and services from the host country. In some countries, the programmes are regulated through

specific laws and policies. This study discusses the implications of a deliberate LCD policy and legal framework on community activism.

#### **1.9.4 Corporate Social Responsibility (CSR)**

There is no agreed definition of CSR and the phrase is sometimes used interchangeably with issues of company sustainability, social investment by a company and corporate governance, among others (Kercher, 2007:2). The programme is carried out as a way to buy community acceptance on the part of mining companies (Khamah, 2015). The concept relates to the social programmes or activities that mining companies implement beyond the actual mining for the benefit of society. These include provision of health, education, housing and environmental rehabilitation facilities. In this study, one discusses the LCD in conjunction with CSR programmes in the targeted area in order to establish the practical linkages that may exist between the two. For this study, the researcher adopts the following definition as given by the UNEC and AU (2010:128), as cited in Campbell (2011:2):

Corporate Social Responsibility (CSR) is a framework for formulating and implementing the expanded roles and responsibilities of the corporate sector to achieve incorporation of the expectations and needs of a wider community in the business model. Central to the issues around which CSR initiatives have been articulated in the mining and other extractive industry sectors are: a) the Environmental; b) Social and Community Development; c) Employment and Labour; and d) Human Rights.

This definition suits well in the current study as it captures particularly issues of social and community development, environment, employment and labour issues as well as human rights which are key elements of this research.

#### **1.9.5 Market Liberalism**

During the 1990s, many developing countries abandoned statist development models in favour of market liberalisation (Levien and Paret, 2012). This led to the liberalisation of trade, mining sector and finance, privatisation of state assets, and reduction in social spending. Neoliberalism became institutionalised through the International Monetary Fund (IMF), World Bank (WB) and World Trade Organisation (WTO) (Levien and Paret, 2012), as well as through credit ratings agencies, Western donor influence and even the United Nations. This affected the social, economic as well as environmental life of the people even at local and community levels. People reacted to adverse impacts of market liberalism through various means, including community-based activism. For the current study, it is argued that market liberalism is favoured by international mining companies as they can then acquire privileged access to

exports into world markets, as well as in importing employees and mining equipment. This sometimes occurs at the expense of local mining communities, who expect mines to be employing and procuring locally. Activists may then demand state intervention, especially regulations that ensure host communities benefit from their natural resources yet the state's role in the mining sector would have been weakened.

### **1.10 Significance of the Study**

In theory, this study generally contributes to the body of knowledge through an application of the “double movement theory” to a Zimbabwean context thereby highlighting its limitations. The researcher attempts to address the theoretical gaps by proposing a model that links LCD, CSR and community activism in the mining sector. Methodological contributions of the research are found in the successful combination of participant observation, key informant interviews and documentary search for a subject in which the researcher has some direct interest. However, there is also some practical value of the study as it recommends some policy and legislative changes.

The efforts of individual activists, civil society organisations (CSOs), combined with that of community-based organisations (CBOs) in the respective targeted study communities need to be understood academically. This study builds on contributions made by earlier academic research in the area of community activism and social movements in general. In the case of Zimbabwe's platinum sector, one acknowledges special work of Mawowa (2013) who, however, did not pay much attention to LCD as he was mainly interested in the factors that led to the survival of Zimplats under unpredictable political and economic situations in Zimbabwe.

Downs and Manion (2004), as well as Zerai (2002), Flood *et al.*, (2013:17) demonstrate that the academic field can be a site for activism in at least four ways as follows: a) to produce knowledge to inform progressive social change; b) means for conducting research which itself involves social change; c) site for progressive strategies of teaching and learning; and d) institution whose power relations themselves may be challenged and reconstructed.

### **1.11 Structure of the Study**

The study comprises ten chapters, each focussing on a specific issue that relates to the study aim and corresponding research question.

- Chapter 2 discusses the study methodology utilised in the research, highlighting the rationale and strengths of the methods chosen thereby locating the study within the post positivism paradigm.
- Chapter 3 is the theoretical framework of the study focusing on Polanyi's (1944) "double movement" and the relevant literature to the study. The literature review locates the strengths and gaps that exist in the application of the theory for consideration in the current research.
- In Chapter 4, the researcher dwells on a discussion of LCD focusing on the contestation regarding the definition of "local content" and "local supplier". The chapter engages arguments for and against the introduction of LCD regulations and offers examples from other countries. Porter's (1985) value chain analysis is used to explain the rationale for adoption of LCD initiatives by mining companies.
- A discussion of the legislative and policy frameworks governing mining in Zimbabwe is the thrust of Chapter 5. Firstly, the policy framework is discussed at three levels, that is, continental (that is, the AMV), regional (focusing on some SADC mining protocols) and national policy frameworks. The second part looks at the Minerals Act (and its version of the 2015 Bill) and IEEA of (2008), among other pertinent instruments focusing on the gaps that exist with regards to LCD matters. The study is sensitive to the ongoing legislative and policy reforms in Zimbabwe relevant to the mining sector. The case of Botswana and Nigeria mineral laws are discussed in order to draw some lessons for Zimbabwe. The chapter links the "double movement" theory to the lack of specific LCD regulations and the subsequent activism that emerged.
- Chapter 6 discusses the key finding from the three study areas regarding LCD programmes. The chapter answers the first question of the research on the perspectives of the key stakeholders with regards to LCD. The focus is on the specific LCD strategies that the individual mining companies adopted. The role of activists in influencing LCD is also discussed.
- Chapter 7 is an examination of the CSR concept as it relates to LCD programmes. It is argued that CSR is practically linked to LCD although they remain legally different. The major contribution of the chapter to the study is its argument for linkages between CSR and LCD programmes in terms of their practical implementation.

- In Chapter 8, the researcher offers a detailed study of community-based activism focusing on the three study areas. It discusses the dynamics, challenges, capacity and opportunities that exist within the community activism. The chapter further discusses the concept of alternative mining indabas (AMIs) by tracing its historical background and achievements in Zimbabwe within the context of activism on LCD. The main argument in this chapter is that AMIs is a unique form of community activism in Zimbabwe.
- Chapter 9 presents the proposed LCD-CSR Model which explains that the policy and legal regulatory framework on LCD should encompass CSR issues being informed by some progressive mining initiatives like the AMV. The strengths and weaknesses of the model are discussed. The researcher also discusses the utility and limitations of Karl Polanyi's "double movement" theory hence the proposal for a new model.
- Finally, Chapter 10 gives a summary of the main research contributions to the body of knowledge from a theoretical, methodological and practical perspective. It also revisits each chapter's contribution to the study and offers the major policy and legal recommendations.

## **1.12 Conclusion**

The chapter has introduced the study by highlighting its background, research problem and the main research questions. The motivation of the researcher to undertake the study was shared while the context of the study, focusing on the country's mining sector inputs into the main economy, was also discussed. It was indicated that the study is hinged on the discussion of Karl Polanyi's "double movement" theory which is used to explain the community activism in the communities hosting platinum mining in Zimbabwe. The chapter outlined the definition of key terms of the study and explained the utility of the platinum as a mineral resource. It also outlined the structure of the study and discussed the significance of the research. The next chapter provides a comprehensive discussion of the research methodology.

## **CHAPTER 2: RESEARCH METHODOLOGY**

### **2.1 Introduction**

This chapter outlines the methodology, encompassing the approach, design and methods employed to address the study questions. The study uses the following methods for data collection: participant observation, documentary search and key informant interviews. The researcher used a participant observation schedule and questionnaires to extract data from the events observed and key informant interviewees engaged respectively (See Annexure A and B). The chapter concludes with an outline of ethical and social considerations adhered to during the study.

Methodology is the plan and action, or design used for the selection and utility of a particular method (Muhr, n.d). Furthermore, it is hinged on a theoretical perspective, a philosophical stance that informs it (Crotty, 1998). Buckley and Chiang, as cited in Jamshed (2014: n.p.), define research methodology as “a strategy or architectural design by which the researcher maps out an approach to problem-finding or problem-solving.” The selection of a research methodology is informed by the nature of the research problem to be addressed. The research methodology is suitable for studying a new field, but it can also be used for theorising something that is already well known in a particular field.

### **2.2 Methodological Approach**

The current study is mainly qualitative although some quantitative elements manifest themselves due to some of the examined statistical data. The researcher employed quantitative data to analyse statistics from the mining companies with regards to issues of local spending, number of workers and suppliers, among other critical materials of study. However, the study remained mainly qualitative in nature though complemented by some quantitative data. Following the lesson from Khan (2014), the researcher attempts to build a holistic representation through analysis of participants’ words and reports as well as informants’ details. Qualitative research is hinged on the observations and subsequent interpretations of participants’ insight of various events in a natural setting (Guba, 1990; Guba and Lincoln, 1994; Newman, 1994, as cited in Khan, 2014).

The study attempts to answer some research questions in a way where the units of study and the researcher are active in the project (Koulouriotis, 2011). The available literature has demonstrated that up to the 1970s, qualitative studies were only carried out by anthropologists

and sociologists (Sanjari, 2014) but are now utilized by various other disciplines (Shuval *et al.*, 2012). In qualitative research, the researcher identifies with post positivism that argues that social reality is constructed variously by individuals interacting with each other (Gall *et al.*, 1996, as cited in Castellan, 2010). It is, thus, assumed that social reality is built by the project participants. The concern is how individuals observe their world and how they create reality through their social processes. Creswell (1994) argues that another critical characteristic of the qualitative research approach is that the researcher interacts with research subjects, that is, basically the people under study. In this case, the researcher directly interacted with communities under study. Ontologically, he also believed that it was critical to regard people as study participants rather than as objects as in the positivist research approach (Tubey *et al.*, 2015). The people under study therefore contributed to this project as active, and not, passive participants.

For this study, the researcher had to first make the epistemological decision. Epistemology is one's assumptions about the best approach to understand the world. For instance, the question of whether a researcher should use an objective or subjective approach to understand social reality (Bhattacharjee, 2012). The major epistemological questions would search for the relationships between the knower and the known. This will entail attempting to answer the question as to how people know what they know, and what counts as knowledge (Tubey *et al.*, 2015). It was therefore decided that an interpretivism (constructivism) paradigm would be applied. This was informed by one's held belief that the best way to understand social order is through a subjective interpretation of personal actions by the research participants. In this study the researcher chose to interview different research participants, observe their behaviors and actions, complement that with documentary search and reconciled the differences among responses and observations (during the data analysis stage) using own subjective perspectives.

Maxwell (1996) summarises the objective of a qualitative study as to investigate data inductively and come up with a finding which is grounded in that data. He argues that the findings should be able to test data and not hypothesis. This study can be traced back to the anti-positivism paradigm adopted by the researcher that argues that one can make inferences about something by combining empirical observations with rational thinking (Bhattacharjee, 2012).

One's choice of, and subsequent use of, qualitative research in greater detail than quantitative confirms the location of the study within post-positivism. Williams (2007) alludes to the idea

that qualitative research is conducted within a post-structuralist paradigm. Community activism around LCD in the target areas of this study is a struggle to challenge the social and economic inequalities within mining communities.

Literature on Mimosa, Unki and Zimplats Platinum Mining companies was obtained through the companies' official websites, annual reports and company officials. The researcher also benefited a great deal from various relevant events that were deliberately chosen for observation for the purpose of this study where the officials from the mining companies attended and shared official data on mining where one also interviewed some of them. The researcher was also privileged to be an employee of Zimbabwe Coalition on Debt and Development (ZIMCODD), ZCC and a professional associate of Zimbabwe Environmental Law Association (ZELA). Hence, he was well received in the study areas.

The three organisations collaborated on several community projects on mining of which the current research's case studies were part of. For some of the events, the researcher was invited or obliged to attend, by virtue of being a ZIMCODD or ZCC employee. These included workshops, conferences and seminars on mining in Zimbabwe. In some special instances, he had the opportunity to present papers on the subject or facilitate some discussion sessions. It was mostly during such events such as the alternative mining indabas (AMIs) (a platform that brought together key mining stakeholders to discuss community policy, legal and environmental issues on the sector) that one had an opportunity to interview some key selected participants for the study. The participant observation methods allowed the researcher to adjust some of the interview schedules and specific questions because, in some cases, the targeted key informant interviewees would have covered some key issues either through their presentations or in response to participants' questions during plenary sessions. However, in most cases, the researcher would interact with participants as a member of the community, practically participating during their engagement meetings with mining companies.

### **2.3 An Activist Studying Activism**

As a member of the opposition political party as well as an employee in the civil society sector, the researcher had been advocating for social and economic justice at community, national and regional levels. The advocacy highlights the links between activism and ontology, and particularly between how personal interpretations of an activist influenced his interpretation of the community-based activism of the target constituencies. His involvement with the ZIMCODD, ZCC, ZELA and other activist organisations for nearly a decade and half provided



the researcher with much encouragement that issues of community-based activism on LCD in the platinum sector also require academic interrogation.

The attempts to make explicit the multiple ways in which researchers are located in relation to the study participants has come to be viewed as a central element of feminist methodologies and epistemologies (Gelsthorpe, 1990; Stanley and Wise, 1993/1993; Harding, 1992, as cited in Doucet, 1998). Social locations are important, but reflexivity also means actively reflecting on the ways in which such locations, as constituted by the continuous interplay between social structures and agency, come to influence the particular approaches from within which research is conducted.

One agrees with Stanley and Wise (1990), as cited in Holyoak (2015:56) that researchers' appreciation of the phenomena they are studying should be acknowledged as "temporally, intellectually, politically and emotionally grounded". Therefore, analysis and the theories that are developed from such studies should be regarded as context specific.

In the context of the contemporary global market liberalism, the researcher knew that there was community activism within mining communities of Zimbabwe because he had experienced it, worked with community-based activists on various issues, studied them from a professional perspective, and was convinced that the voice of the community-based activists was not being heard while their efforts were not being well supported by the available frameworks. Accepting to be author and researcher in the process of knowledge construction suggests all knowledge production is partly autobiographical, therefore, it should be openly acknowledged that way (Holyoak, 2015:59).

Selecting community-based activism on LCD in the platinum sector as an area of study was a conscious decision to amplify the voice of the activists. The researcher had worked on several projects with communities in Mhondoro-Ngezi, Shurugwi and Zvishavane. The choice of community-based activism can therefore be justified for its contemporary social and economic relevance in Zimbabwe and potential usage of the product by community activists. The researcher read through the literature and determined what was already known about the community-based activism. However, there were still some areas of interest that needed further academic interrogation. The choice of three platinum communities was meant to offer a comparative analysis of the activism in the target areas which fall within the Great Dyke. Platinum areas were chosen mainly as a result of the realization that the minerals clearly

involve some global elements in terms of marketing and content dynamics as they are extracted combined with other many minerals that are independently dealt with.

## 2.4 Case Study Design

A case study design was used in this case to delimit the study as shown above. It was further delimited to communities that directly worked with ZELA in the three target areas. According to Bromley (1990, as cited in Zucker, 2009: n.p), a case study is a “systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest”. Stake (1988) defines a case study as a delimited system, with emphasis on unity and wholeness of that system, but focusing on those aspects that are relevant to a study. The design can be either built-in or instrumental where the focus will be the study of a single case (Punch, 1998). Punch (1998) further indicates that it can also be collective where it involves many cases.

The current study focused on three platinum mining communities where the biggest platinum mining companies in Zimbabwe were doing business. They were chosen on the basis that they had the potential to give a comprehensible picture of the activism that the study sought to establish. In presenting the findings, one further examined some sub-cases within the broader target areas. Moreover, the researcher also drew some lessons from other countries with regards to policy and legal frameworks on LCD. The three platinum mining communities offered an ideal case study with which to attempt at reconstruction of the “double movement” theory of Polanyi (1944:139). Attempting to establish a strong united social movement around LCD (and other mining issues) against the varied mining companies’ strategies, reveals possibilities and challenges of mobilising and organising a countermovement against the effects of market liberalism as well as pushing for participation in the mining value chain.

Various scholars have proposed different typologies for case studies (Pearson *et al.*, 2015). Stake (1995 in Pearson *et al.*, 2015) offers three types of case studies based on case choice. The first one is the *intrinsic* case study, where the case is suggested as commonly occurs in program evaluation. The second one is the *instrumental* case study, where the case is selected for its ability to contribute to a general appreciation of the world view. Finally, there is the *collective* case study, which is an extension of the instrumental case study where two or more representative cases are selected.

The current study fits well in the “collective” definition as three cases were selected as highlighted above. However, in contrast, Yin (2014, as cited in Pearson *et al.*, 2015) suggests

three types of case studies based on study purpose. First, there is the *exploratory* case study, a form of pilot study to inform subsequent research. There is also the *descriptive* case study, which provides a thorough, contextualised description of an occurrence. The third one is the *explanatory* case study which is intended to shed light on fundamental factors leading to particular events. It can be realised that both typologies are useful for characterising case studies and assessing the applicability of findings in other settings.

Shurugwi and Zvishavane mining communities fall under the Midlands Province while Mhondoro-Ngezi is in Mashonaland West Province. All the three communities fall within the Great Dyke which houses many types of minerals. The three areas, while falling within the same geological landscape, are characterised by varying but also converging aspirations with regards to benefits from the natural resources. These areas are characterised by various social, economic, cultural and political elements that allowed the researcher to appreciate the different factors that might have influenced activism in their respective areas.

## **2.5 Research Design Considerations**

### **2.5.1 Unit of Analysis**

The units of analysis for this study are the community activists within the targeted three platinum mining communities. It is emphasised in the literature that the research methods to be adopted by a researcher should clearly be linked to the unit of analysis of any study. It is imperative to unmistakably identify the units of analysis in describing the methods to be used in a study (Cooper and Chandler, 2008, as cited in Wushe 2014). Neumann (2006), as cited in Wushe (2014:61), indicates that a unit of analysis is a case, unit, or part of social life in a given situation that is under research or consideration. Based on this definition and the researcher's prior knowledge about unit of analysis, this study became focused on the community activists in Mhondoro-Ngezi, Zvishavane and Shurugwi.

### **2.5.2 Target Population and Size**

A target population, according to Organ (2006) and Sauders, Lewis and Thornhill (2009, as cited in Wushe 2014), refers to the whole group of individuals or objects or alternatively a full set of cases from which researchers are interested in generalising the conclusions. For this study, the target population included individual activists, CBOs, traditional leaders, legislators and local authority officials (including councillors). In the case of CBOs, three specific organisations in the target areas were studied. Individual activists who were part of these CBOs

were also targeted while individual legislators, councillors and local authority officials were also part of the targeted people. Officials within ZELA, mining companies and some line ministries were further targeted for observation and interviews. ZELA, as one of the national organisations, was particularly targeted mainly because it worked in the study areas and was mainly responsible for building the capacity of the CBOs under study. The organisation was also very instrumental in the engagement processes that happened in the areas.

The study participants were therefore largely determined by the activities that were coordinated by ZELA. It is at such events where the potential interviewees would be determined although officials from the government departments, local authorities, and parliament and mining companies were already determined from the start of the project. Community activists for interviews were mainly determined during the events observed. A total of 44 informants were involved (See Annexure A) and 42 events were observed in a period spanning over four years (See Annexure B). On the part of documentary search, the study targeted official company annual reports and websites, ZELA reports, policy and legal materials as well as other academic materials.

### **2.5.3 Zvishavane**

In Zvishavane, the study focused mainly on Mhondongori Community which hosts Mimosa Platinum Mine in Ward 5 in Runde Rural District Council (RRDC). The council refers to the surrounding administrative areas of Zvishavane. However, the council is in Zvishavane District and shares a common border with Zvishavane Town Council from the centre, and also with Chivi, Mberengwa, Shurugwi and Insiza districts. The district falls in natural ecological Regions 4 and 5 which are characteristically low rainfall receiving areas, making agricultural activities naturally unviable outside of the realm of irrigation practice. Major economic activities and livelihoods in the area are centered on mining, both large scale and small or artisanal (Moyo, RRDC, 2015). Large scale mines are Mimosa, Murowa Diamonds, Sabi Gold Mine, ZIMASCO and Zim Alloys. The major minerals in Zvishavane include gold, platinum, diamond, chrome, iron ore, asbestos, granite and limestone.

Traditionally, Shabane Mine controlled the whole town through asbestos mining activities, but has since become dysfunctional, leaving Mimosa Mine being the main corporate firm doing business in the area. Until about 2003, the main economic activities in the mining towns of Zvishavane and Mashava were centred on the extraction of asbestos. When this activity was chocked in 2004 most of the businesses in the area crashed as the parent company, the then

Shabane and Mashava Mines (SMM), now the African Associated Mines (AAM), found continued operations unsustainable (Mwase, 2016).

The main activity in both Mashava and Zvishavane is now centred on the operations of the two universities, the Great Zimbabwe University (GZU) and the Midlands State University (MSU) respectively. The relocation of more than 5,000 MSU students from Gweru in 2016 somewhat rejuvenated the town. Many downstream social and economic activities including the sporting legacy that the town had been enjoying for years had been abandoned but Mimosa is trying hard to revive it. Mimosa owns the FC Platinum soccer club which, by the time of writing, was playing competitive soccer in the local premier league.

Generally, the area has been characterised by activism around mining issues. The main actors are the individual activists, small scale miners, small scale suppliers of materials in the big mines, local authorities, traditional leaders and CBOs that are nationally networked. Activism around LCD and CSR in the platinum sector emerged in the last ten years and has become one of the main issues of discussion in the sector.

#### **2.5.4 Shurugwi**

Shurugwi was founded in 1899 by the BSAC and Willoughby's Consolidated Company. The town is along the railway line from Gweru, 35 km to the north. It is one of the country's largest producers of chrome and base metals. The area is characterised by illegal gold panning and fierce clashes of groups of gold panners fighting for control of various mining points in the area.

Traditionally, Shurugwi had a variety of scenic tourist resorts, with natural attractions and huge tourism potential in the Boterekwa Valley. However, these features have been neglected and have become white-elephants. The illegal gold panners have taken over the land.

Foreign mining firms are now investing in the area after locally owned mining companies stopped mining due to the country's economic challenges. The town is home to platinum mining at Unki Platinum Mine, 25 km east of the town. The study focuses mainly on Ward 19 which hosts Unki Mine but reference to the surrounding areas including the town centre is made on specific issues of interest. Community activism targeted at the platinum mining companies was mainly around issues of employment and enterprise development. However, over the years, much activism had arisen with regards to small scale and artisanal mining where the activists advocated for financial and policy support of the sector from the government.

When the big mining companies arrived, displacement of families from the area also faced some resistance before Unki facilitated the processes.

### **2.5.5 Mhondoro-Ngezi**

While the main target area of study is Mhondoro-Ngezi's Ward 11, which hosts Zimplats, reference is also made to the general administrative area of Chegutu. Geographically, the area covers part of Selous near Chegutu Town and its periphery which includes Chegutu rural and Mhondoro-Ngezi. With the shift of the settler economy towards farming, and a railway line connecting Chegutu (known as Hartley in the colonial era) and Bulawayo, agriculture became one of the major economic activities as early as 1901 (Mawowa, 2013). The area forms part of what is referred to as the Midlands Greenstone Belt which is a section of the Great Dyke stretching from Chegutu to Shurugwi and is said to have the highest concentration of mines in Zimbabwe (Mawowa, 2013).

An investment in platinum mining 30km north-east of Chegutu (Makwiro Platinum Mine) in the late 1990s by Broken Hill Property (BHP), Billiton and Delta Gold saw a temporary revival of the town away from the decline of the late 1990s, but this was short lived as the mine closed down in 1999 (Mawowa, 2013). Mining was resuscitated after some capital injection by South Africa's Impala Holdings through Zimplats. Some of BHP's former employees were re-employed at Zimplats, while others became artisanal gold miners and some went into other informal economic activities (Mawowa, 2013). Activism at Zimplats was mainly in the area of employment, environmental issues and enterprise development. Local community members were advocating for their participation in the platinum value chain through supplying relevant inputs to the mine. Initially, the activism was not coordinated but later became recognised by the company.

### **2.6 Data Collection**

It has already been indicated that the research process is a means of socially constructing the world that is informed by the subjectivity and situations of the researcher himself or herself (Steier 1991, as cited in Holyoak, 2015). For data collection in this study, the researcher used an interview schedule (Annexure A) with guiding questions for each stakeholder in the selected mining areas and the observational schedule (Annexure B). The research assistants from the target communities were oriented in the use of the tools through a pilot testing session done at the AMI in Zvishavane in May 2016.

### **2.6.1 Participant Observation**

Participant observation method was used where the researcher became part of the group being studied either overtly (with the group under study knowing that it was being studied) or covertly where the group did not know, and the researcher was undercover. The purpose was to have an appreciation of the social problem being studied through close interaction with the group. Thus, during participant observation, the researcher performed two separate roles at the same. On one hand, the researcher was a subjective participant while on the other hand, he was an objective observer. Data was recorded systematically throughout the observation period to be collated for the final report.

A total of forty two (42) events were observed with the intention of eliciting some data from participants as well as recruiting potential interviewees for the study. These included workshops, conferences, public meetings, AMIs, community meetings and seminars. The participant observation method became appropriate for gaining insight into the regular activities and behaviours of activist groups in the target areas. The research team (main researcher and his research assistants) became part of community activities over the study period.

Participant observation allowed the researchers to learn the perspectives held by study populations. This is based on the presumption that there would be multiple perspectives within any given community (Mack *et al.*, 2011). The government, platinum mining companies and local communities were likely to have varying and potentially conflicting perspectives of LCD in the platinum mining value chain hence the researcher wanted to pick such possibilities.

Informal interaction with study participants in the three communities were also significant components of the method and these were recorded. An observational schedule had been prepared to guide the process. This allowed the researcher to capture participants' understanding of LCD, their knowledge on CSR, their strategies in advocacy, the policy recommendations and organisational dynamics of the activists. This could then be filled when things were still unfolding although the review of the data remained an ongoing process.

The researcher was interested in relations and interactions among stakeholders. The method determined who interacted with whom and how participants communicated with each other particularly the mining companies, government officials and communities. It also allowed the researcher to examine situations informants would have described during interviews. This

informed the researcher of any necessary adjustments to be made to the data collected through interviews (Kawulich, 2005). Data from the field was reviewed to identify objective versus potentially subjective observations.

However, some limitations of the method were noted, particularly where the local people suspected that the researcher could have been pursuing some opposition party politics in the area. This explains inclusion of local people as research assistants who were resident in the study communities and this worked well. As time passed, the researcher had become an accepted part of communities under study but maintained the objective and critical observer status. He maintained a critical self-reflexivity that allowed him to recognise the way he might influence the data.

Not all events could be observed due to practical realities involved. In this study, one explained his attendances at specific events for observation. As a result of his own activist background, he also managed to attend some of the relevant activities in his capacity as a ZIMCODD or ZCC employee but others as a mere community member (for example, a visitor to his research assistants' homestead where he would spend some days). Other activities were identified specifically as relevant events for the study while others served both functions.

In determining the relevance of the events to observe, various factors were considered. These included availability on the day in question; feasibility of one's attendance and whether the events would attract relevant participants, among others. Furthermore, events were identified for observation through the researcher's networks. Other relevant meetings that were observed include a ZELA Summer School on the Mining Sector (a two weeks intensive course), dialogue meetings at the Embassies of the Netherlands and Australia and stakeholder meetings on mining laws including Parliamentary Public Hearings on the Mines and Minerals Bill. Such events would also be attended by community activists under study. At all these special events, the researcher introduced himself as an academic researcher, as well as a ZIMCODD or ZCC employee. At community meetings, one would be in the company of his resident research assistants. Consent to approach individual potential key interviewees from the events was sought mainly from the event organisers.

It has emerged that researchers are often entrenched within the social circumstance that they are studying, and are regarded as part of the data collection tool as they must use their observational skills, trust with participants, and their capability to extract the correct data (Bhattacharjee, 2012). The researcher's personal insights, knowledge, and experiences of the



social context under study proved to be critical for accurate interpretation of the phenomenon of interest for the research. He, however, worked hard to suppress personal biases and preconceptions so that they would not let such biases influence the ability to present an objective presentation of the phenomenon.

### **2.6.2 Documentary Search**

To counter-balance potentially subjective analysis of community activism, documentary search was used on community activism. The researcher had access to much of the literature produced by ZELA and its partners on the programme in the target areas. A document is an object that has an inscribed text as its main feature (Scott 1990, as cited in Mogalakwe, 2006). It can be argued that the meaning ascribed to a written text is subjective as it depends on who is assigning it and for what purposes. This is particularly true when one is dealing with programme documents like activity and project reports meant for a funding partner. The implementing partner always assigns a meaning to the text in such a way that suits the interest of the funder even though that might not be a true reflection of what is being communicated at that moment.

Texts are used in documentary research as source materials. These include official documents, novels, certificates, newspapers, films and video, paintings, personal photographs and diaries, visual and pictorial sources that can be in form of paper or electronic (Scott, 2006). According to Kridel (n.d.), it takes a variety of meanings, particularly in the field of education. Its potential similarities with archival research make it difficult for one to claim that he or she solely used the former. For the current study, one utilised this method as he felt that critical public and private data was key for understanding the topic at hand. He was privileged to have relatively easy access to most of the critical documents for the study.

Thus, ZELA programme documents, government public policies, public presentations, media reports and mining company documents were reviewed for this study. The mining companies' websites were consulted for official data regarding employment, procurement policies and general mine performance with regards to platinum mining in Zimbabwe. This was readily available. Presentations by government officials during observed events were also useful as they represented government positions on critical matters of discussion relevant for the study.

Published materials such as textbooks and journal articles were also utilised. These documents were examined to understand the vision of the GoZ on mining, the strategies put in place to achieve the broader vision as well as challenges being faced. Academic journal articles allowed

the researcher to place this study within a proper theoretical framework. Newspaper articles and other online materials were also utilised to obtain current developments regarding LCD in other countries as well as efforts being made in Zimbabwe on the same matter. The study further used much data found in libraries. The data was created during the implementation of the various projects particularly by ZELA.

The study further benefited a great deal from photos and videos taken during some relevant events. Documentaries produced by ZELA on AMIs were particularly useful. In such cases, the researcher would use his interpretations of the images to make some conclusions regarding the interaction between communities and mining companies.

Annual company reports were also crucial in informing the study with regards to relevant statistics on employment, procurement, local spending and enterprise development. The general gap noted in the reports was their failure to separate some key information of the local subsidiaries of the company from its global conglomerate. This made it difficult to tell the statistics that related mainly to the company branches operating in Zimbabwe.

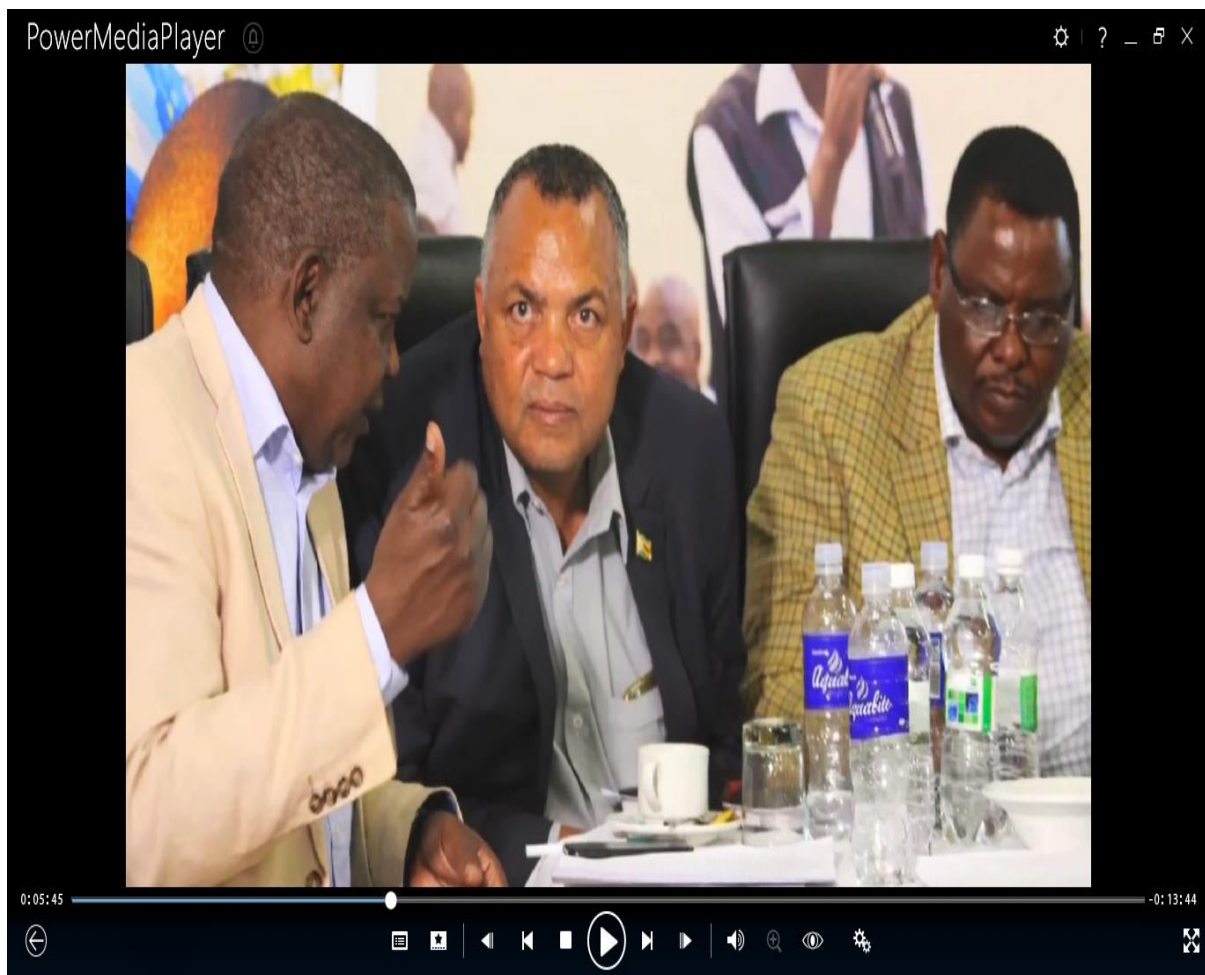
### **2.6.3 Key Informant Interviews**

The various qualitative interviewing approaches in common use emerged from different disciplinary perspectives resulting in a wide variation among interviewing strategies (DiCicco-Bloom and Crabtree, 2006). The key informant interview method allowed the researcher to get much data residing in key stakeholders. It also provided access to the attitudes, motivations, behaviours and demographics of people participating in community-based activism around LCD in the target areas. Key informant interviews were meant to provide detailed data from people, often identified as knowledgeable or experts on mining issues (Elmendorf and Luloff, 2006). Key informants who were interviewed for this study included Program officials at ZELA, company workers (and ex-workers), chiefs from Zvishavane, Shurugwi and Mhondoro-Ngezi, councillors and members of the local communities (CBO leadership), local suppliers, legislators, community members, Chief Executive Officers (CEOs) of targeted local authorities and CEOs of Community Share Ownership Trusts (CSOT), funding CSOs and mining companies' officials (See Annexure A).

Some critical stakeholders were targeted at the AMIs and other selected events. Line ministries' officials who were originally on the interview list were spared as they presented relevant topics during some events observed. These included senior officials in Manicaland and Midlands

Provinces, as well as officials from the Ministries of Mines and that of SMEs. The academia in the field of political economy and development studies in general also presented during the 2016 and 2017 Great Dyke in Zvishavane and Gweru, Manicaland in Mutare and National AMI in Bulawayo (2015, 2016 and 2018). Their papers covered the main issues that the study sought to solicit from that sector. Obviously, the papers were not directly responding to the given research questions for the study but, in most cases, the researcher was left with no further questions to follow up with the presenters. However, in some few cases clarifications were sought beyond the observed event. The following Figure 2.1 below shows some of the key stakeholders who had been originally on the researcher's list of interviewees but became regular participants at some of the observed events.

**Figure 2.1 Some of the Key Stakeholders at the AMIs**



**Source:** ZELA, Alternative Mining Indaba Documentary, 2017

On the figure above, from left is the then Deputy Minister of Mines Development, Freddy Moyo, the Zvishavane-Ngezi legislator, John Holder (also a member of the Parliamentary Portfolio Committee on Mines and Energy and the host Legislator for Mimosa) and David Chapfika (also , a member of the Energy Committee) during the 2016 Zimbabwe AMI in Bulawayo. They were discussing the role of local communities in mining processes. At the same meeting, the Minister presented a paper and the legislators were part of the panel of discussants. Minister Moyo argued that it was the role of the community activists to monitor mining activities in their areas. He further indicated that mining communities should be deliberately included in the mining value chain as suppliers of some key items to the mines and as employees. The legislators' general argument was that there is a need for reforming the country's laws and policies in the sector to ensure that local people have a strong base as they pushed for LCD issues among other mining matters.

The researcher noted that opinion differed with regards to the number of interviews necessary for each study participant. Some researchers may rely on a single interview, while others use many interview contacts (May, 1991, as cited in Knox and Burkard, 2009). It can be argued that single interviews may be enough when access to study participants is difficult or when the topic can be effectively investigated in a single contact (May, 1991, as cited in Knox and Burkard, 2009). It can, however, be argued that while a single interview is cost effective, it may fail to solicit for much information that can be harvested through a multiple interaction. For the current study, most participants were people whom the researcher regularly interacted with during ZELA and community activities. In any case, participant observation filled the potential gap that would be created by single interviews. Otherwise one managed to continuously meet key informants and filled in the potential gaps in the data through ongoing processes.

## **2.7 Data Processing and Analysis**

The process of analysis commenced while the researcher was still collecting data. For instance, the researcher did not wait to analyse the data collected from interviews as the analysis had commenced during interviews. On the part of observed data, analysis would be made immediately after a thorough coding of the data per the major issue or theme observed. Data was processed through classification so that it was amenable to analysis. It was learnt that, indeed, at times data analysis overlap with the process of data collection and this had the advantage of adjusting the data collection process based on emerging themes from data analysis

(Bhattacharjee, 2012). Emerging themes were noted from the interviews, observed events and literature reviewed and these were recorded, and later formed the headings for various sections of the report.

Cross case analysis was done since it was a multi-site case research. In such cases, one looked for similar patterns among different case sites. Such patterns may be used to validate one's initial thinking or to refine it (by way of adding or dropping some concepts and relations). This led to the identification of some key similarities and differences regarding the behaviours of the targeted units of analysis in the three communities. Focus was on the themes as captured in the observational schedule and also reflected through the interview guide. The exercise helped the researcher to identify the major issues that consistently came up from all communities. This subsequently allowed for the presentation of some sub-case studies for specific themes from specific target communities. It also explains why each study community's data presented was dominated by some specific issues that may not have been emerging from others.

Qualitative data is analysed by noting a variety of meanings, by categorising and sorting categories into thematic clusters up to thick descriptions. It was discovered that in some cases, certain themes would emerge regularly more than in others. For instance, the issue of women participation in platinum value chain was more prevalent in Mhondoro-Ngezi than in the other two sites. The issue of CSR linked to CSOT and LCD issues was more prominent in Zvishavane than in the other two places. The researcher would first establish what the key informant respondents and the observed participants had said. This allowed capturing of all the relevant issues from participants. Data was then interpreted through linking it to the study objectives as well as the theoretical framework at hand.

There were instances when data collected through interviews had to be verified through documentary search where one would not be sure about the claims made by an informant. Holyoak (2015) cites Creswell and Miller (2000) as having described how qualitative researchers apply techniques such as triangulation, thick description, peer review, 'member checking' and external audits in order to show the reliability and credibility of their studies. For the current study, one utilised methodological triangulation through the application of interviews, documentary search and participant observation in order to develop a more holistic view of how communities engaged in activism around LCD.

In some cases, the researcher utilised pictures taken from the files to convey the message. For instance, pictures of activists in various settings portrayed activism messages on LCD or CSR.

However, one noted that pictures are open to varied interpretations of the final product although they are generally able to summarise huge volumes of data.

As for the quantitative data, the use of graphs from the relevant company reports assisted in the interpretation of key trends like the local budget over specific years. This also allowed for comparisons between some items in the expenditure. The researcher also managed to tabulate data and this further allowed for clear interpretation of the issues under study.

In summary, four main stages were employed for this process in the current study as follows:

- Having collected the data through the interview questionnaires, observational schedules and documentary search, the researcher took time to organise the data according to themes that emerged. These were mainly guided by the research questions pursued. However, the transcription of the data from the recorded audios or field notes would have been done. This involved classifying or coding of interview or observation transcripts mainly through inferring from the words being examined. In some four cases involving the key community activists, the researcher sought some feedback with regards to the transcribed data to confirm if it had been correctly captured. This was done during ongoing engagement meetings attended by the researcher and this enhanced the credibility of the final data.
- Each text was then divided into segments relegating to the periphery everything that the researcher felt was not relevant to the current study. This led to a separation of units in a process called unitizing (Bhattacharjee, 2012). The data collection process produced huge volumes of data some of which was not relevant to the current study, but one kept that for future use. The relevant themes were plugged from the observational schedule and interview guides.
- The next stage was to describe the data according to how it was responding to the given specific research questions.
- The final stage was to qualitatively analyse the selected themes. This determined themes, relationships, patterns or phrases that occurred most frequently in the contexts and their relationships with each other. This allowed the researcher to note the similarities and differences that manifested themselves from case studies. Some inferences were made leading to some specific conclusions being made. As for the

quantitative data, at this stage, the researcher graphically (or through tabulation) interpreted the data mainly by tracing the trends and patterns emerging.

## **2.8 Ethical and Social Considerations**

Orb *et al.*, (2000) hold that research processes create tension between the study's aims to make generalisations for the good of others, and participants' rights to privacy. However, in the case of qualitative research, the issue of generalisability is not emphasised. Ethics pertain to doing well and avoiding harm where the later can be prevented or reduced through the application of appropriate ethical principles. The protection of human subjects or study participants is therefore central in research.

The researcher seriously considered the potential impact of his or her research on the subjects or objects of study. Harm can be inflicted into the target population or those people who will be indirectly affected either by the research process or its outcome. Therefore, in order to respect this critical research requirement, ethics were adhered to during this study. The research questions were well thought out such that they would not in any way negatively affect the intended respondents. This was done objectively within the theoretical framework to guarantee confidence in the process (Neuman, 2000, as cited in Wushe, 2014).

The issue of ethics is mainly concerned with studies involving human beings as a unit of analysis (Orb *et al.*, 2009). The challenges inherent in qualitative research can be reduced by awareness and utilisation of well-established ethical principles, specifically autonomy, beneficence and justice (Orb *et al.*, 2000). The dignity, rights, health, emotions, feelings, safety and well-being of participants should therefore be the primary consideration in any research study.

The participants were officially informed and a consent letter was signed to formalise the relationship. It clearly stipulated the nature of relationship and expectations from both ends (Annexure C). Yet, consent alone does not pardon the responsibility of researchers to expect and guard against possible injurious consequences for participants (Corti *et al.*, 2000). Individual participants were requested to sign the consent as a field agreement between them and the researcher. This fulfilled the principle of autonomy of individual participants. They exercised their autonomy from both the gatekeepers and the researchers. The researcher translated the consent letter from English to Shona for participants to comprehend it. The target

communities were mainly Shona speakers, but allowance was given for those who might prefer the English version.

Confidentiality and anonymity was guaranteed for participants through the letter in order to fulfil ethical principles of beneficence. The efficacy of anonymity was meant to do good for others and preventing harm. Anonymity of data is a conventional choice used for removing official identifications of study participants without distorting the degree to which the data can be reused in the same study for any necessary adjustments (Corti *et al.*, 2000). The researcher clearly shared with the potential participants how the final product of the study would be published with anonymised names. However, some participants indicated that they had no problems having their names published. Key informants representing public offices were cited by name in the study.

The study targeted mining communities that worked with ZELA, hence obtained formal letters of permission (Annexure D) to access them as well as some data residing in the organisation's libraries. This letter was utilised in all the target areas, although the researcher had been officially accepted during the AMIs.

## **2.9 Researcher Identity**

The question of disclosure of one's identity during research process is another important element of the process. One identified himself as a University of KwaZulu Natal PhD student at all times. In such cases, individual participants would become interested in knowing more about the study to which the researcher would always be prepared to fully share the research work and contacts would be exchanged for further engagements later. Sharing of identity allowed him to receive some unsolicited data from some participants who felt that they could have input into the research.

Nevertheless, some of the events that were attended had no specific gatekeepers to approach for introductions. One would only share his status during contribution to specific debates.

An ethics clearance certificate was obtained from the University of KwaZulu Natal's Humanities and Social Sciences Research Ethics Committee (Annexure E). Feedback to project participants was an ongoing process where one shared some findings during relevant events. Indeed, the preliminary research findings of the study were officially shared at the 2017 Manicaland (Mutare) and the Great Dyke (Gweru) AMIs, as well as at one district meeting (AMI) held in Penhalonga.



The researcher presented the findings and critical feedback received from participants was immediately incorporated. The representatives from the study communities were notified of the nature of the presentations and were requested to validate some of the data at such platforms. Summarising and dissemination of results or outcomes of social justice research is the final opportunity for study participants to offer critical feedback on the study (Fassinger and Morrow, 2013). Lyons *et al.*, (2013, as cited in Fassinger and Morrow,2013), for example, advise that communities should be involved in decisions about the dissemination and application of study results as this will guarantee an effective feedback framework. Feedback sessions further enhanced one's identity in this study

## **2.8. Conclusion**

The chapter has shared the research methods that were employed for this study. The adoption of participant observation complemented by key informant interviews and documentary search allowed the researcher to triangulate his data. A combination of these methods helped to answer the research questions outlined for this study. It was also noted that, while the research is mainly qualitative, it obtained and analysed some critical statistical data which are quantitative elements. The researcher noted that qualitative data analysis is usually an ongoing process where it commences while data is still being collected. The choice of this method and case studies for the study were explained. It was shown that the experiences of the community activists in the target areas illustrate the possibilities and challenges faced by movements attempting to work together to establish an effective social movement against effects of market liberalism. The researcher further shared how he ensured that his research adhered to ethical considerations. The next chapter is a discussion of the theoretical framework that underpins this study.

## **CHAPTER 3: THEORETICAL FRAMEWORK**

### **3.1 Introduction**

In this chapter, one discusses a theoretical framing of the thesis. Its main aim is to shed light on key theoretical arguments as they relate to the current study. The study is generally grounded in Polanyi's (1944) "double movement", thus the chapter discusses the relevance of the theory to the case study. The work of Polanyi is also linked to the discussion on activism discourse. The researcher reviewed Karl Polanyi's work particularly *The Great Transformation* (1944), various materials on social movements and mining issues, and other key themes for the study. The idea was to locate some critical gaps that could be filled by the current study. The researcher discusses the limitations that are likely to be encountered when one attempts to apply the "double movement" theory in the current struggles against the effects of market liberalism as well as activist for participation in the platinum mining value chain in Zimbabwe.

### **3.2 Karl Polanyi and Activisms**

In Polanyian terms, community-based activism on LCD emerged as reaction to the social disruption that was caused by the liberalised economy (1944:136) and, in this study, this was exacerbated by GoZ's failure to support activism with favourable policies and laws (Owsley, 2012). However, one continuously asks the question: "*Is this form of activism properly constituting a genuine social movement?*" The answer is affirmative. In utilising Polanyian theoretical lens in this study, one starts by tracing the historical background of Polanyi himself and his contemporaries. The activism around LCD in Zimbabwe's platinum is then analysed in the context of the effects of global market liberalism which has direct implications on socio-economic being of the concerned mining areas.

The study explores the community activist's demands, strategies, philosophies, capacities, composition, dynamics and opportunities. One concurs with Polanyi (1944) on the argument that it is the whole society that (re)acts to the effects of market liberalism when it becomes necessary. It is asserted in this study that the activism in Mhondoro-Ngezi, Zvishavane and Shurugwi on LCD on platinum mining sector is a contribution to a global movement that is a reaction to the effects of contemporary market liberalism tendencies favouring MNCs.

In this study, one looks at community activism in three target areas alluded to above. Thus, the researcher provides an example of how community activists developed similar organisational structures and means of engagement, yet, in different political, social, economic and cultural

contexts. Maertens (2008, as cited in Owsley 2012) indicates that “double movement” was started in response to the 19<sup>th</sup> century support to the free market economy in Europe and, thus, it cannot be generalised to other periods and contexts. Acknowledging the varying contexts, one argues that the “double movement” is still relevant to the contemporary situation where globalisation allows MNCs to dominate global economic activities.

Polanyi (1944:139) holds that a self-regulating market system is where the state does not control and regulate the economy. Market self-regulation is hinged on the support of the trading classes and uses laissez-faire and free trade as its method (Polanyi, 1944:139). Polanyi (1944) describes this as “a stark utopia” which is not sustainable as it has the potential to annihilate humanity and nature in society (Polanyi, 1944:156). The situation of the 19<sup>th</sup> century was different from other societies where the economy was “embedded” in social institutions (Bugra, 2007:173) to which the world should strive to revive (Polanyi, 1944). However, one holds that neoliberalism in all its forms is still dominating the economic systems of the world and contemporary international mining companies feed on it as the role of the state in controlling the situation is weakened.

Standing (2007:67) argues too that the 19<sup>th</sup> century flow towards “laissez-faire” was as a result of human plans and the same applies to “neoliberalism”. For Polanyi (1944), this situation was not sustainable because it negatively affects humanity (Polanyi, 1944:156). In addition, powerful interests will still try to create such “a stark utopia” (Standing, 2007:67). Standing (2007) appears to be conceding that neoliberalism is manifesting powerful tendencies which are also reacting to any possible counter-movement to it. Market liberalism will eventually attract a counter-movement to it, but that can only happen with success when the state intervenes. In the end, the economy will be re-embedded in society. This discussion seems to suggest that the cycle of countering each other on the part of the two opposing forces will go on in perpetuity, maybe confirming the researcher’s argument that only the intervention of the state can break that cycle.

Born in Budapest, Polanyi (1886 -1964), Polanyi has been described as an activist; economic historian and anthropologist by some scholars but others still regard him as more than just that. Evans (2014:2) describes him as a “great social scientist” whose work is still relevant years after it was produced. His work has been expansively analysed from the standpoint of its position in economic history (Vančura, 2011). In the current study, one concentrates on his thoughts around “double movement”.

It is argued that the local activism in LCD in Zimbabwe is not detached from the global context where the country is caught in between the forces of market liberalism (neoliberalism) supported by the mining companies and the need to protect local social and economic interests of the electorate. “Double movement” can be utilised to counter the fundamental reason of economic liberalism philosophy and to elucidate some opposition to capitalism (Maertens, n.d.). This study holds that the theory is still relevant in Zimbabwe as the mining sector is dependent on international economic developments, for instance, in terms of prices for minerals.

### **3.3 The Great Transformation**

Polanyi’s book entitled, *The Great Transformation: The Political and Economic Origins of Our Time* was written in 1944 but continues to be relevant to this day. Polanyi diagnosed the failures of the free-market capitalism of his time which, in his view, had given rise to the reaction and the war he lived through (Polanyi, 1944; Fraser, 2016). His central point is that laissez-faire is not natural; it is enforced by the state through some protective tariffs and other forms of support to trading classes (Polanyi, 1944:145). He appreciated the economic challenges of the time by considering the narratives that influenced the developments (Watson *et al.*, n.d.). Polanyi (1944:146) discusses the revolutionary developments in England and France between 1785 and 1820 which were dealt with not by administrative means but through the legislative reforms.

Polanyi (1944:136) traces the economic history of mainly the Western society to ascertain the development of the market economy and how it had the potential to destroy society itself if not checked. It should be noted that the emphasis is on the phrase “if not checked”, meaning to say there is room to control it, which one would hold the state can fulfil that expectation. Polanyi’s core argument is that the free market economy was both artificial and highly unhelpful and this has been elaborated by Wall (2010).

Contrary to liberal economists like Adam Smith and Hayek, Polanyi argues that free market is unnatural (Polanyi, 1944:145). In his argument, Polanyi highlights the following as having been the major characteristics of traditional society (Notes on Karl Polanyi: 2011:n.p):

- That the economy was a small element of society;
- The economy was being influenced by the customary, religious and moral rules of society;

- Free market forces were subject to strict social control;
- Sufficiency, subsistence and production for use to meet needs instead of gain and profit were the most important things;
- Society made a serious mistake by allowing the market to become separate and free from social control.

Polanyi (1944:136) discusses the transformation that took place in history leading to the emergence and supposed domination and importance of the market. For him, this was catastrophic because society's critical position needed to be preserved. Yet, this development was met by a counter-movement that checked the influence and expansion of the market in order to protect society (Polanyi, 1944:136). This study also holds that there is a need to "re-embed" the economy into society, that is, to put it under social control with the state in charge. This can be done through enactment of LCD regulations in the mining sector.

In his critique of 19<sup>th</sup> century, Polanyi warns the neoliberal regimes. In this case, he is generally regarded as visionary for anyone who seeks to appreciate the causes of international economic instability in the late 2000s (Dale, 2010). In this study, one argues that community-based activism is one way of challenging the ever-growing globalisation drive that is favourable to market liberalism.

### **3.3.1 Context of The Great Transformation**

Polanyi's ideas developed in Vienna in 1920s in direct counter to the free-market thinking of Ludwig von Mises, the contemporary scholar of market extremism (Somers and Block, 2014). The "Vienna experiment," the post-World War 1 period of democratic, worker-led municipal socialism influenced the two scholars. Polanyi criticised market liberalism in response to economic liberals' thoughts, and advocated for a socialist economy on the basis of 'social and moral superiority' rather than efficiency (Humphreys, 1969: 169, as cited in Larray, n.d.).

Somers and Block (2014) argue that Polanyi saw in the research the very best that collectivism could offer. The concept of collectivism is certainly relevant for the current study where community reaction goes beyond individual efforts. However, the experiment encouraged von Mises' attack of socialism; hence he is seen as a reactionary apologist of the private sector (Somers and Block, 2014). Polanyi's (1944) work is therefore an analysis of the market fundamentalism promoted by his contemporaries. It is critical to understand this context for

this study because any success of a movement or activism is based on the environment in which it is manifesting itself and from which it was founded.

Polanyi reviewed the period from 1944 backwards to the 18th century and saw the disaster of the inter-war period (Kuttner, 2014). He argues that the origins of the challenges of the cited periods can be explained by what he called the Utopian attempt by economic liberalism to establish a self-governing market system (Kuttner, 2014). This is in direct conflict with the views of the likes of John Keynes, who linked the policy errors of the interwar period to Fascism and a second world war (Kuttner, 2014). Polanyi hoped that democratic leaders should learn from their history in order to avoid the repeat of the mistakes of the 19th and early 20th centuries (Kuttner, 2014). Being an economic historian himself, Polanyi was interested in the political economy of the past hence his attempt to connect all the historical events back to the industrial revolution.

Polanyi (1944) insists that there is need to accept the qualitative change that was influenced by the market society where human labour was consequently reduced to a fictional commodity (Hart, 2013). His characterisation of this new social set up as “the market” leaves out some significant elements of the bureaucratic revolution that underpinned a shift to mass production and consumption in the late 19<sup>th</sup> century (Hart, 2013).

### **3.3.2 About Society**

Markets are networks made up of acts of buying and selling, through the medium of money and, for most of history, they were kept trivial to the mainstream institutions on which societies were built (Hann and Hart, 2009). Nevertheless, markets are now accepted as central to society and this has led to a serious social, economic and political debate about the appropriate relationship between the two (Hann and Hart, 2009). The concept of market can be traced back to the work of Adam Smith (1976) in *The Wealth of Nations*. The idea of the economy, also became closely linked to markets, as did the profession of economics which emerged to study them (Hann and Hart, 2009). Polanyi’s work is closely linked to the discussion of the relationship of the two concepts and this study contributes to that in a way. In the current study, society is represented in most instances by “community”. It should however be clarified that while Polanyi refers to society as an entity that is able to act on its own. In this study, the researcher specifies the various players in the mining sector of Zimbabwean society. Specific activists or interest groups are therefore mentioned by name without simply reducing all of them to society as did Polanyi.

Over the years, the classical approach to the economy and market went through some radical changes and further elaborations (Akturk: 2002). The explanations of classical economics by the likes of Adam Smith are good examples, followed by critical analyses by Karl Marx and others. The relationship between the economy and society is however viewed differently by sociologists like Emile Durkheim, neo-classicists like Fredric A. Hayek, and economic historians like Polanyi. The researcher agrees with Polanyi that society (community) has a tendency for it to eventually respond defensively against any threatening impact to it. According to Polanyi, it comes up with counter-measures and is typically an uncoordinated, spontaneous and unrecognised general response from many areas as distinct from authorities or the state (Polanyi, 1944:155). The discussion that dominates this study is also around the position of the communities in the mining business that encompasses employment, procurement and general market issues. However, it cannot be wholly agreed that the reaction is always uncoordinated and spontaneous. To some extent, the argument holds water, but not in all cases. This study sought to confirm this argument by offering examples of coordinated efforts of some organised groups under the banner of CBOs in the three target communities.

The execution of free market provokes a response from society because the “individuating” tendency of neoclassical economics contradicts with human beings’ in born tendency to socialise, associate, mobilise and organise (Akturk, 2002:17). This counters societal bonds and meaning in life, destabilises and alienates the people. Social grouping here is regarded as a prerequisite for production of a meaningful life (Akturk, 2002). The current study argues that community-based activism around LCD is a response to the effects of liberalism in the mining sector that provoked the nature of human beings. It will be further sought to confirm if indeed community activists are guided by the inherent tendency to socialise, associate and organise in a collective manner against effects of economic liberalism.

For Polanyi, society has ability to respond to any liberal forces that fight it, thus, it is not completely helpless. He claims that “the concept of a self -regulating market was utopian, and its progress was stopped by the realistic self-protection of society” (Polanyi, 1944:136). Polanyi’s continued reference to society as an entity with the capacity to react to the market liberalism is one area that needs to be interrogated. Society can never be a blanket entity that encompasses every group of people with the capacity to individually act. Polanyi appeared to be satisfied with a society as an entity capable of existing with sensitive parts to the global developments. The researcher revisits this discussion later in the study.

The state, while it is tempted to protect the capitalist interests of the mining companies which are detrimental to the social and environmental being of the people, is the only actor that the activists are looking up to for support in their efforts. The effectiveness of society's actions is dependent on the strength of the regulatory framework. Without the state, the cycle will go on as the capitalists will regroup to fight society.

Polanyi claims that free market liberalism threatens the social lives of citizens and the natural substance of the people (Akturk, 2000). He further argues that man always aims to safeguard his social possessions. The study will seek to understand the feeling of the target communities with regards local natural resources. Human passions are directed towards more than just non-economic ends as claimed by Polanyi. It is possible that community activists may also demand social, economic and environmental justice too from the mining companies and these are beyond non-economic ends. Thus, to argue that human beings' inherent tendency is either social or economic, is to miss the point. In this study, one attempts to check both Polanyi's extremism towards man's social tendencies and neo-classicists' economic extremism.

Polanyi was gambling on the "protective movement" formed to counter liberalism, for the preservation of the social interests (Sparsam, 2004). He limits the people's interest to social, yet, even economic and environmental interests need protection. While employment expectations are social, they are also economic just like the local procurement and enterprises development. The contribution of this study, in this case, is the argument that the market liberalism drive threatens not only social, but economic and environmental lives of society (the community).

Polanyi views Adam Smith as wrong in his economic thinking, particularly his basic assumption that humans have a natural powerful tendency to "truck, barter and exchange", that is, to behave according to market principles (Notes on Karl Polanyi, 2011). Conventional economic theory is informed by this Smithian tradition which Polanyi dismisses as wrong. For Polanyi, social solidarity is as important for economic democracy as the interaction of states and markets. Hart (2013) notes that "solidarity economy", "plural economy" and "human economy" overlap considerably and converge in Polanyi's work.

Polanyi developed a distinguishing approach to relative analysis that stressed the substantive "institutedness" and social embeddedness of economies (Jessop, 2014). Polanyi criticised the 'economistic fallacy' where all economic activities are viewed as officially rational and economising and the properties and dynamics of non-capitalist economies are thereby



assimilated to those of market economies (Jessop, 2014). Jessop (2014:n.p) further quotes Polanyi as having indicated that, instead of the economy being embedded in social relations, the vice versa is the truth.

The issue of political will to craft favourable policies and laws comes to the fore. Bugra (2012) argues in the same manner that there is need for deliberate policy and legislative interventions (what Bugra calls interventionism) to prepare society. The disembedding of the economy from society is thus a political process too (Bugra, 2012). Bugra (2007:175) therefore sought to address the “what, then, are the limits and political implications of the contemporary attempts to make the market economy compatible with human society?”

Hayek (Akturk, 2002) also contributes to the debate with regards to society and economy and holds that an individual is the most important element. Due to this assertion, Hayek has been characterised as an individualist. Furthermore, he insists that an individual is the building block for society as the latter is made up of individuals. The question of individual against collective action is central in the current study on activism.

Conceptually, Hayek argues that economic action and market constitute the sphere of economic activity, are “ahistorical, an end in themselves, and independent of social norms” (Akturk, 2002:18). This is in direct contrast with how Polanyi views economic developments. The latter attaches value to history in his assessment of the “present”. In this study, much reference is made to neoliberalism as the mining companies are enjoying the benefits of the global economic set-up at the expense of local mining communities. However, the study also notes the historical political economy of Zimbabwe which has direct implications to the current situation. One does not subscribe to the Hayekian neoclassical economics that advocates for an economic action which is not attached to social formations. Society is key in the relationship and happens to be the potential victim in any bad economic decision.

The neoclassical theorists hold that three principles are key in their thinking. These principles are the market, the individual maximisation principle and a system of preferences. For them, society is a total of individual people, drawn together to a market through the individual maximisation principle, thus a “society” is a market (Akturk, 2002). Neoclassical advocates emphasise liberalism on individual freedoms against the arbitrary power of the social authority, that is, the state. In this study, the state’s intervention should create an enabling policy and legislative framework and come as a saviour, not as a threat presented by neoclassical theorists.

The state should come in to save the local mining communities and the environment from the destruction caused by unregulated actions of mining companies in the platinum sector.

In another related study, Steiner (2007) considers Polanyi's work in terms of its relationship to history and anthropology. The two disciplines were important for Polanyi in his endeavour to understand the role and the place of the economy. Steiner (2007) draws a parallel with the Durkheimian approach where the author further argues that both the Durkheimians and Polanyi used similar intellectual tools of a historical comparative approach and then an anthropological one (Steiner, 2007).

In *The Great Transformation*, Polanyi worked mainly with historical material (Steiner (2007), which gave an account of European development since the conclusion of the wars of Napoleon to the interwar period. He explains that 19<sup>th</sup> century European societies rested on four institutions, namely equilibrium between nations; the gold standard; the market system; and the liberal state. The market system appeared to be of the utmost importance compared to the other three. Emphasis on the market system led to the distinction between "embedded" and "disembedded" economies. However, Polanyi's major emphasis was on the notion of the "double movement".

Polanyi's approach shares some structural similarities with that developed by Durkheim and the Durkheimians in their economic sociology. Durkheim's books, *La division du travail social* (1893) and *Le suicide* (1897) address contemporary issues that include the nature of the modern form of social solidarity, so-called organic or contractual solidarity, and its limits (Steiner, 2007). Durkheim's approach was built on a dichotomy (mechanical or organic solidarity). He compared society to an organism with different elements which functioned to ensure smooth and orderly evolution and operation of society (Durkheim, 1933).

Contrary to the idea of an arbitrary and contractual society, as alluded to by neoclassical theorists, Durkheim posits an organic society that existed *a priori* (Akturk, 2000:23). This means that individuals are born into an established and embedded society. The most important characteristic of Durkheim's thinking is his argument that a human being has an inherent tendency to socialise, associate and organise, and this keeps man in society (Akturk, 2000). Durkheim argues that occupational or professional groupings formed by people in a specific sector represent the interests of those people and will not be concerned with power dynamics but instead the fostering of societal needs (<http://uregina.ca/~gingrich/250j1503.htm>).

The current study complements such thinking where mobilisation plays a critical role for activists at community level. For any activism to be successful, there is a need for an effective mobilisation of community members as well as other stakeholders to support the idea. The association of local activists with national CSOs also confirms Durkheim's argument that socialisation is critical in human life. Yet, generally, Durkheim views society as something with a structure and life of its own apart from individuals in it (Durkheim, 1933).

On the part of the economy, Durkheim holds that it is a branch of social structure which is in contrast to Hayek's thought that regards the market as a sphere of economic activity, independent and self-regulating with own laws which cannot be changed but which it then imposes on the social sphere. It can be noted that Durkheim portrays an economic activity as dependent on history. This dimension looks like Polanyi's argument that history matters in an analysis of the current situation. For Durkheim, an economic function is not an end in itself, but only a means to an end, which is another conflict with Hayek who believes otherwise (Akturk, 2000).

### **3.3.3 The Contested Role of the State**

For Polanyi, government (or state) action in an economy is not "interference". He does not imagine an economy without a government. Polanyi argues that even the advent of a free market was state driven. The state opened and kept open the market thereby controlling it through interventionism (Polanyi, 1944:146). All the economic inputs (land, labour, and money) are created and sustained through state action (Somers and Block, 2014). The employment system, buying and selling of commodities and supply of money and credit are socially constructed and sustained through the exercise of government's coercive power (Somers and Block, 2014). However, from one's perspective, government should not always coerce other economic actors. It would be preferable to craft an effective legislation or policy framework for the mining sector to fulfil the aspirations of the local communities. Polanyi might have been referring to legal coercion, that is, enforcement of enacted laws.

Polanyi's discussion on the role of the state allows his audience to think seriously about the position of pure politics in the whole debate of market economies as he maintains that the state centrally organised economies (Polanyi, 1994:146). It needs to be noted that Polanyi is not saying markets are bad per se. His argument, rather, is that regulations are always necessary to create markets (Somers and Block, 2014). This confirms Polanyi's argument that indeed the market should always be imbedded in society. Somers and Block (2014) argue that in such a

situation, there is no need to debate about the importance of regulating the market, but, rather what *kinds* of regulations should be crafted. It is at this stage that the discussion on the priorities of the policies and legislations, that is, whether to favour wealth and capital, or those that benefit the public and common good comes to the fore (Somers and Block, 2014). In the same vein, Polanyi is calling for the state to regulate the policies and laws that govern the employees. The state itself might not be able to fully play the role it is expected to because of its remoteness, according to Durkheim (1933), hence occupational or professional groupings can fill that gap on behalf of the former.

Polanyi defends representative democratic governance and the related political rights. Nevertheless, he believes that ways to expand democracy through political rights is not enough without an equal basis in socio-economic rights (Somers and Block, 2014). He embraced democratic politics as an end in itself and, as a precondition for regulating the economy (Kuttner, 2014). In this study, the issue of social and economic rights is critical as they are the basis of the activism under study. These issues are enshrined in Zimbabwe's Constitution (Chapter 4). This provides a starting point for the activists to assess their impact. However, the existence of a democratic constitution like that of Zimbabwe is inadequate if it is not supported by specific legal Acts and policies. This highlights the need for government to make the Constitution a living document by enacting relevant laws and policies which are clear to the concerned actors. Politics is thus critical in explaining the success of any social movement. There is also a need for political decisions by government to be community-centred for them to find acceptance in a social struggle for better life supported by the country's natural resources.

Polanyi views politics and administration as components of *the social*, which also encompass CSOs, social relations, and cultural practices. He thus can be labelled as a theorist of the "primacy of the social" (Somers and Block, 2014). This is somewhat confirmed by Fraser (2012) who argues that the modern crisis was multidimensional, including the economy, finance, ecology, society and politics. Polanyi's realisation of the importance of civil society is commendable because community-based activism can only be successful with government and civil society support. The latter is important as the watchdog of any existing policy and legislation on mining. Civil society is also important as it can financially support activists, build their advocacy capacity, amplify their cause at global level through its networks, as well as

assist in the production of knowledge through the research and training sessions offered to activists.

For Polanyi (1944), all existing social formations involve complex ties among people based on a variety of norms and traditions and, as Fraser (2016) quotes Iber and Konczal (n.d.), “the economy is ‘embedded’ in society, it is part of social relations and not apart from them.” Polanyi concludes that the state and the market economy is one object of human invention which he refers to as “the market society”. This differentiates him from Keynes and Hayek (Watson *et al.*, n.d.). For Polanyi, philosophy which supports either market (neo-liberalism) or state (state socialism) as the solution to global economic problems is likely to be simplistic (Watson *et al.*, n.d.).

### **3.3.4 ‘Counter-movement’ is Still Relevant**

The most important contribution of Polanyi to the neo-classicists Durkheimian position debate is his conceptualisation of the “double movement” as an instrument of struggle between the movements aimed at creating a free market and society’s refusal of the classical and neo-classical economic project (Akturk, 2000:28). Polanyi calls the rejection of the classical and neoclassical project a countermovement. His first analysis of the “double movement” is the interaction of two antithetical organising principles, the “principle of economic liberalism” and the “principle of social protection” (Evans, 2014: 2). According to Evans (2014), this does not depend on the prediction of a great transformation for its theoretical value but remains a powerful and analytical lens for examining the tensions of market society. Cited in Akturk (2000:28), he argues that the market expands continuously. However, it is met by a countermovement which checks that expansion. The countermovement was meant to protect society.

In this case Polanyi (1944) appears to be siding with Durkheim’s position regarding human being’s tendency. Indeed, this is confirmation that community activism discussed in this study is based on man’s tendency to “socialise and organise” against the economic activities of the mining companies. The countermovement involved the mobilisation of communities against the mining companies and the socialisation and association with national CSOs and local CBOs that enhanced the activists’ capacity.

For Polanyi, the confusion and poverty caused by marketisation lead to resistance which contains the market through political and institutional change (Wall, 2010). It is argued in this

study that this is always possible, particularly where the government or state has folded its hands while the mining companies plunder the country's resources without the local communities benefiting from or participating in the mining value chain. The communities ought to help themselves by challenging the system. The only powerful force to determine the achievements of any anti-market driven outcome is a strong policy and legislative framework supported by the state. The push for free market reforms is initiated and supported by a variety of groups in society and the same applies to the countermovements that Polanyi argues, necessarily and spontaneously mobilise against it. The pillar of his analysis is what he calls an "active society" that acts to counter the market. Community activism around LCD can thus be the countermovement against the free market tendencies shown by the platinum mining companies. However, Polanyi does not go further to explain what society really represents. One can say that Polanyi should have explained the exact categories of people who were involved although it can be inferred that he could have been talking about the working class.

Wall (2010) cites Gareth Dale (2010) who suggests that there are numerous examples of countermovements. One is the International Monetary Fund (IMF) and the other the "Washington Consensus" bodies attempting to open up economies by reducing state expenditure, suppression of trade unions and shifting tax burdens on to the poorest. Wall (2010) also suggests that the resistance in Bolivia to water privatisation and the riots in Caracas in 1989, known as *El Caracazo*, are good examples of countermovements that led to the emergence of social movements and governments dedicated to challenging capitalism (Wall,2010). The 1998 food riots led by the Zimbabwe Congress of Trade Unions (ZCTU) in Zimbabwe can also be cited as countermovements to the social effects of ESAP adopted by the GoZ in the 1990s.

Fraser (2013) extends Polanyi's framework of social forces by adding a third force to marketisation and social protection which she calls "emancipation". As a result, she introduced a concept she calls "triple movement".

Polanyi believed that the working class needed to be mobilised in a robust democracy so as to deal with neoliberalism (Kuttner, 2014). In such cases, Polanyi appears to be recognising the importance of workers as discussed by Karl Marx. The community activists' major weapon should be the ability to mobilise community members who include traditional leaders, local authorities and legislatures around the issue of LCD. However, mobilisation can only be possible in a democracy where freedom of association is acceptable. Mobilisation involves

bringing stakeholders together by any means available. In the case of Zimbabwe, while the national constitution is democratic in nature as it allows citizens to exercise their rights, there still exist some draconian laws that make mobilisation difficult. An example is the Public Order and Security Act (POSA). Otherwise, one agrees with Polanyi that without an effective mobilisation strategy at whatever level, countermovement may not succeed. Mobilisation at community level attracts regional and global solidarity.

However, Polanyi-Levitt and Seccareccia (2016) hold that neoliberalism is more difficult to break through a countermovement compared to its predecessor. The current study argues that community activism can still contribute to the global movements that challenge neoliberalism. The case studies are used to assess the utility and limitations of Polanyi's theory.

### **3.3.5 Intellectual Battle of the “Karls”: Marx and Polanyi**

Maertens (n.d.) argues that Polanyi offers a specific macro-level historical explanation of the 19th century capitalism which resonates with Marx's (Marxists') accounts, but which is not itself based on any theory. He further argues that it cannot be linked with the micro-level conception of human agency which is the basis of Polanyi's own explanation of the second aspect of the double movement. Maertens (n.d.), holds that Polanyi's explanation of the double movement is incomplete. Quoted in Maertens (n.d.:131), Baum (1996) shows that Polanyi “holds that the conflict between the self-regulating market and civil society is a *permanent* characteristic of capitalist countries. He also maintains that the self-regulating market and democracy are in the long run irreconcilable”. Polanyi seems to be also narrow in his thinking that production is not as important as distribution. In a mining situation, the demands of employees are as critical as those of the whole community that hosts the mine (Notes on Karl Polanyi, 2011). In this study, efforts are made to understand the platinum value chain while the pertinent issues regarding production and distribution are identified for future research initiatives.

Polanyi suggests that the exercise of state power essentially shapes the relative strength of different social players. He thus broadened his analytic lens to include struggles over state regulation, over the provision of public commodities, and over international flows of labour, goods, and money (Block, 2008). The “double movement” is about the politics of market societies with democratic governance, where adherents of both free market and the protective countermovement are able to express their position in the political arena (Block, 2008). Polanyi's analysis of societal response to markets manifests at all levels. This is against

Antonio Gramsci's analysis that centres on the national level (Gramsci, 1971:448). For Polanyi, active societies that counter the effects of the market include trade unions and cooperatives among other movements. Together with Gramsci, Polanyi contributed to sociological Marxism, and both do so from rejection of classical Marxism (Burawoy, 2003:221). An application of the "double movement theory" is relevant to explain the emergence and effectiveness of community activism in a contribution to the global challenge to capitalism and market liberalism.

Marx had a strong focus on indigenous economics (Wall, 2010), yet Polanyi does not seem to be expressing much interest in the indigenous economies. This could have given the audience much more room to understand his relationship with Marx. Marx and Engels wrote about the "withering away of the state," so market liberals imagine a society in which the dominion of politics would reduce radically.

Polanyi, like Marx, became a critic of capitalism. The latter predicted its collapse from internal contradictions, but he was probably proved wrong (Kuttner, 2014). Polanyi is also characterised as more humanistic and less materialistic like Marx, hence, according to Hart (2013), it is in Polanyi's work where the word "human" comes up frequently in the context of economy.

Polanyi suggests an alternative to what he sees as the property-centric analysis of Marxism. Ownership of the means of production is the basic defining feature of a mode of production in the Marxist framework. While Marx (1967) views any change as a result of the efforts by workers, Polanyi argues that periods of prosperity and rising living standards were a direct result of democratic gains in politics and civil society. Marxists assumed the state would be laid off after the workers' revolution. Libertarians saw the state as intrusive in the genus of the market (Kuttner, 2014). In the current study, it is difficult to engage this debate beyond the crafting of relevant policies and legislations by the state. However, it can still be argued that the state will still be key in the enforcement of the same policies and laws hence it remains a major factor in the economic and social lives of the communities.

Polanyi prioritises the social in his analysis, but this does not mean he would disagree with Marx on the cause of social destruction due to the emergence of capitalism. Marx (1967) focuses on the economy, whereas Polanyi says that the economy is relatively unimportant; what matters is society; it is primarily about relationships, codes, traditions, morality, reciprocity, gift, loyalty, debt, gratitude, redistribution... not primarily about trading (Notes on Karl



Polanyi, 2011). Marx is not primarily interested in sociology; he is mainly concerned with the ownership of the means of production and what happens when capitalists own them (Notes on Karl Polanyi, 2011). One would agree with Polanyi in this case where he stresses the many social factors which influence, and are affected by economic activity, including social relations, traditions, morality and religion. In the case of community activism at local level, the activists may demand some social, economic and environmental justice that are intertwined and whose fulfilment can be realised if the local communities' members participate in the mining value chain. To focus on either the economy or social matters at the expense of the other is thus too narrow on the part of the two "Karls".

Polanyi does not emphasise class issues sufficiently. His historical analysis does give attention to the way the dominant classes got their way and forced the rest into appalling conditions. Closer analysis suggests he does not seem to dwell on this, or call for class revolt, whereas Marx treated this issue as central in his account (Notes on Karl Polanyi, 2011). Indeed, one would have appreciated if Polanyi had considered that the workers are critical in influencing economic decision. In the mining sector, employees are a critical component of community activism. There are issues of working and living conditions which can help in the mobilisation of community members against the mining companies' employment policies in general. There are also some trickle-down effects of mining that have a direct impact on mine workers and the community at large.

Watson *et al.*, (n.d.) characterise Polanyi as less radical as they argue that for him, the road to the free market only remained open because of state interventionism. However, Clark (2014: 61) argues that Polanyi is regarded variously as a radical socialist, social democrat and even liberal but within the political economic field.

Polanyi's academic and professional background must have affected his thinking. He manifests a variety of characteristics that makes him a candidate for quite a number of academic fields. He manifests some anthropologist's elements when he "makes some very interesting observations about the nature of modern economic life to show that self-regulating markets are far from being the only form of economic life that's possible" (Watson *et al.* (n.d). However, his belief in history also shaped his thinking as he views his contemporary situation as having been influenced by decisions that had been made over years. Furthermore, Watson *et al.* (n.d.) regard him as a political activist and they feel that it is this character that influenced most of his writings in *The Great Transformation*.

As a summary of the Polanyian perspective, this study locates the role and place of his thought in the struggle for LCD in Zimbabwe. The study utilises the concept of “double movement” to explain the logic of free-market principles as they apply to the mining sector. It is also used to explain popular advocacy for LCD manifesting itself within the mining communities. Local community (society in Polanyi’s language) is regarded in this study as a reaction to the international market system’s effects that allow international companies such as Zimplats, Unki and Mimosa, to access markets in host countries without being sensitive to the needs of the local industries. Polanyi’s thinking assists in answering most of the research questions of this study. However, the study examines the usefulness as well as the limitations of the “double movement” theory in explaining the activism discussed. The utility of the chosen theory can be enhanced through an appreciation of the relationship between LCD and the CSR issues as discussed below.

### **3.4 Conceptualising the Study**

Jabareen (2009) defines conceptual framework as a network, or “a plane,” of interlinked concepts that together provide a comprehensive understanding of a phenomenon. In this study, the researcher argues that the global developments in the mining sector are not detached from local social movements with regards to LCD and CSR issues. The study thusly attempts to probe the relationships that exist between LCD, CSR and community activism in the mining sector in Zimbabwe. One also probes the role of policy and legislative framework in this relationship. The study also roles discusses stakeholders that are involved, that is, the mining companies, communities and government. From a broader perspective, the following variables were chosen to guide the study:

- Stakeholders (critical factors) in the mining sector, that is, platinum mining companies, government (central and sub-national), mining communities (made up of different players, i.e., traditional leaders, activists, CBOs etc.);
- Intermediary factors which include the context, policy and legislative frameworks, activism, engagement processes; and
- Outcomes which include the various outcomes like policy and legislative enactments as well as the implementation of the same.

The operationalisation of these factors in the study led to the development of a framework that links LCD, CSR and community activism in the mining sector and is elaborated diagrammatically in the last chapter of this study.

### **3.5. Role of Academics in Community Activism**

Leading scholars about community activism and LCD, include Flood, Puigmal, Oliver and Rothman, Garvey and Newell. They note that academics have important contributions to make in community activism. According to Flood *et al.* (2013), academics can be involved in different issues of development such as climate change, environmental and gender, among others. Other academics are also engaged in researches that inform or support activism around specific concerns for specific groups. Flood *et al.*, (2013) propose possible reactions to the numerous pressures on activist academic work, with particular interest on the problems faced by early career academics.

Puigmal (2015) focuses on the historical and cultural development of concepts that describe environmental changes and degradation and how academics have contributed to that dialogue. The issue of power relating to information development regarding the environment was at the centre stage of the author's story. One takes note of Puigmal's (2015) observation that knowledge can be constructed or utilised by lay people, practitioners, non-state actors or local groups to expose the bad things done by some power holders. The role of experts particularly from national and international non-state actors and think tanks is therefore critical in shaping activism around specific issues in a community. In this study, the role of ZELA is discussed with regards to the development and growth of community activism on LCD in the study areas. The role played by individual academics is also captured in the study particularly with regards to their contributions during engagement meetings.

### **3.6. Grassroots Effort as Global Movements**

Grassroots actions around the world have led to the mobilisation of millions of people against the commoditisation of land, labour, and money that has been central to the project of "free market" globalization (Block, 2016:n.p.). The story of the anti-dam movement in southern Brazil indicates how particular local mobilisations can be linked to economics, politics, and social movements at all levels of society (Oliver and Rothman, 1999). Community-based activism on an issue can thus gain regional and global solidarity through the existing networks and alliances. Activism around LCD and CSR in Zimbabwe's mining sector can be understood

within a global movement. The concept of countermovement can also be assessed at grassroots or global levels. This study sought to contribute towards this concept.

### **3.7. Community Engagement in the Contract Negotiation**

Realising that the international investors and the governments do not involve host communities in contract negotiations and other related issues, Odumosu-Ayanu (2014) presents a contract frame that officially incorporates a wider group of players in investment arrangements. The author calls this a multi-stakeholder investment contract framework which brings together the critical actors of investors, government and host communities. These happen to be the key stakeholders for the current study too. These are the stakeholders that have the capacity to make LCD regulations work or fail depending on their commitment to the process. Odumosu-Ayanu (2014) justifies the focus of the framework on three actors in that the host government has the legislative and regulatory power to direct economic, legal and political environment where the private sector operates. The investors on their part own capital and technical expertise to implement mining projects in the host country. Furthermore, the private sector will always be in contact with local communities. Odumosu-Ayanu (2014) further indicates that local communities bear both the negative and positive effects of any project implemented. As a result, a mutually beneficial arrangement should be considered during contract negotiation. Of particular importance to the current study is the issue of an all-inclusive approach which is also emphasised in the proposed model for this study.

### **3.5 Emergence of Market Liberalism**

Polanyi's "double movement" theory can explain the developing countries' reaction to market liberalism as also argued by Arrighi and Silver (2003); Burawoy (2003); Evans (2008); Harvey (2005); Livien (2007); Watts (2000), as cited in Livien and Paret (2012). Livien and Paret (2012) hold that Polanyi's work has not yet attempted to quantify the *extent and contours* of discontent with neoliberal reforms. In terms of their approach, there is a need to examine whether or not social movements do represent the opinion of the general population with regards to market liberalism in a given set up. This is critical if one has to generalise the effectiveness of the social movements.

The 1990s witnessed the increase in FDI which came in various forms that include investment in mining. The "transnationalisation" of resource removal facilitates the direct interaction of local communities with the international mining companies. The developing countries were

encouraged by market and foreign investment-led philosophies, to liberalise their mining and investment laws as well as their tax systems to allow MNCs to participate in their mineral economies (Garvey and Newell, 2005). Zimbabwe is one country that has been criticised by the CSOs, including CBOs, for offering many unnecessary tax incentives to the mining companies at the detriment of host communities.

Garvey and Newell (2005) highlight that, parallel to this was a move away from the regulatory and protectionist role of the government that had characterised strategies to social and environmental control of international companies throughout the 1970s and 1980s, towards a more relaxed, voluntary, and commercial self-regulation. The free market system to business regulation facilitates a growing power of MNCs to threaten democratic governance in the world of which this study attempts to show.

Harvey (1989, as cited in Horowitz, 2005) holds that the international dimension is increasingly becoming relevant to local struggles where, capitalism's worldwide reach works to suppress local grassroots efforts. By utilising the double movement theory of Polanyi, the current study argues that indeed, community-based activism around LCD issues are not detached from the world movement against market liberalism. The MNCs find it easier to evade rules, while neoliberal trade policies set by international institutions such as the WTO and the IMF, as well as international treaties such as the North American Free Trade Agreement (NAFTA), make it difficult for governments to decline commodities produced and marketed internationally (Horowitz, 2011).

In a liberal or neoliberal economy, there is an establishment of "free labour" towards whom a company has no other commitment than to pay a market wage. This necessitates the establishment of a capitalistic and competitive *labour market* (Polanyi-Levitt and Seccareccia, 2016). Therefore, there will be no obligation for an MNC to procure its goods and labour services from host communities since there will be no law or policy to regulate the process. By its very nature, a mining project is capital intensive and when it employs, it does so by targeting skilled labourers who may be located anywhere in the world as per the dictates of liberal economies at the time. Yet, the sector often raises a lot of high expectations among the local community members in terms of employment creation, among other benefits to local communities. Once the expectations are not fulfilled, there will be disappointment among community members leading to some social conflicts between them and the private sector player hence the "double movement" of Polanyi.

Another element of market liberalism is *free trading* of commodities which means imposing and extending the measures of a “de-regulated” commodity market on a world scale (Polanyi and Seccareccia, 2016). This further reinforces the impact on the labour market via the outsourcing of jobs. It leads to unhindered flows of goods and capital, which had also existed in the 19<sup>th</sup> century now coupled with international agreements, which seek to protect international business ventures and present many privileges to the companies involved (Polanyi-Levitt and Seccareccia, 2016). Mining projects involve procurement of equipment and services and often free trade agreements put the weaker suppliers at a disadvantage due to the uncontrolled competition. My study examines the capacities of local suppliers in the platinum sector in Zimbabwe and the various efforts made to address them.

Hegel (1821), as cited in Hart (2013), holds that states alone can control the disparity built-in the capitalist development. The markets could in turn limit too much concentrations of political power. Indeed, the current form of capitalism and liberalism manifest such competing interests particularly between the MNCs and local mining communities. However, the state is caught in between the struggle as it has to balance between local communities’ and the capitalists’ interests. In some cases, the government can even lose any pending elections if it fails to properly balance the equation.

According to Polanyi-Levitt and Seccareccia (2016), frequent attacks on the Polanyian “double movement” led to the emergence of neo-liberalism. This is usually linked to the augment of the noticeable impact of the alleged “pro-market” modest state in quest of the removal of all remnants of the post war Keynesian welfare state which emerged from the social struggles (Polanyi-Levitt and Seccareccia, 2016). It is vital to note that the market liberalism that Polanyi and others discussed has re-emerged in another form under a different context hence there is need to discuss neo-liberalism in this study.

### **3.5.1 The Impact of Market Liberalism**

Polanyi (1944) argues that an unregulated economy has the potential to annihilate human and environmental life. It is not sustainable, hence needs to be brought back under the social controls that traditionally served society. Polanyi’s sensitivity to the environment is critical for this study as mining projects often lead to the destruction of nature.

In *The Great Transformation*, Polanyi (1944) argues that markets are one way of management of an economy, among many other options. For Polanyi, markets are entrenched in society, and

they should be controlled as free market results in social disorder. Thus, there is no need to split the market from the state (Wall, 2010).

Polanyi (1944) traces the appearance of liberal society and the philosophy of economic liberalism. These are two historical accounts which are interconnected but analytically different (Weintraub, 2011). Wall (2010) shows that scholars like Naomi Klein (n.d) are motivated by Polanyi's insight that shows that free market is determined by often oppressive government action.

While this study argues for an enhanced state role in the economy, it does not advocate for a repressive state that weakens community activism itself through draconian laws like the POSA in Zimbabwe that regulates the public's freedom of association. Rather, the state's regulatory role should be targeted at the mining companies, to control their employment, procurement and local enterprise development policies with regards to platinum mining.

The section has shown that neoliberal reforms led the business ventures of international firms in new mining businesses in Zimbabwe, and at the same time dismantling regulatory measures meant to protect labour, environmental and human rights (Kirsch, 2007:305). The current study in a way also examines the activism that emerged to challenge the effect of market liberalisation and efforts to participate in market controlled mining value chain.

### **3.6 Community-Based Activism**

In this section, one shares the conceptual meanings of “community-based activism” on the two separate concepts of “community” and “activism”. The section also discusses the dynamics that are involved in community activism. A community has often been associated with “local”, yet the globalisation phenomenon has also contributed to the distortion of the concept itself. International mining companies, for instance, which are one of the major subjects for this study, now have the opportunity to invest in any part of the world sometimes meeting with some resistance from the local people on a number of issues including LCD but also at times enjoying the “protection” from the host government.

Academic literature on activism is abundant; yet this study can still contribute to the appreciation of community-based activism on LCD in the platinum mining sector in Zimbabwe. Activism is concerned with various actions meant to influence change in the world. This can be led by individuals but is often done collectively through social movements. It

means that the level of activism at any given time has the potential to influence change far more than the geographical location of the activist involved.

Kirsch (2007), investigates the risks caused to local politics by approaches of what he calls counter-globalisation which can be regarded as the local efforts by community activists to challenge the tenets of market liberalism. Many present-day local actions deploy strategies of counter-globalization that utilise the design of globalisation in challenging the “logic embedded in the new global order” (Castells 1997:96). “Globalisation from below” (Brecher *et al.*, 2000; Falk 1993) or “grassroots globalisation” (Appadurai, 2000 in Kirsch, 2007) are also the terms that have been applied to the process. These social movements link the local and the global campaigns and initiatives. Counter-globalisation works through multinational networks that financially support new players (Keck and Sikkink, 1998) by allowing them to leap frog politics that have stalemated at the local level (Kirsch, 2007).

Activism can take numerous forms in various economic, political and social arenas. It can take the format of direct action undertaking civil defiance, campaigning, and engagement meetings and demonstrations. The current study considers most of these forms. It argues that there is activism that is occurring globally and around many issues but which is influenced by local efforts.

The study locates the community-based activism on LCD in the platinum mining sector within the broad subject of social activism which is a deliberate action aimed at influencing social change. If one feels about a given cause and works to influence change, the person becomes an activist. The study can therefore be regarded as an activist study meant to contribute to the cause of the community-based activists in Mhondoro-Ngezi, Shurugwi and Zvishavane.

Knowledge production in social and civil movements leads to the reduction of asymmetries in power relations in sharpening the aims of activists and advocacy organisations and networks, in influencing policy formation at various institutional levels, and in developing a trustworthy public voice (van Baar, 2013). Many factors have a bearing on the growth of knowledge in social movements and these include the professionalisation of activism and its embedding in relatively stable and secure funding structures (van Baar2013). van Baar (2013) further warns that the:

...professionalisation through trainings organised by ‘external experts’ and the funding by donors with their own agendas are often understood as means that make movement actors ambiguously dependent on structures in which they can mainly reproduce prevailing forms of knowledge (van Baar,2013:192).



This is an important observation by van Baar (2013) because, in most cases, the community-based activists have no financial and professional capacities in their endeavour to change their social, economic and political lives. As a result, they receive solicited (and sometimes unsolicited) support from well-funded national and international CSOs. While such support is necessary in most cases, the agenda of activists is either diluted or diverted. The sponsoring organisations train communities in terms of mobilisation, engagement and general advocacy strategies on a specific issue of concern. In the process, knowledge is gained which sustains the movement beyond the current issue.

Teo and Loosemore (2011) wrote about the collective action and movement continuity with reference to the activism against construction projects. For a movement to realise its aims, it should be well supported structurally to guarantee continuity. This study draws some insights from their work in this regard in order to appreciate the structural base of the local activism around LCD.

Block (2016) asserts that contemporary movements face challenges like evolving from struggle to construction of actual substitute to market extremism. This follows the international financial crisis of 2008. It means that academics ought to develop alternatives that have the capability to deal with new challenges like environmental disasters, economic crisis and increasing political conflicts (Block, 2016). In this study one contributes to the amplification of community activism that will assist in the building of global movements around the said new challenges as they are linked to the mining sector.

Block (2016) further argues that the socialist ideas elaborated in the 20<sup>th</sup> century do not link well with the aspirations of local people to gain better control over the conditions of their daily lives. This is a critical point because community activism should ultimately influence global movements. The issues elaborated in any socialist movement should resonate well with the activists at all levels, particularly with the nature of socio-economic life aimed for by the communities. Block (2016) commends Polanyi for offering what he calls a “powerful critique of fictitious commodities; and ideas about socialism that could be extremely helpful in constructing a model of 21<sup>st</sup> century socialism”.

Socialism, according to Polanyi (1944), was not going to be automatic, preordained or inevitable but required an organised socialist movement that would be able to create institutions of popular democracy through which people could learn how society works and become empowered citizens (Block, 2016). Community activists, for instance, really need capacity

building which takes time (as it is incremental) before they are effective in their advocacy efforts.

Dialogue is also critical as it increases trust among key stakeholders. According to Rousseau and others (1998), as cited in Davenport *et al.*, (2007:354), trust is best defined as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviours of another”. However, the only challenge is that the government has often been tempted to side with the mining companies which are financially strong enough to be able to dictate the decisions at the expense of activists.

Incrementalism means that community activists do not have to make decisions in a rushed manner to break the challenges of the existing system. They ought to continuously evaluate and reflect on their efforts and adjust accordingly (Block, 2016). In this case, Block (2016) does not agree with Marxist revolutionary tradition which had built impracticable expectations about socialism’s capacity to change human existence overnight and was bound to raise later disappointment. The question of evaluation is critical in any project but it can only be effective if there are relevant policy and legal frameworks in place to benchmark progress. The regulations should have clear measurable indicators for them to be easily monitored.

The discussions show that activism can be realised at various levels. Block (2016: n.p.) summaries the importance of the multi-level movements by saying that:

....this vision of multi-level contestation fits with the idea of incremental experimentation at the national level. The process of improving the global level rules will inevitably involve victories and defeats, since the barriers to movements effectively coordinating across international lines are formidable and movements also have to contend with the complexities of power politics among major nations. Nevertheless, the idea is that, over time, these democratic movements from below will develop greater capacity as people around the world come to recognize that their own futures are highly dependent on what happens at the global level.

This section assesses the characteristics of community-based activism which is useful in provision of theoretical tools used in the analysis of the activists’ advocacy around LCD. It includes their guiding philosophies, the actors themselves, demands, strategies and tactics and their targets (Coban, 2004). The heterogeneity of communities as “non-bounded” groups with incompatible interests and imbued with relationships of power has implications for effectiveness of community-based strategies (Garvey and Newell, 2005).

Responses to mining companies' impacts have attracted the attention of non-state players. Some non-governmental organisations (NGOs) are formally recognized, run by employed staff, well-supported and funded, and often relatively large (Horowitz, 2011). CBOs, in contrast, are locally-based, 'smaller, often membership-based, operating without a paid staff but often reliant upon national organisation's support, which tend to be issue-based and therefore ephemeral' (Horowitz, 2011). Strategic alliances with NGOs, which possess their own political agendas and constituencies, may result in significant compromises for grassroots movements.

Odysseos (2004) discusses the connection between the "local" and the "global" civil society. In the end, these individual activists collectively make up the institution of civil society and CBOs. Once that happens, the power dynamics change, and the same is true about the capacity to interact at national and global levels. Odysseos (2004) notes that grassroots activism basically emerges out of local issues and concerns, and then attempts to create working alliances with globally active movements and organisations which cohere with its sentiment and understandings of politics.

Critical scholars hold that 'global civil society' colonises local activism by imposing its own foreign concepts and world views onto local concerns and self-understandings (Odysseos, 2004). Polarisation fashioned by these two views about the relationship between the local and the global is, in fact, counter-productive for properly theorising their relations, and for studying concrete cases (Odysseos, 2004). In this study, one discusses the interaction that takes places mainly between the CBOs and the CSOs in terms of formations, registrations and capacity building of the former with the latter being the initiator. Nevertheless, the knowledge generated at community level is ultimately amplified by the national organisations thereby capturing the interest of global civil society.

Some resistance is centred on economic concerns. The capitalist tendencies of the MNCs promote, corporations' accumulation of wealth by both 'dispossession' (privatisation and exportation of resources and profits) and 'exploitation' (under compensation of labour and unwillingness to share profits) (Horowitz, 2011). This often provokes local activism where the locals may demand 'distributive justice, more equitable distribution of the benefits deriving from the exploitation of their natural resources' (Horowitz, 2011). Where the states have failed to protect their citizens from the impacts of MNCs, social movements have often arisen in response. Other community members may defend the same firms targeted by their peers.

Normally, those community members who would have benefited from employment are likely to defend the interest of the private sector at the expense of their colleagues who would be working against the firms.

### **3.6.1 State-Related Factors in Promotion of Activism**

Garvey and Newell (2005) show some factors related to the state that is critical for effectiveness of community-based approaches for corporate accountability. State policies and legal frameworks protect and promote the comparative rights and responsibilities of firms and communities. The factors given by Garvey and Newell (2005:393) are:

- the nature of the government – mining company relationship where the former is not confrontational in its approach to the private sector;
- the nature of the government –community relationship - in which the government provides the environment conducive to the activists to exercise their rights to association, demonstration, protest among others;
- government exposure to pressures from international groups whereby the government will be committed to fulfilling some commitments made at international institutions;
- the availability of critical data and transparency - in this case, the relevant information will be accessible to the activists for use in their activism and
- the legal framework, its enforcement and accessibility - in which the activists will have points of reference for their actions.

It can be seen that the government's political will to influence LCD in any given sector can be seen through the nature of policy and laws in place. The government's regulatory role is critical as a facilitative factor for the community-based activism to realise its objectives which include trickle down effects of mining to host communities.

### **3.6.2 Corporate-Related Factors**

In the same vein, Garvey and Newell (2005: 396-398) also offer company-related factors. They cite the following as the key factors:

- The economic influence of mining firms can be utilised for countering any action that local activists may take against them. Substantial amounts of resources can thus be invested to improve the firm's public relations;
- The companies also threaten to relocate;

- Experts can also be used by the private players to deny any accountability claims by the local people. Some scientific researchers can be done to counter any claims made.
- In some cases, mining companies consult and negotiate with the communities at a very early stage of the project.

In this study, the research attempts to understand and appreciate the engagement strategies and their impact on the fulfilment of community expectations with regard to LCD.

### **3.6.3 Community Factors**

Scott (1985), as cited in Garvey and Newell (2005) asserts that, beyond micro approaches of resistance, or ‘weapons of the weak’, other work draws attention to the significance well-organised civil society to broader strategies of corporate accountability. However, Garvey and Newell (2005) hold that lack of adequate resources, political marginalisation from decision-making processes, and dependence upon the companies inhibit communities’ capability to hold companies accountable. They argue that:

..... (a) community ‘powerlessness’ on a number of levels; (b) the diversity of community livelihood options; (c) intra-community dynamics; and (d) the nature of the relationship between communities and ‘external’ actors who claim to represent them, affect both the responsiveness of companies to community strategies and the representation of communities in spaces for citizen participation and in campaigns themselves (Garvey and Newell, 2005:399).

Koka and Prescott (2002) write about strategic alliances as social capital. The idea is to try and appreciate the networks that exist among and between communities in response to the actions of the mining companies. Understanding the nature of Polanyi’s “double movement”, in this case, is important because it allows for the explanation of performance differences among firms (Koka and Prescott 2002). Communities often seek to intensify their authority through establishing alliances with other players and movements that may be in a better position to put forth pressure over a mining company (Garvey and Newell, 2005). Such relationships have a bearing on the achievements of any given activism.

Communities have also sought to reduce their dependency on mining companies through construction of alternative livelihoods. In Forest County, Wisconsin, for example, an alliance among Native American groups from three local reservations generated alternative employment by becoming “one of the biggest employers” in the area (Garvey and Newell, 2005). This led to reduction in demand for mining jobs from the wider community, who had originally been potential supporters of the mining development (Garvey and Newell, 2005).

Alternative survival strategies by communities are examined with particular focus on the platinum value chain. However, whatever, communities do as “alternative” livelihoods, as that fits within the platinum value chain, then it ceases to be an “alternative” as it will remain dependent on the same mineral value chain. It will still be a fulfilment of the LCD requirement, especially the enterprise development component. Nevertheless, the double movement theory can still explain that reaction by local communities.

### **3.7 Conclusion**

This chapter reviewed literature on the “double movement” theory as postulated by Polanyi. While previous studies have discussed Polanyi with reference to his coverage of the 19<sup>th</sup> century events, the study applies the scholar’s theory to assess its usefulness and limitations focusing on community activism on LCD in the platinum mining communities in contemporary Zimbabwe. As the literature shows, local activism is not detached from the global struggles against effects of market liberalism. In the process, one asserts that the “double movement” theory is still applicable to the current social and economic situation that continues to be dominated by market liberalism notwithstanding the limitations that the theory may have. The researcher’s contributions to the theory include providing empirical evidence drawn from Zimbabwe’s platinum mining communities. Being the major theory used in this study, the “double movement” has situated this work within the critical theoretical framework. The gaps that were noted in the previous work on the subject matter are listed in Annexure F. The next chapter presents local content development (LCD) relevant to this study.

## **CHAPTER 4: LOCAL CONTENT DEVELOPMENT (LCD)**

### **4.1 Introduction**

This chapter discusses the concept of LCD with particular focus on employment creation and enterprise development within the value chain analysis. It builds on the previous chapter with regards to relevant literature to the current study. The meaning of LCD is discussed as well as the major debates that are engaged by the various scholars on the concept. The chapter elaborates on the various arguments for LCD and how resource rich countries have begun to consider this as a means of ensuring that local communities benefit. A clear understanding of the concept of LCD and the rationale for its adoption will be critical in assessing efforts of the mining companies and community activists in influencing it in the platinum sector in Zimbabwe.

### **4.2 Value Chain Analysis**

While most of the study questions will be addressed through an application of Polanyi's double movement theory, Porter's (1985) value chain analysis will complement that through contributing to the question on the participation of local communities in mining value chain. It was discovered that most of the literature on value chain analysis is in the form of grey data produced by professional institutions.

The value chain is a logical approach to an investigation of the development of competitive advantage. The approach was formed by Porter in the book *Competitive Advantage* (1980 and 1985). The chain consists of a series of actions that produce and construct value. They end up in the total value delivered by an organization (Antoniou, Levitt and Schreihans, n.d.). This allows one to appreciate the local communities' participation in the platinum value chain. The idea of a value chain depicts how customer value accumulates along a chain of activities that lead to an end product or service. The institution is split into 'primary activities' and 'support activities'. Fundamentally, this was a way of looking at the value added by both direct and indirect departments (Antoniou, Levitt and Schreihans, n.d.).

This study noted different critical stages common in all value chain analyses. These are primary and supporting activities that, when carried out at the most favourable levels, will produce value for their customers. The primary activities focus on converting inputs into outputs and delivering the output to the customer (Zucchi, 2014; University of Cambridge, n.d.). The support activities play an auxiliary service to the primary activities. When an institution is

efficient in combining these activities to deliver a superior product or service, then the customer is keen to pay more for the product than the cost to make and deliver the product which results in a higher profit margin.

Porter describes the value chain as the internal processes a company perform “to design, produce, market, deliver and support its product” (Institute of Management Accountants, 1996). He further states that “a firm’s value chain and the way it performs individual activities are a reflection of its history, its strategy, its approach to implementing its strategy, and the underlying economics of the activities themselves.” (Institute of Management Accountants, 1996). As suggested by Porter, platinum mining involves both primary and support activities. It is therefore important to understand the potential contribution of local communities in this value chain and how the mining companies have considered this in their mining policies.

In this study, the researcher evaluates the partnerships entered between the respective mining firms and local entrepreneurs. Focus is on the gender dimension of participation. It is argued that, while traditionally mining has predominantly been a male dominated sector (as mine workers); women have also entered the field as workers and business partners. The most important contribution of the study in this regard is an examination of the capacity of local entrepreneurs in participating effectively in the platinum value chain. An examination of the LCD and value chain analysis suggests that there was no resistance to mining by the community activists but rather a struggle for participation. Furthermore, the study also attempts to assess the effectiveness of the partnerships between mining companies and local suppliers.

There is much academic and practical discussion about the strategic advantage of outsourcing (Antoniou, Levitt and Schreihans, n.d.). However, the value chain analysis has not been utilised for understanding the platinum value chain with the participation of local entrepreneurs in Zimbabwe. This study thus strove to appreciate if the platinum mining companies strategized with the local communities in mind, and the reaction of the locals. It sought to establish the extent to which local communities were members of a platinum value system. It further sought to establish the benefits accruing to local communities in terms of cooperation with mining companies for improvements in their work. Vorster (2001) emphasises that in a mining value chain, the outbound and marketing functions are not seen to have the same importance as would be the case in a manufacturing enterprise.

Roberts *et al.*, (2014) examine the impact of marketing science articles and tools on the practice of marketing which may be direct or indirect. They noted that, (1) the impact perceived to be



largest on decisions such as the management of brands, pricing, new products, product portfolios, and customer/market selection, and (2) tools such as segmentation, survey-based choice models, marketing mix models, and pre-test market models have the largest impact on marketing decisions.

An analysis of the role of local entrepreneurs in the value chain assisted one to understand the levels of contribution they make to the chain. It also clearly showed the points where the contributions of locals were profound. Policy and legislative recommendations were informed by this analysis. The review of local entrepreneurs' activities through the value chain analysis assisted local communities to package their advocacy demands well for LCD since this is partly an action research.

### **4.3 Local Content Development**

Local content measures were first introduced in the North Sea in the early 1970s and ranged from restrictions on imports to direct state intervention in the oil sector. The aim of the measures evolved over time from creation of *backward links* to creation of *forward links* (Tordo *et al.*, 2013). The participation of local people in platinum value chain was examined focusing on employment and procurement while reference was also made to the general enterprise development. One particularly focused on the platinum sector in Zimbabwe, to demonstrate the applicability of the concept of LCD.

Grossman (1981) provided the first academic work in the field of local content, and is also considered to have written "one of the original formal models on 'local content protection schemes'. Grossman investigated the resource reallocation effected by content protection and content preference schemes under alternative assumptions regarding the definition of domestic content, the number of intermediate goods, and the market structure of the domestic intermediate goods industry (Grossman, 1981). Such literature was critical for this study as it acted as the point of departure for academic understanding of the LCD concept. It informed the assessment of the outcomes that may result from content protection and content preference in the Zimbabwe's platinum mining sector.

This study offers an assessment of the consequences of social movements at a community level. Policies, institutional, cultural, short and long-term, and intended and unintended outcomes, are among the types of consequences the social struggles may bring to the fore (Giugni *et al.*, 1999). Giugni *et al.*, (1999) compare political outcomes of several contemporary movements

specifically, women's, peace, ecology, and extreme-rights movements in different countries. The researcher focused on the outcomes of activism within the platinum mining communities of Zimbabwe and the influence that this has had (and still does) on policy formulation and academic research. Based on the previous work on LCD, the current study developed a model that links LCD, CSR and community activism.

There has been a lot of discussion around the meaning of LCD within the academic and development work circles. Writing on the adoption of local content policy in oil rich countries, Adedeji *et al.* (2016) argue that the dominant perspective on the regulatory role of local content policy is a mechanism through which benefits of a country's resources could be increased for the local people. Ramdoo (2012) uses the phrase "local content requirements". In the current study, "LCD" has been adopted, although "local content requirements" is in some specific cases used.

According to Ramdoo (2012), in resource-rich developing countries, there is a rising tendency to use "local content requirements" (LCD in my language) as a motivation to combine the utilisation of locally extracted raw materials with domestically available factors of production to produce more value in the economy. This is expected to address common key problems of:

- (i) the over-reliance on natural resources in terms of their contributions to national wealth and revenue;
- (ii) the paradox of plenty against the high prevalence of poverty and inequality in a context of an abundance of country's resource riches (Karl 1997, as cited in Ramdoo, 2012);
- (iii) to deal with social and political risks rising from expectations of local communities more equitable distribution of wealth; and
- (iv) the need to create more employment opportunities, given that mining is a capital intensive sector (Ramdoo, 2012).

There is generally little disagreement over the rationale for promotion of local content. However, there is no agreed definition of what "local" covers, nor is there consensus on what "content" should be (Ramdoo, 2012). Khama (2012) indicates that the argument that local content policies are the missing link in the right of resources rich countries to exploit greater value from resource development projects is not in dispute. This makes it necessary to unpack

the concept in this study. An understanding of the concept by an individual country, mining company or community is likely to influence the nature and scope of the policy and laws to be crafted around LCD or the demands by the communities.

Writing about LCD, Savaourey *et al.*, (n.d.), emphasise the phrase local content “provisions” instead of “development”. It is said that local content provisions should be inserted into host countries’ legal framework. If successful, such a policy or law leads to employment creation, boost the domestic private sector, technology and skills transfer and building of a competitive local workforce (Savaourey *et al.*, n.d.). However, local content objectives are sometimes not fulfilled thus the opportunities not captured and utilised. In this case, the community activists were strategically located to provide that much needed monitoring service as they were also direct beneficiaries of the policies that could produce positive results.

Savaourey *et al.*, (n.d.) identify the key laws, regulatory measures, contracts, policy and frameworks dealing with local content issues in the mining and petroleum sectors and this informed my study on possible legislative and policy framework with regards to Zimbabwe’s platinum sector. For a mining contract to be effective, Savaourey *et al.*, (n.d.) assert that it needs to capture quantitative and qualitative measurable indicators on LCD.

Moyo and Mabhena (2014) investigated approaches of harnessing mineral resources for community development and poverty reduction in mining areas focusing on Gwanda in southern Zimbabwe. They argue that despite plentiful mineral resources, the majority of Zimbabwean local mining communities have limited access to the benefits of their resources. They give a strong proposition on how the IEE Act of 2008 can be used as a vehicle for development based on extraction of mineral resources.

The Bill and Melinda Gates Foundation and the Africa Development Bank Group (2015) also acknowledge the potential constraints that can be faced by countries in implementing LCD projects. They, however, first appreciate the potential benefits of LCD even to the extractive companies themselves (Kayizzi-Mugerwa *et al.*, 2015 V1).

Nwapi (2016) examined policy perspectives and available options for East African countries to consider for maximising the potential gains of the local content policies. The article contributes to the explanation of the concept of local content but mainly focuses on policy matters hence the usage of the phrase “local content policies”. The article further explains the definitions, advantages and disadvantages of local content policies.

Nwapi (2016:4) argues that local content policies can be used to correct when “market failures” emerges “when there is a distortion that keeps the market from allocating resources efficiently and adjusting to a steady state” with the result that “domestic industries cannot gain the necessary technology and capacity to compete on the open market without outside intervention and protection.”. There is sometimes lack of local skills to fulfil the expectations of mining companies hence the need to support the acquisition of such critical skills by locals. Of special interest for the current study is the argument that local content policies can assist local firms in developing countries “integrate themselves into global economic networks” (Nwapi, 2016:4). This is confirmed by studies which note that in the 1990s, both local “productivity-enhancing entrepreneurship” and government support to local development assisted East Asian firms to achieve important positions in global economic networks (Nwapi, 2016:4). In the current study, the researcher argues that indeed, local activism on LCD is aimed at influencing the global market system by promotion of protectionist frameworks.

One of the most often cited argument against local content policies is their potential incompatibility with international trade measures applicable to members of the WTO. These include Trade-Related Investment Measures (TRIMS), the General Agreement on Tariff and Trade (GATT), and the Agreement on Subsidies and Countervailing Measures (ASCM), all of which oblige member countries to treat one another as they would their own nationals. Members should adopt and abide by the obligations of TRIMs. The contradiction raises important questions about developed countries’ compliance with the principle of comparative advantage. The multilateral trading system is mainly based on the concept of economic efficiency. Zimbabwe is one of many developing countries that have comparative advantages with regards mineral resources. The abundance of minerals has not yet been translated into poverty reduction and development as they are exported to developed countries in their raw form with little or no value addition done. This challenge was examined in this study in order to recommend for ways that could lead to competitive advantage for the country’s resources.

The study also compliments Magelah’s (2014) work that looks at local content focusing on Uganda’s legal and policy regimes. The policy brief was meant to review the legal and policy regimes on local content in that country highlighting the gaps in the existing frameworks in order to recommend the necessary reforms. Magelah’s (2014) brief also draws lessons on local content regulation from other countries. In the same brief, discussions are also made regarding the relationship between local content and citizen participation including capacity building of

local suppliers among other things. The current study is virtually akin to that of Magelah (2014) in terms of the objectives of the research. However, the area of focus is different as this one focused on Zimbabwe's platinum value chain in particular.

Ramdoo (2012) notes the tendency by developing countries to place emphasis on the need to derive more benefits from their resource wealth through a series of reforms undertaken to capture more benefits from the mining sector. The reforms include industrial policies to foster better sourcing of local content and employment creation, fiscal reforms, and partnerships between local enterprises and large firms. Ramdoo (2012) focuses on local content in the oil, gas, and mining sectors, especially the policies put in place to foster its use, and how this fits into the international trade and investment frameworks.

Nelson and Agrawal (2008) investigated community-based natural resources management reform agenda in sub-Saharan Africa. They discussed if the agenda represents patronage or participation. Community-based natural resource management (CBNRM) was adopted in the region as a framework to combine rural development and conservation efforts. The rationale was the need for sustainable management of natural resources where local communities are able to benefit from natural resources (Nelson and Agrawal, 2008). Community activism around LCD can be understood in the same context where resource-rich communities can derive benefits from their natural resources.

Kuntze and Moerenhout (2013) analyse conditions that lead to the economic viability of local content needs. They explore some real-world local content requirement schemes in terms of innovation, value production, trade-distorting impacts and the efficiency of allocation of resources (Kuntze and Moerenhout 2013). They further assess the utility, legality of LCD and potential usefulness in renewable energy policy. It can be noted that Kuntze and Moerenhout (2013) adopt "local content requirement" where the current study uses "LCD" but the meaning remains the same.

FARO Grupo (2015) also contributes to the topic on LCD documenting the experiences of many African and Latin American countries with LCD. The paper established that experiences on LCD from both regions are dotted and outcomes are not well documented. The paper was meant to contribute to the debate for policy making on whether local content is the best policy option for developing countries (FARO Grupo, 2015). Local content frameworks were mapped in Latin America and Africa and analysis of possible outcomes made. Useful knowledge on local content was produced from which the current study also tapped into the potential legal

and policy framework to be adopted by Zimbabwe. The paper highlights that a standard case for many issues in the mining sector and local content is Norway which established a local content policy that led it to become globally competitive by developing its industrial sector and workforce. Annexure G offers several LCD types that can be adopted by an individual country.

Warner (2011) questions whether LCD promotes protectionism or competitiveness of local industries by applying a critical test to determine which local content systems are likely to be protectionist. The current study engaged this question in an attempt to measure the impact of the social movement around LCD in Zimbabwe. The study thus complements the ongoing debate on whether LCD regulations are meant to promote protectionism or are meant to perpetuate inefficient and uncompetitive national industries.

### **4.3. “Local Content” versus “Local Content Development”**

Another discussion in the literature focused on the two concepts of “local content” and “local content development”. The two have to be treated differently when crafting relevant policies (Tordo *et al.*, 2013). The authors argue that states rely on setting unrealistic targets for LCD combined with margins of local preference as principal mechanisms for developing national sectoral capacities (Tordo *et al.*, 2013). Policy makers need to consider ways of regulating LCD in the sector, instead of “local content” level (Tordo *et al.*, 2013). They argue for a policy that addresses the drive for enhancement of competitiveness, capacities, and sustainable local skills and supplies as opposed to simply influencing an increased share of LCD in total expenditure without consideration to its competitiveness and sustainability (Tordo *et al.*, 2013). They warn that there is a need to carefully design, policies to avoid running the risk of embracing practices that are unproductive, costly, and of poor quality due to lack of competition. The current study adopted the use of LCD without necessarily separating the two concepts. The two concepts were therefore used interchangeably in specific sections.

#### **4.3.1 Procurement in LCD Debate**

One factor that has been used to define LCD but linked to the regulatory framework is the issue of procurement by the MNCs. The regulatory mechanisms which can be policies or laws in the host country focus on a specific aspect of the mining sector. Okpe (2015) identifies five major components that the framework can focus on within the extractive sector. Since Okpe (2015) was focusing on the oil and gas industry, the following components were identified: in-country

fabrication, oil concession, purchasing of services and domestic inputs as well as local people participation. These are the areas which any policy on LCD should address.

Okpe (2015) gives an example of Brazil where the national local content policy introduced through local content legislation focuses on oil concession through domestic capacity building and enhanced opportunities for domiciled Brazilian entrepreneurs in the oil and gas business. The national LCD policy objectives in Trinidad and Tobago, Kazakhstan, Indonesia and Nigeria target procurement of local commodities and participation by indigenous people and localisation of gas and oil operations (Okpe, 2015).

Procurement issues become one of the major areas of focus in the local content literature. Policies and laws are crafted to regulate procurement of mine materials and services. Warner (2010:1) cites Emmett and Crocker (2008) who define procurement as an activity that ensures the availability of equipment, materials and services at the *right price, right time, in the right quality, right quantity* and from the *right place*. It requires strategies for an organisation to achieve procurement at any given time in order to fulfil the five criteria given in the definition above. It means that a lot of trade-offs are involved of procuring for an organisation. In trying to fulfil LCD issues, a company can compromise on quality even where a local supplier would have met the demand on time. The price that may be deemed “right” by the company may, in actual fact, be not “right” to the local supplier who may feel that he or she has realised a loss in a specific transaction.

Literature on LCD confirms that, in defining local content, one has to consider the issue of procurement of essential services and materials for the mining companies. It was noted that the mining sector is showing a growing interest in promoting opportunities for local enterprises to participate in mining value chain (Esteves *et al.*, 2010). This has seen mining companies adopting policies, strategies and standards specifically aimed at increasing local procurement as well as entering into business partnerships with local entrepreneurs. Esteves *et al.* (2010), further indicate that leading firms recognise that participation by local players is a major factor for gaining social license from host communities. The current study thus, sought to confirm if this was true with the target mining companies.

Writing about Nigeria’s LCD issues in the oil industry, Adedeji *et al.*, (2016) indicate that the adoption of local content regulations is seen as an economic plan to increase the participation of local entrepreneurs in the supply chain of the extractive sector. This improves backward linkage development where local procurement ensures supply of material and service inputs

into the value chain. In the process, more employment is created for the local people. Local value production is therefore regarded as one of the most critical inputs from the extractive sector to the development of the country's economy.

#### **4.3.2 Defining a Local Supplier**

The debate on local content has also been hinged on the definition of a “local supplier”. The various legal and policy frameworks reviewed defined a local supplier from different angles. In their definition of local content requirements, Kuntze and Moerenhout (2013) have also contributed to the explanation of who a local supplier is. For them, local content measures are policy interventions that require foreign or domestic investors to procure certain stipulated percentages of intermediate materials from local manufacturers or producers. The local producers (suppliers) can be either domestic companies or localised foreign-owned businesses (Kuntze and Moerenhout, 2013). The policy framework established defines the performance target that can be enacted by the host state or by a sub-national authority on behalf of the government. The aim is to influence the gradual and long-term increase in local procurement efforts. The local supplier can be one based in the host country but with foreign links or can be a citizen.

Mlambo (2016) emphasises that there is a need to clearly define who a local supplier is when a country decides to regulate local content. He further advocates for a definition based on level of local content. Local procurement manifests where there is an existence of upstream linkages which are basically production linkages or supply linkages (Piffaretti, 2013, as cited in Mlambo, 2016). Four types of mining suppliers are identified in terms of local ownership and local value addition (Mlambo, 2016:55). These are:

- a) Foreign importer: the supplier is said to be a foreigner, not a citizen of the host country. The supplier brings the materials into the country with minimal or no value added to them.
- b) Locally based foreign supplier who is a foreigner but whose supplies are produced in the host country with high local value addition which can be as high as 100%.
- c) Local supplier who is a local producer and is a citizen of the host country with local value addition as well as ownership being very high.



- d) Local importer who is a citizen of the host country and imports his materials or services and then supplies the mining company. Local ownership is very high but very low or no local value addition.

For greater impact in terms of promotion of local procurement drive in the mining sector, the author argues that concentration should be on the locally based foreign supplier and local provider as this enhances more linkages within the domestic economy. If the government allows more imports, local players will not be able to withstand the competition.

The literature on LCD has defined a local supplier as one who performs services or supplying material goods to a foreign company whether as a sub-contractor or otherwise. The supplier will therefore be dealing with materials or services mined or grown or produced in the host country. This can be through manufacturing, processing or assembly or services provided by a local contractor or supplier. The current study considers Mlambo's (2016) b) to d) categories as the most appropriate if a host country is to fully support the LCD programmes.

#### **4.4 A Case for LDC**

Gbegi and Ademisi (2013) hold that enterprise achievements is determined by the capability of firms to increase local talent, construct a local supply competitiveness base, and deliver sustainable socio-economic benefits to the host communities more than before. It is now a necessity and not a choice for the MNCs to embark on LCD programmes. The programmes represent the most strategic input a firm can make to gain social acceptance from the local people (Gbegi and Ademisi, 2013). It calls for effective strategies to be adopted by the companies and the host governments in consultation with local communities if LCD programmes are to unlock mutual benefit for all stakeholders. Focus should be on the companies' main competencies and supporting long term economic development prospects for local players and this guarantees sustainability of the mining projects.

Discussing local content matters within the oil and gas context, Tordo *et al.* (2013) also engage the debate on whether there is really any case for LCD or not from both a theoretical and practical perspective.

Ado (2013) asserts that there are many factors that are considered by policy-makers for the adoption of LCD. DiCaprio and Gallagher (2006), as cited in Ado (2013), indicate that the core focus of the LCD is to deal with policy and market challenges that are specific to less developed countries which are mainly as a result of underdeveloped human resources as well as capital

market capabilities (Stiglitz, 1989, as cited in Ado 2013). As a result, local industries cannot favourably compete without government support (DiCaprio and Gallagher, 2006, as cited in Ado 2013). The performance requirements are adopted to promoting local capacity and value addition through enhancement of domestic industrial base, employment creation, linkage promotion, efficiency in production as well as skills and technological transfer (UNCTAD, 2003; DiCaprio and Gallagher, 2006, as cited in Ado 2013). In addressing the market failures highlighted above, interventions can be the adoption of ‘selective’ and ‘horizontal’ interventions. By horizontal intervention, countries subsidise the interventions such as research and development, training and skills development in their infant industries (Ado, 2013:139).

The theory of the “resource curse” in Africa dominated the literature on the mining sector. The argument has been that the continent’s resources have not benefited Africans for development purposes. Instead, it led to many wars within the countries and among communities. In tracing the origins of local content debate, Okpe (2015:6) holds that the premise of the local content policy in particular can be traced to the need to relegate the prescriptions of the theories of “resource curse and paradox of the plenty.” The two theories hold that, over-dependence on natural resources makes developing countries to be underdeveloped in relative terms (Okpe, 2015). Yet, other scholars hold that the economic wealth from natural resources can enhance social-political development. Okpe (2015) notes that analysis of the academic base of the local content policy led to the metamorphosis of a “development policy” to address the gaps raised with regards to natural resources management by developing countries. It can be thus argued that LCD initiatives are partly meant to address the long-held theory of resource curse in developing countries.

Chikuvadze (2015) argues that there is a need for establishing a commercial value to LCD such as the following:

- Reliable supply and cost efficiencies through local procurement;
- Social acceptance to operate and enhanced relationships among stakeholders;
- Bigger value of local investment resources; and
- Strategic linkages with all stakeholders

This section has proved that local content discussions have indeed become strategic considerations in investment and project management in many emerging economies across the

globe (Warner, 2010). It has provided the arguments for and against LCD programmes that should be considered by a host country. The arguments for LCD are more compelling than their counter arguments as communities will eventually benefit from such initiatives. Of interest are the linkages that exist between CSR and LCD programmes of mining companies

#### **4.4.1 Competitive-Protectionism Debate**

The host governments formulating economic policies have a major challenge. They need to attract FDI in order to meet the developmental demands that require revenue. In this case, they are made to craft policies and laws that promote “easy of doing business”. However, at the same time the government is expected to meet the aspirations of its people through developing mining frameworks that protect the latter’s human and environmental rights. In a way, the government has the choice either to please the investors and get the much-needed revenue, but at the expense of the people or to protect the interests of the electorate and remain in political power but losing potential foreign investments.

It is therefore important to engage the debate on whether local content initiatives promote protectionism at the expense of competitiveness or not. The major question is whether the government’s interventions through LCD lead to more skilled and competitive domestic suppliers or not. Some scholars may feel that LCD is meant to perpetuate inefficient and uncompetitive national industries (Warner, 2011). There is an international principle of competitive pricing, quality and delivery that has either to be fulfilled or temporarily suspended if the government decides on LCD programmes.

Warner (2011) engages this discussion and indicates that three arguments are put forward to justify why the above principle might be temporarily suspended in emerging markets. The rationale put forward considers infancy of industry argument, market power argument, and social impact compensation. The social impact compensation argument confirms the linkages that LCD has with CSR programmes as indicated above. Furthermore, the WTO rules hold that governments will subsequently have to go back to the principle of competitive procurement. Competitiveness is the capability of a domestic supplier to fully meet the demands of a customer in an international market. On its part, protectionism *means* actions taken by a host country to restrain trade among countries. The actions can be in the form of tariffs on imports, or restrictive import quotas and regulations designed to discourage imports (Warner, 2011). LCD actually falls within the context of protectionism while competitiveness is promoted by the WTO and other international institutions.

Local content requires that local communities get employment in the platinum mining sector. In circumstances where there are no skills available, the capacity to develop them should be considered (Odon, 2015). The linkages between LCD and CSR should be clearly appreciated by activists. The following section discusses the concept of CSR and this further informs the subsequent LCD-CSR-Activism model developed in this study.

There is no agreed definition for CSR (Kercher, 2007) but the study has already adopted a working definition. The literature shows that CSR promotes a vision of private sector accountability to its different stakeholders outside its shareholders. The private sector addresses key issues like environmental protection, social and the economic wellbeing of employees, the community and civil society in general. Some of the factors that motivate the private sector to embark on CSR programmes include the shrinking government's role, the call for greater disclosure, rising customer interest, increasing investor pressure, existence of competitive labour markets, and the need to strengthen supplier relations. However, in the Zimbabwean case, mining companies seem not to be voluntarily willing to fulfil this. In any case, the issue is not enforceable as it is not legislated.

Lund-Thomsen (2005) makes a basic distinction between CSR and corporate accountability (CA) initiatives. He indicates that the idea of CSR was promoted by business lobbies, who realised that international companies can contribute to local solutions with regards to social and environmental problems in a more voluntary way through partnerships with other stakeholders (Lund-Thomsen, 2005). CA is connected to international NGO alliances and CBOs that call for stricter regulatory measures for the host government to control companies' behaviour. In the current study, one argues for a model that links CSR to LCD as well as to community activism.

Trebeck (2009) focuses mainly on the level of responsiveness to the demands of local communities by the private sector and in various circumstances. This considers determining factors that influence the nature and extent of response to the demands. Boerzel *et al.*, (2012:1) hold that "in areas of limited statehood, where state actors are too weak to effectively set and enforce collectively binding rules, profit-driven MNCs confront various dilemmas with respect to costly CSR standards".

The available literature shows that the main issues regarding CSR are concerned with the rationale for the CSR initiatives. However, the literature does not link the discussion to LCD

and community-based activism. Thus, a model that links the three variables is suggested in the current study as a departure from the previous work on CSR.

#### **4.9. Conclusion**

The chapter has discussed the meaning of LCD and the relevant debates surrounding the concept. It engaged the debates surrounding the LCD and other related concepts like protectionism. It has been shown that resource rich countries are now considering LCD as a means to ensure that natural resources benefit local communities through enhanced employment creation and enterprise development. The chapter has also explained the value chain analysis which is relevant to the discussion on LCD. It was further shown that LCD can also be understood within the CSR framework although the latter remains voluntary compared to the former is regulated. The next chapter discusses the policy and legal framework that govern the mining sector in Zimbabwe.

## **CHAPTER 5: POLICY AND LEGAL FRAMEWORK GOVERNING MINING SECTOR IN ZIMBABWE**

### **5.1 Introduction**

This chapter examines the available legal and policy frameworks that govern mining sector in Zimbabwe. Selected international, continental, regional and national frameworks are analysed and illustrating how community activists can monitor them and in the process influence LCD in Zimbabwe's mining sector. The country subscribes to some international and regional mining and trade instruments which are critical in the analysis of the national mining frameworks in the Zimbabwean context. By analysing the effects of Zimbabwe's membership to the WTO on LCD programmes, the aim is to expose the possible obstacles to the community activism in the mining sector. The researcher also discusses the gaps that exist within the frameworks and how they have interfaced with community activism.

Lessons are drawn from other countries where LCD was promoted through policies and laws. Dhliwayo (2014) argues that, depending on how the laws and policies are crafted, they can facilitate or undermine a country's ability to derive maximum benefits from its mineral resources. At national level, the emphasis is on the draft minerals policy, the Mines and Minerals Act of 1961 and its Amendment Bill of 2015, IEE Act of 2008, Statutory Instrument 64 of 2016 (SI 64 of 2016) as well as the ZIMASSET (2013-2018). The chapter further links the community social struggles on legal and policy frameworks to Polanyi's double movement theory. One examines how the community activists interacted with the policy and legislative gaps.

### **5.2 Mining Policy Frameworks**

This section discusses the available mining frameworks that affect the sector in Zimbabwe. The study focuses on the continental, regional and national instruments and how they are critical for the mining sector in Zimbabwe. The main purpose of the section is to assess the extent of the activists' influence in the crafting and adoption of the key policies in the sector.

#### **5.2.1 Continental Level**

The African Union (AU) adopted the AMV in 2009 whose vision is to see citizens benefiting from their mineral resources that could be used to catapult the region's modernisation (Kabemba, 2016). The vision is: *"Transparent, equitable and optimal exploitation of mineral*

*resources to underpin broad-based sustainable growth and socio-economic development*” (AVM, 2009). AMV also considers the contribution of the sector to economic development in general (ZELA, 2016). The main issue is to integrate the continent’s natural resources sector into the region’s social and economic development process (AVM, 2009). The key pillars of the AVM (2009) are:

- Development of a competitive and diversified mineral sector that contributes to wider socio-economic linkages. The sector needs to be linked to other economic sectors like manufacturing and agriculture thereby turning the continent’s comparable advantage to competitive advantage;
- Development of a transparent and accountable sector where resource rents are optimised and used for economic and social development. IFFs remained a major concern for Africa and in a way depriving the continent of potential revenue for social and economic development. The 2014 High Level Panel Report on IFFs indicated that Africa was losing more than 50 billion dollars annually through illicit means;
- Building local institutional and human capabilities in promotion of a knowledge economy which supports innovation, research and development;
- Promoting good governance in mining where local citizens participate effectively based on equity in the distribution of benefits;
- Harnessing the potential of small-scale mining in order to improve rural livelihoods. It will also involve integrating it into the rural and national economy to ensure creation of business linkages with big established mining companies; and
- Promotion of sustainable mining strategies that guarantee environmental protection. These strategies should include communities and other stakeholders and in the process CSR issues will be addressed.

African leaders committed themselves to working towards promotion of linkages and diversification in the mining sector to ensure it catalyses and contributes to an economy which is broad-based thereby leading to development through downstream, upstream, sidestream and infrastructure (Kabemba, 2016).

The AMV is not detached from Africa’s Agenda 2063, and the United Nations’ Sustainable Development Goals (SDGs) and the minerals are strategically at the centre of the achievements of these three. To fulfil the aspirations of the programmes, emphasis should be on transforming competitive advantage through adding value and beneficiating the minerals before exporting

them. In 2009, the Economic Commission for Africa, through a review report, lamented the slow pace at which the continent was adding value to its mineral resources (ECA, 2009).

Activists in Zimbabwe's platinum communities advocated for value addition to the mineral resources for enhancement of job creation for the local people. In an interview on 10 October 2018 at an AMI, a community activist from Zvishavane had this to say:

...we are worried about the fact that our platinum from Mhondongori is always transported to South Africa without any value addition that creates employment for us. Hence our jobs are being exported to other countries. Yet, one presenter this morning was clear that our African leaders crafted the AMV in order to ensure that our resources' value is added for our benefit. When we go back to Mhondongori we will push in our own small way that our government fulfils this aspect...

The community activists had been empowered through the AMIs on the availability of some technical tools like the AMV that could ensure that they benefited from their local resources. However, the main factor would remain the political will of the government to domesticate the vision and fully comply with its provisions. One noted that some mining officials who attended the AMIs felt the AMV was "not necessary and urgent..." This was said by one official from one of the three platinum mining companies during the national AMI in Bulawayo while contributing during group discussions (10 October 2018). One can argue that the MNCs operating in Africa saw the vision as a threat to their businesses.

Although, politically, Zimbabwe had been compliant to the vision, the country was yet to significantly comply with the AMV's provisions by 2018. Zimbabwe was not the only one yet to domesticate the vision. Literature indicated that by 2018, only Kenya, Sierra Leone and Ghana were in the process of crafting their own country mining visions. For me, one critical element of the AMV is the fact that it gives the individual countries the opportunity to focus on a given cluster of interests. Thus, the implementation of the vision was localised which preserves the sovereignty of member countries in the governance of their natural resources.

The finalisation of the minerals policy and legal reforms will address the contentious issues of ensuring the linkages of the sector with other economic sectors. Domestication of the AMV became one of the major advocacy issues in the activism on LCD and other mining related matters. One activist argued that "the AMV is clear on the issue of linkages. Let us link mining to the construction industry and also to agriculture and industry then our children will get employment..." (Mhondoro-Ngezi, Interview, 25 May 2017). The issue of the AMV became one of the major advocacy area for the activists. However, at the time of writing, their efforts



had not yielded the results they expected as the government had not shown any urgency in that regard.

### **5.2.2 Regional Mining Policy Framework**

The SADC region has got some mining policy instruments that have a bearing on the mining sector in Zimbabwe. The region is also in the process of finalising its own SADC Mining Vision. Some of the existing policies are:

- SADC Common Agenda of 1992 in the SADC Treaty,
- The Protocol on Mining in SADC, ratified in 2000, which is, however, not explicit on value addition and beneficiation, as well as participation of women in mining, yet, they are critical elements in the harmonisation of the minerals in the region (SADC Report, 2004).
- SADC Mining Strategy Plan (MSP) of 2001, which spells out how the Mining Protocol would be implemented to realise the SADC Agenda hence it is the operational instrument of the protocol (SADC, 2004).
- The Harmonisation of Mining Policies, Standards, Legislative, and Regulatory Framework in Southern Africa and its Action Plan adopted in 2006 and 2007 respectively.
- The Regional Indicative Strategic Development Plan (RISDP) which targets for the region's integration efforts.

The initiatives culminated in a strategy to harmonise the finance, trade and investment, and the areas of focus according to the SADC (2004) are:

- Market amalgamation through the creation of the SADC Free Trade Area, the SADC Customs Union and the SADC Common Market;
- Attainment of macro-economic convergence;
- Creation and strengthening of financial and capital markets;
- Achievement of deeper monetary cooperation;
- Rising levels of investment in SADC including FDI, and
- Enhancement of SADC competitiveness for efficient and effective participation in the global economy.

Mining has therefore the potential to play a central role in the achievement of the SADC objectives. Zimbabwe put its signature to all these instruments. Clearly, regional mining frameworks have a bearing on the development of LCD in the platinum sector in Zimbabwe.

### **5.2.3 National Minerals Policy Framework**

At the time of writing in 2018, Zimbabwe was operating in a minerals policy vacuum as there was no functional minerals policy in general and an LCD policy in particular. The country was pushing for the amendments of the mining laws, yet, under normal circumstances, the policy should be in place first before the implementing frameworks. Only a diamond policy to regulate that specific sector was in place. The country's mining vision was driven by the AMV, but a more country-specific policy would have shaped the policy and legislation as well as the socio-economic interventions by various stakeholders including the private sector, the government and the mining communities. Mines Deputy Minister then, Freddy Moyo, presenting a paper in 2016 while at the national AMI in Bulawayo, shared that the government was finalising the minerals policy, but priority was being given to specific minerals' policies including that of platinum and diamond. This confirmed the thinking that Zimbabwe did not have the political will to implement some policies that would restrict the programmes of the MNCs.

The mining sector is not sustainable as minerals can get exhausted but can only lead to social and economic development if properly linked to other critical sectors when the mineral resource is still available. Zimbabwe's draft mineral policy outlines the strategies that can be employed for sustainable development driven by the sector and that is set as the major objective of the draft (Draft Minerals Policy). Specifically, the draft "seeks, by linkages development, to preclude the 'resource curse', the looting of resource rents by a few elites, rent seeking behaviour and the lack of reinvestment of rents in the local economy" (Mlambo, 2016:23). The draft seeks to attain the linkages by making them a prerequisite in the public tender process for mining rights. Once the policy becomes operational, community activists will have clear points of reference for their advocacy efforts around the LCD issues.

The draft policy calls for the promotion of beneficiation and local content. It further provides for value addition and beneficiation under the forward linkages and regulatory framework section. The three companies, Zimplats, Unki and Mimosa were compelled through the 15% tax on unbeneficiated platinum as government directive to submit platinum refinery plans to the Ministry. The initial deadline expired on 17 January 2014, and by that date, all had submitted their plans to the Ministry (Dhliwayo, 2014). The plans showed that the companies

intended to set up a refinery that would be fully functional by 2016 (Dhliwayo, 2014). In the 2014 National budget, the GoZ indicated that there were some additional measures to encourage diamond and platinum beneficiation before export (GoZ, 2014). These included the imposition of a 15% export tax on unprocessed platinum or diamond with effect from January 2014. However, since the policy was not yet operational, the community activists could not legally evoke it in their struggle for LCD in the platinum sector, thus, a more specific LCD policy would have helped.

#### **5.2.4 Employment, Skills Development and Procurement**

Under the prevailing legislations, host mining communities had not been able to meaningfully and equitably benefit from the mineral resources in their communities according to the community activists. This was one of the major sources of conflicts between the communities on one hand and the government and mining companies on the other. The draft minerals policy was said to be progressive in the sense that it emphasised the need for local communities to benefit from their resources (Dhliwayo, 2014). The government proposed that communities that were closer to the mining activities and were likely to be negatively affected by the project benefit from the operations through revenue collection, employment, infrastructural development as well as skills (Dhliwayo, 2014). The mining firms were therefore required to deliberately develop local supply chains for their procurement which would ensure that they involve the local economic players in their processes.

There would also be support for small-scale miners to enhance employment opportunities and reduction of rural poverty. The skills stock assessment and creation of a human resources development strategy would also be promoted. The draft policy document captured the main tenets of LCD; if only it could be operationalised. The draft policy represented a great improvement in the sector, that was however, mainly consistent administratively, with the requirements of the harmonisation framework and the AMV. The focus on linkages therefore introduced a transformative agenda according to Mlambo (2016).

Mlambo (2016) further notes that the country was functioning on a more liberalised foreign exchange policy which was consistent with the recommendations of the harmonised framework. In such a situation, foreign mining companies are free to repatriate profits made in Zimbabwe without any challenges, of course after paying withholding taxes, and bring in capital and machinery duty free (Mlambo, 2016). This, therefore, opens opportunities for private companies who are not sensitive to local needs to exploit the resources without

ploughing back to the country. The liberalisation of the sector was enforced by the World Bank's mining strategy of 1992 (Campbell, 2011). In a way, this weakened the role of the state in mining and the community activists continued to call for the rejuvenated state role in the mining sector

### **5.3 Mining Legal Framework: Critical Instruments**

Mining in Zimbabwe was regulated mainly through the Mines and Minerals Act Chapter 21:5) of 1961 and amendments to the law were last affected in 1996 (Parliament of Zimbabwe, 2018). However, the sector experienced a lot of changes over the years thereby prompting reforms for alignment. The country's Constitution (Constitution of Zimbabwe Amendment Number 20, Act 2013) is also a key document in the mining sector. It spells out the fundamental issues that local communities and other stakeholders should do in the area of natural resources. For instance, section 13 (4) stipulates that "The State must ensure that local communities' benefit from the resources in their areas". As this became a constitutional matter for local communities, the community activists utilised the provision to push for LCD from the mining sector. Section 62 of the constitution empowers all citizens to have the right to access all key information they may need. In the mining sector, there was so much secrecy in terms of contract negotiations and implementation, thus, the constitution became one tool that the activists used. Nevertheless, the effectiveness of the constitution was affected by non-alignment of certain laws to it including the Mines and Minerals Act itself. The section below examines the specific instruments that affect mining in Zimbabwe with the aim of picking some existing gaps in the legal framework. Complimentary statutes to the Mines and Minerals Act included the Precious Stones Trade Act (Chapter 21:06), Minerals Marketing Corporation of Zimbabwe, Zimbabwe Mining Development Corporation Act (Chapter 21:08) and the Explosives Act (10:08) among other instruments.

The Ministry of Mines and Mining Development is meant to ensure that there is sustainable development of the mining sector for the betterment of all Zimbabweans through sustainable exploration, mine development, mineral processing, management and marketing of mineral resources. The other task of the ministry involve the formulation of policies, conducting monitoring and surveillance and advisory services on mining operations to ensure compliance with specific legislations. All mineral rights are vested in the state through the President (section 2) while mining rights are issued in terms of the Mines and Minerals Act. The ministry is helped by the advisory boards both at regional, national and district level. The Mining Affairs

Board is a very important policy and decision-making institution. It exercises and performs functions and duties conferred and imposed on it by Part II (Section 7) of the Mines and Minerals Act. The board also performs additional duties and functions as maybe required of it by the Minister. It receives applications, deliberates and makes recommendations to the Minister for onward transmission to the President for approval.

### **5.3.1 The Mines and Minerals Amendment Bill (2015)**

The Mines and Minerals Act was enacted during the colonial era. However, since 2007, the government made various attempts to amend the mining regulating regime, targeting this piece of the law but until 2018, the law had not yet been reformed. Since 1961, the law went through several amendments and the latest attempt produced the Mines and Minerals Amendment Bill (MMAB) of 2015. Murombo (2010, as cited in ZELA, 2016), argues that despite the several amendments made to the law since its enactment, it essentially retained its orientation on mineral resource extraction for export with little value addition taking place. Advocacy for the reform of the law came mainly from the CSOs, CBOs and other professional board relevant to the mining sector. In this case therefore, one noted the solidarity that was received by local activists from other players in calling for the reform of the law. The government thus succumbed to pressure and initiated the reform process.

Summarising the weaknesses of the Mines and Minerals Act, Dhliwayo, ZELA Executive Director argued that:

Mines and Minerals Act is very old, outdated and archaic. Yet, mining trends always change nationally and globally. It does not catch up with the current mining trends. Furthermore, the law is not hinged on principles of transparency and accountability which are key in our national constitution. Our constitution is also very clear about people's rights but the law itself is not anchored on rights based approach to development. As a result the Mines and Minerals Act is not sensitive to impacts of mining on host communities. Going forward, we need to have a law that is hinged on the AMV as envisaged by our draft Minerals Policy (Presentation during the Summer School on Natural Resources Governance, 15 September 2015).

The Mines and Minerals Act was not aligned to the 2013 Constitution particularly with regards to access to information where mining contracts negotiations remained secretive. Mining communities were not aware of the mining companies' obligations as contract negotiations were done between the central government and the private sector. Other critical stakeholders like the communities, local authorities and traditional leaders were not recognized by the law hence the potential for conflicts between these and the MNCs and the government on the one

end. Yet, issues like the Environmental Impact Assessment (EIA) was not a strict legal requirement except for Special Mining Leases. Such an arrangement had direct implications on the implementation of CSR programmes as discussed later in this study.

Mlambo (2016) holds that, while the reform of the law was a welcome development, it had taken long to be finalised. For nearly a year from 2017 to part of 2018, the parliament and the CSOs were arguing that the executive was reluctant to address the critical gaps identified in the bill. After being shelved in the executive files for nearly a year, the bill was supposed to have been signed into law by the President. However, on the 18 September 2018, presenting his first State of the Nation Address in Parliament, President Mnangagwa referred the bill back to the parliament for reconsideration. Section 131 (a) (b) give the President the powers to sign a bill submitted to him or her or return it back to Parliament through the Clerk of Parliament if he or she deems it to be unconstitutional or if he or she has any other reservations about it. The President should write detailed reasons for those reservations and should request that the bill be reconsidered.

The amendment went through the administration of at least four cabinet Ministers, who include, the late Amos Midzi, Obert Mpofu, Walter Chidhakwa and Winston Chitando (current Minister at the time of writing). Interestingly too, there were major changes within the Mines and Energy Parliamentary Committee during the session that closed just before the 2018 elections. Firstly, the committee was chaired by Daniel Shumba before he was expelled from the ruling party, ZANU PF, and was replaced by Lovemore Matuke before Temba Mliswa took over to the end of the parliamentary term. Mliswa was selected again to chair the committee after the 2018 elections. The net effect of such changes in the leadership of the parliamentary committees and the Executive is that priorities as well as thrusts would always change with the appointment of new leaders. A Mines and Energy member, Prosper Mutseyami, while presenting at the 2018 AMI (Bulawayo, 10 October) argued that the changes in the parliamentary committee affected progress on relevant laws. He further lamented that most members of the Mines and Energy Committee from the previous parliamentary session were not successful in the 2018 elections. A lack of continuity in the composition of the parliament meant that the processes would always be started all over again.

The question of why the bill took time to be passed into law continued to dominate the public space in Zimbabwe. The fact that the bill was referred back to Parliament by the President is

clear evidence that there were a lot of issues with the proposals in the draft. A ZELA Programme Officer explained the delays as follows:

There are a lot of interest groups in this game. For instance, the farmers who benefited in the land reform exercise would want to frustrate the finalisation of the law for their selfish interests as they will fear that mining groups would always get preferences over the farmers. Moreover, some senior members of the ruling party are benefitting from the status quo hence any change to this will expose their mismanagement of their offices in the mining sector. Thus, combined such forces will not allow the law to pass (Interview, 18 September 2018).

Bishop Naison Shava of the ZCC also queried why the bill (and also the mineral policy) took time to be finalised. He said that:

You legislatures take time to finalise the relevant laws. Remember people are dying out there. Artisanal miners always kill each other and the laws are not there to protect human lives. Right now there is potential for civil wars in Zimbabwe emanating from the mining activities. Let us have the political will to save lives by doing our part. (11 October, 2018, AMI, Bulawayo, Break Away Session).

Stakeholders who participated in the current study wished for a complete overhaul of the legislation instead of an amendment. Mlambo (2016: 22) also argues that reforming the legislations before finalisation of the minerals policy is like “putting the cart before the horse, since an Act is an implementation tool for the policy... and incidentally, the draft policy proposes a new Act”. An activist and Executive Director in one of the international CSO had this to say about the bill:

Basically, our mining legislation should address issues that hinder our local communities from benefiting, should address environmental matters and indeed the conflicts that may exist between our farmers and the miners. We hold hope in that the bill will address the above as our expectations have been reactivated by the rejection of the bill by the President (Panel Discussion, AMI, 10 October 2018, Bulawayo)

Among other things, the Amendment Bill (2015) was criticised by stakeholders for its silence on local content programmes and their implementation. LCD results in the maximisation of non-fiscal benefits that accrue to the country as this integrates the mining sector into the local economy, in line with the AMV. ZELA (2016), noted the same shortcomings. Such programmes represent one way in which local employment and supply of goods and services can be enhanced for local social and economic development in Zimbabwe (Mlambo, 2016). Stakeholders were indeed surprised that the bill did not address LCD issues despite the country’s policy and legislative pronouncements on it in such instruments as IEE Act of 2008, the Special Economic Zones Act, and S.I 64 of 2016 as well as the ZIMASSET (ZELA, 2016).

It was felt that the MMAB was an opportunity for the country to make concrete issues of LCD in the mining sector.

For Shamiso Mtisi (Lawyer and Programs Director at ZELA, 10 October 2018, AMI, Bulawayo), the following were the key reasons why the bill was rejected by the President:

- The interests of the farmers and the miners needed to be balanced in the bill since both are key in the economic development of the country. Already, there has been tension between farmers and miners when minerals have been discovered on productive agricultural land.
- The bill did not clearly define how certain minerals were to be determined as strategic. There was a danger that any mineral could end up falling under that category.
- There were some textual challenges in the bill. For instance, the distinction between mining rights and mining titles was not sensitive to the fact that these are just the same concepts.

On the issue of the strategic minerals, it was shared by an official of the Chamber of Mines (an association of mining companies in Zimbabwe) at one of the AMIs in Bulawayo (28 September 2016) that the bill needed to be reformed especially with regards to the definition of Strategic Minerals which, the Chamber argued, was so broad that it covered nearly every mineral. It was further argued that the definition was elastic such that more minerals could end up being classified under the “any other minerals” clause. This resonates with Mtisi’s argument above. The clause which outlines that on an ongoing basis, the Minister of Mines may determine the country’s strategic minerals was borrowed from the principal South African law that govern the industry (Parliament of Zimbabwe, 2018).

One activist at the 2018 AMI in Bulawayo (10 October, Interview) argued that:

The bill captured most of the issues raised by the CSOs during consultations in terms of LCD but the executives still had its concerns. Furthermore, changes in the presidency might have influenced the rejection of the bill by the President. I am sure there are some feelings in the government that all that resemble Robert Mugabe should be thrown away, that is my thinking. Anyway, LCD was addressed in the bill but should have been given the prominence it deserves than what was finally considered.

The GoZ always made public pronouncements regarding value addition and beneficiation of its minerals resources. However, it is argued that the failure to promote objectives related to value addition and beneficiation was one of the major gaps within the Mines and Minerals Act (ZELA, 2016). The MMAB’s Section 307 A, as cited in ZELA (2016:26), states that “no mineral (including industrial scrap) derived from minerals in Zimbabwe shall be exported raw or unprocessed except with the consent of the Minister to the exporter”. The success of such



programmes will always be dependent on the Minister, and authorisation might be subjected to some potential corruption tendencies. The role of the Minister is dominant, even in the examples given from Botswana and Nigeria. Nevertheless, the provisions at least discourage exporting of raw minerals including some related taxes being imposed. The Minister is encouraged to be proactive in identifying minerals that can be beneficiated economically locally and come up with the necessary terms and conditions to that effect (ZELA, 2016). The following are also critical provisions in the bill:

- The Minister to make incentives to promote the beneficiation of the minerals (Section 307 A (5), in ZELA, 2016).
- The Minister has the power to declare any refinery, smelter, factory, or treatment plant in the country to be a permitted beneficiation plant in relation to a mineral or mineral bearing plant (Section 307 B (1), in ZELA, 2016).

To ensure the success of the programmes, other factors should be in place, including the necessary infrastructural development to support the law.

However, the researcher noted some positive elements in the bill with regards to the use of local financial institutions which promotes LCD in the sector. Section 393A of the bill indicates that mining rights or title will only be given to a public company with most of its shares listed on a securities exchange in Zimbabwe. This is a positive development for once, although the Mines and Energy Committee noted that such a provision will work against listing on Zimbabwe securities and those not listed will not be affected (Parliament of Zimbabwe). Section 393B provides that mining companies should utilise local financial institutions. One regards this as a noble idea as it will ensure that LCD is promoted. However, some critics argued that since these are financial matters, they needed to be left under the control of Reserve Bank of Zimbabwe and the Ministry of Finance.

The failure by the Mines and Minerals Act as well as the Bill to fully recognise communities as critical stakeholders in the mining sector resulted in their marginalisation from the mining value chain as argued by community activists in the study areas. According to Dhliwayo (2014), this also led to the violation of the people's environmental, economic, social and cultural rights, denial of access to information related to mining activities, water pollution and other related losses. Thus, the Act does not protect or promote community rights hence "it is an antithesis of community rights" (Dhliwayo, 2014:14). Community participation in the mineral value chain ensures that the country benefits from its natural resources. Such gaps in

the law were meant to be addressed by the new bill. However, the bill also manifested some limitations particularly with regards to LCD as it does not talk about community benefits. In other countries, it is now compulsory to involve community members at the early stages of mining where consultations are extensively made with regards the number and type of jobs a company expects to create, where it would sell its products and other related questions (Murombo, Presentation, 10 October 2018, AMI, Bulawayo). Furthermore, the current worth of the mineral at global level is also determined before a prospecting licence is given to any potential investor.

The noticeable weakness of the bill, according to Sigauke, the Mutoko Rural District Council Chief Executive Officer (Presentation, AMI, 10 October 2018, Bulawayo), is that it undermines the powers of the local authorities just like the Act. However, the report of the Mines and Energy Committee on the bill notes that, in terms of payments due to the local authorities, Section 76 did not change from what is in the Act which prescribes levies to be paid by the miners to local authorities. The concern by the mining companies is the purpose of the levy which can lead to duplication of levies provided for in the Rural District Councils Act (Parliament of Zimbabwe, 2018). The Committee thus recommended for the removal of the provision and the regulation to be left to the discretion of the Ministry of Local Government. There is a need for all other relevant laws to talk to each other within the bill. These include the Constitution, IEEA, Traditional Leaders Act and Lands Act. These frameworks have the potential to promote LCD and general sustainable mining if they are synchronised.

There is also some conflicts and potential contradictions that exist between the bill and the Environmental Management Act. This is with regards to the riverbed mining and on the establishment of another environmental fund in the bill. The harmonisation of all key laws in the sector is thus needed. Some stakeholders recommended for a holistic approach where the policy should be supported with enough resources from the Treasury and investors. This would involve setting up of relevant infrastructure, institutions and key enablers such as skilled personnel and water (Parliament of Zimbabwe). One noted the continued advocacy for the improvement of the bill from the various activists including the locally based ones.

### **5.3.2 The Indigenisation and Economic Empowerment Act**

The Indigenisation and Empowerment Bill was presented in Parliament in 2007 and only to be signed into law on 17 April 2008 (Shangahaidonhi, 2014). The IEE Act was then enacted in 2008 to address the imbalances created by the colonial regime (Mlambo, 2016). According to

the IEEA (Chapter 14:33) of 2007, as cited in Kurebwa, Ngwerume and Massimo (2014: 4), indigenisation is a deliberate involvement of Zimbabweans in the economic processes of the country. Previously, the indigenous Zimbabweans had no access to the equitable ownership of the country's resources. In this case, indigenous Zimbabwean, means persons who were disadvantaged before independence by the discriminatory minority government laws. The law was the first of its kind in the history of Zimbabwe. However, its implementation was faced with some resistance among some private sector players while the indigenous business people viewed it as a progressive law meant to address historical injustices in the ownership of resources.

The Indigenisation and Economic Empowerment (General) Regulations, 2010, was then gazetted on the 29th January, 2010. Its effective date was 1 March 2010 and this led to some discussions among scholars and stakeholders (Matyszak, 2011). The official objective of the regulations was shared as to ensure that every business that had an asset value of or above a prescribed amount must, within five years, "cede a controlling interest of not less than 51% of the shares or interests therein to indigenous Zimbabweans" unless a lesser share, or longer period within which to achieve the indigenisation, is justified (Matyszak, 2011). The justifications offered were mainly political, ideological and economic where the government claimed that it needed to correct the imbalances of the pre-independence era where the black majority had been deprived of opportunities to own and run businesses. Matyszak (2011) indicates that the justification for a company not to cede the 51% ownership or to take a longer time to do so must have rested on the following:

- a) that the business is involved in development work in its community;
- b) that the business is beneficiating raw materials in Zimbabwe for export;
- c) that the business is involved in technology transfer to Zimbabwe;
- d) that the business is employing local skills or imparting new skills to Zimbabwe; and
- e) that the business is achieving socially and economically desirable objectives.

One notes that indeed these were mainly social and economic grounds on which an indigenisation plan had to be submitted. This is particularly important when one is looking at how the LCD is viewed by the various stakeholders. For instance, on employment, a community call for mining companies was to employ locally. But was it local in terms of host communities or local in terms of district, province or Zimbabwe? This brings another angle to the debate, that of community versus national conflict when it comes to the indigenous question.

Conceptually, the focus on creation of a host community interest, employee ownership and disposal of shares to ordinary indigenous citizens and companies is a clear effort to share benefits from the local resources among the local community, employees and mining companies. This is against the usual state focus on taxes and resource nationalisation (Mawowa, 2013). Yet, over the years, the GoZ had been criticised for the secrecy on the mining sector in terms of contracts and profits. The indigenisation framework in Zimbabwe has been described by Mawowa (2013) as a progress due to transparency. In his thesis, Mawowa (2013) however argues that the policy, as applied in the platinum sector, was largely influenced by politics and was forced from the top downwards. In this study, one can argue that, in a way, the role of the state was revived through the policy with some of its elements touching on LCD issues. Mawowa (2013) elaborated on the conflicts that later emerged between Zimplats and the GoZ over the fulfilment of the aspirations of the law.

Another key issue in the regulations is procurement. It is indicated that Section 3(1) (f) of the Act provides that:

all Government departments, statutory bodies and local authorities and all companies shall procure at least fifty per centum of their goods and services required to be procured in terms of the Procurement Act [Chapter 22:1591] from businesses in which a controlling interest is held by indigenous Zimbabweans.

And Section 3(1) (g) of the Act provides that:

where goods and services are procured in terms of the Procurement Act [Chapter 22:14] from businesses in which a controlling interest is not held by indigenous Zimbabweans, any subcontracting required to be done by the supplier shall be done to the prescribed extent in favour of businesses in which a controlling interest is held by indigenous Zimbabweans.

Matyszak (2011) argues that indeed the Procurement Act applies only to governmental entity but not consistent to include “all companies”. The procurement must be from firms with “controlling interest” held by indigenous Zimbabweans. The main aim is to allow government entities procure at least 50% of goods and services from indigenous firms. Whereas non-indigenous entity is contracted to supply commodities, but needs to engage a subcontractor in that regard, the subcontract must be with an indigenous Zimbabwean firm (Matyszak, 2011). It can be noted that the regulation only managed to set provisions with regards to issues of subcontracting hence primary procurement of commodities under Section 3(1)(f) of the law are non-existence. The role of the Minister is also emphasised where the regulations would not

have been complied with but clearly protecting the local businesses and not the non-indigenous ones.

### **5.3.3 National Indigenisation and Economic Empowerment Charter**

The objectives of the Charter, as elaborated in the Fourth Schedule (Section 16), are

- (a) promote ethical business conduct;
- (b) promote equitable access to the wealth of the economy by indigenous Zimbabweans;
- (c) enhance employee and management stakeholdership in business;
- (d) promote the use of local raw materials and value addition in economic activities;
- (e) promote local research and development;
- (f) promote technology transfer;
- (g) utilise indigenous knowledge systems;
- (h) nurture and develop a skills base for the economic empowerment of indigenous Zimbabweans; and
- (i) provide a generic framework for the development of sector-specific charters.

The Charter clearly attempts to address LCD matters although one still feels that the objectives lack details in terms of specific LCD issues. Through the IEEA Fourth Schedule (Section 16), all businesses are obliged to subscribe to equal employment opportunities for all while also socially they should contribute to the communities they serve. Thus, the companies are expected to sign the code of ethics in order to fulfil the various responsibilities including employment and social obligations which directly talk to issues of both LCD and CSR. However, the schedule does not give prominence to the two critical mining issues which could have been more detailed to allow the community activists to properly monitor their implementation. On the part of production responsibility, the Schedule appears to have covered LCD matters in more detail than the employment and social part. The businesses are expected to ensure that they utilise locally available resources as well as promotion of value addition. They should further make use of indigenous knowledge systems as well as promotion of local research and development and in the process promotion of technological transfer. These provisions address LCD requirements although they lack in terms of clarity with regards the indicators and target that could be used for monitoring purposes.

### **5.3.3.1 Establishment of Community Share Ownership Trusts**

The GoZ prescribe that 10% of shareholding of mining goes direct to host communities (Kurebwa, Ngwerume and Massimo, 2014). In practice, the 51% requirement of the IEEA translated to Employee Share Ownership Trusts (ESOTs), CSOTs and government equity (Mlambo, 2016). The 10% would be held in trust for the communities by the CSOTs for use to develop the respective communities in terms of social and economic development.

Mabhena and Moyo (2014) indicate that, Zimplats led in this regard when President Mugabe launched the US\$10 million Mhondoro-Ngezi-Chegutu-Zvimba CSOT. Mimosasa and Unki Mines followed suit. The CSOT was launched by the GoZ in order to empower indigenous Zimbabweans and to address imbalances spawned by colonial dispossession, (Maodza, 2012, in Mabhena and Moyo, 2014). The Zimplats Annual Report for 2010 indicates that US\$10.58 million had been allocated for social development projects in the next few years, (Matyzak, 2012, as cited in Mabhena and Moyo, 2014).

The main issue with the CSOTs was non-compliance by most of the mining companies in Zimbabwe. Only a few managed to get the share certificate having complied with all the requirements of the law. The effectiveness of the trusts as a model to ensure that the local mining communities benefit from their natural resources continue to attract academic debates. The administration of the trusts which legally brings in the traditional leaders, district's CEOs, lawyers, accountants and representatives from the private sector, is also another area of academic discussion. Initially, the administration was being affected by political interference where the ruling party sought to monopolise the institutions thereby elbowing other political players and other stakeholders out. The situation has since changed according to the Zvishavane CEO (Interview, 3 June 2017) as the CSOTs continued to emphasise the inclusivity of the programmes. While it is outside the scope of this study to examine the effectiveness of the CSOTs, one discusses the technical and practical linkages between the initiative and the LCD and CSR in the mining sector later in the study.

### **5.3.3.2 Conflicts in Interpretation of IEEA**

There was conflict within the Zimbabwean Cabinet with regard to the application of the indigenisation laws. At one point, the Minister of Finance and Economic Development, Patrick Chinamasa openly opposed each other with Patrick Zhuwao, then Minister of Youth Development, Indigenisation and Economic Empowerment over the application of the law to

the financial sector. The varying and at times conflicting interpretation of the IEE policy had the potential to scare away investors and also confuse the public. The current study found out that, indeed, the community activists were also left confused too as to the real meaning of the law to them. This prompted the then President, Robert Mugabe, to clarify the government position with regards the law and related policies (the Presidential Statement, 11 April, 2016).

Mugabe urged the various stakeholders to consider aligning all other relevant policies and laws to his clarification where the former appeared to be not in agreement with the latter. This meant that the latest pronouncement by President Mugabe became the main policy point of reference for any issue relating to indigenisation framework. The IEE framework would be applied and complied with differently depending on the sector concerned. Sectors were categorised as: natural resources, non-resources and the financial sector. There is also a fourth category reserved purely for the Zimbabwean entrepreneurs.

However, following the coming in of the new President (Emmerson Mnangagwa on the 24<sup>th</sup> of November 2017) and the subsequent announcement of the 2018 National Budget on 7 December 2017, the IEE policies were reviewed. The review was influenced by national and community activists across the country. In the extractive sector the 51% ownership requirement for indigenous people would now apply only to platinum and diamond (GoZ, 2017). Over the years, it had been discovered that other Cabinet Ministers felt that the Minister of Youth Development, Indigenisation and Economic Empowerment yielded too much power through the laws. Furthermore, compliance with the IEE policy had been variously interpreted with regards to the financial sector. The policy had further been viewed as the “super” framework superseding all other policies and laws. The clarification by the President indicated that it was only meant to complement other existing frameworks.

Of importance to the current study is the issue of 75% local expenditure. The Presidential statement (2016) obliged the foreign players to ensure that they spend at least 75% of their proceeds locally even when they fail to give away the required 51%. While an attempt to address the challenges regarding LCD issues was made in the IEE frameworks, monitoring of compliance remained a problem due to the lack of specific targets that could be monitored. A more specific policy that has got clear quantitative and qualitative measurable indicators that makes it easier for monitoring by stakeholders would have helped the situation. The experiences of the targeted mining companies with the IEE policies are shared later in the study.

### 5.3.4 ZIMASSET

In 2013, the GoZ adopted the ZIMASSET as the overarching economic blueprint and the most important guide for the country's economic policy planning (Baissac *et al.*, 2015). The programme would run from October 2013 to December 2018. However, the programme was heavily affected by changes within the government following the coming in of a new administration in November 2017 and subsequently the 2018 elections held on 30 July. It therefore difficult to examine the achievements of a programme that was not fully implemented. The document was so ambitious that it projected the economy to grow by an average of 7.3%; then it was projected to grow by 3.4% in 2013 and 6.2% in 2014 and continue to grow to 9.9% by 2018) (Baissac *et al.*, 2015: n.p). The ZIMASSET was divided into four main clusters, namely:

- Food Security and Nutrition
- Social Services and Poverty Eradication
- Infrastructure and Utilities
- Value Addition and Beneficiation

For the current study, the Value Addition and Beneficiation Cluster was of particular interest. Its main objectives were improving capacity utilisation, achieving net trade gain, creating employment and increasing fiscal revenues. The ZIMASSET's strategy was anchored on the private sector taking a key role in the funding and execution of the proposed activities (ZIMASSET, 2013). The government's role is envisaged in the crafting, implementation and alignment of policies and laws in a consistency and cohesive manner (ZIMASSET, 2013). The relevant policies to guide the strategy included the Industrial Development Policy, National Trade Policy, National Tourism Policy, Science, Technology and Innovation Policy, Minerals Development Policy, National Procurement Policy, IEE Policy and Local Authority Licensing and Regulation Policy (ZIMASSET, 2013). The economic blue print acknowledged the need for an enabling environment for the strategy to achieve its intended objectives. The factors would include the availability of key enablers that include energy, water and transport, among others. The beneficiation strategy was also advanced by the then President Mugabe in his Ten Point Plan (2015) by focusing on both the agricultural and mining sectors.

The GoZ put emphasis on value addition in sectors such as mining and agriculture with crucial steps being taken to ensure that mining companies build refineries in areas where they were mining minerals such as platinum. This is critical for the success of all the programmes hinged



on the economic blueprint as it would ensure that the country was not merely exporting raw platinum to be refined externally as this would fetch low prices than the minerals' potential prices. The country was being deprived of potential revenue from PGMs that come as by-products of the refined matte (Bwoni, 2014). Value addition and beneficiation ensure that precious metals such as diamonds and platinum are processed domestically and this guarantees that jobs stay in the country and not exported together with the raw matte (Bwoni, 2014).

Particularly important for the current study were the policy and legislative frameworks that covered trade, procurement and indigenisation policies as they had direct implications on the LCD issue. This study noted that, while the government considered the need for beneficiation of the country's minerals, it seemed more emphasis was put on the diamond sector at the expense of other minerals like platinum. The targets set in the document only applied to the diamond sector. The community activists could therefore not monitor the strategy with regards to the other minerals. One, however, appreciates the matrix presented for each cluster in the ZIMASSET document as it clearly presented the key results areas, expected outputs and outcomes, strategies and lead institutions for each cluster. This had always been lacking in the prevailing policy and legislative frameworks governing the mining sector in particular thereby making it difficult for stakeholders to monitor progress. One major weakness of the ZIMASSET was that it was a product of a political party without any consultation made with the public.

### **5.3.5 The Fiscal Policy and Value Addition and Beneficiation Programmes**

An analysis of the successive national budget statements in Zimbabwe from 2014 to 2017 shows that the government always relied on the fiscal policy to pronounce some critical decisions that have direct implications on the mining sector in general and the value addition and beneficiation programmes within the platinum sector in particular. The diversification of the economy through implementation of the mineral beneficiation and value addition was emphasised in the budget statements (GoZ, 2014). However, the progress was not impressive as evidenced by the repeated calls in each year's budget by the Minister of Finance and Economic Development for the platinum producers to fulfil their commitments regarding value addition and beneficiation plans.

The government gave a two-year window period starting 2013, for the platinum mining companies to set up a platinum refinery in the country so that Zimbabwe would not continue to export jobs through exporting raw platinum. However, by the end of 2013, the government

was concerned by lack of progress due to “non- committal of platinum producers’ (GoZ, 2014). Yet, according to the Minister of Finance and Development in the same budget statement, the country had the capacity to do so. In the 2014 budget statement, the government further reiterated that it would enforce the two-year window period that would end in 2014, after which exports of raw platinum would not be permitted. The government would introduce the 15% export tax for non-beneficiated platinum.

The fiscal policy also continued to propose support to the ongoing mining law reforms thereby facilitating the inclusion of value addition and beneficiation provisions in the new frameworks. In the 2015 budget statement, the government appreciated the progress that had been made by the platinum companies in the process of setting up the local platinum refineries. This prompted the Minister of Finance and Development to extend to December 2016 the period for completion of domestic platinum refining projects (GoZ, 2015). The 15% tax on the export of raw platinum was therefore suspended during the window period. The platinum producers had shown their efforts to fulfil the requirements of the government to beneficiate and add value to the platinum locally. It is indicated that one company, Zimplats, would commission a US\$200 million base metal refinery in the next two years, a facility that would be expanded to accommodate other platinum producers (GoZ, 2015). Again, the government further proposed to defer export tax on un-beneficiated platinum to January 2017 (GoZ, 2015).

In the budget statement delivered each year, the issue of 15% export tax on un-beneficiated platinum continued to feature. For instance, in the 2016 budget statement, the Minister lamented that the “story with regards to beneficiation of our platinum is taking longer than had been anticipated” (GoZ, 2016:80). At least by the end of 2015, the platinum producers had outlined a time-framed roadmap for the setting up of local platinum refining capacity up to base metal refinery stage by December 2016 (GoZ, 2016). However, the companies were urged to come up with concrete plans on the matter, failure of which would attract the 15% export tax for raw platinum with effect from 1 January 2017 (GoZ, 2016). In the 2018 National Budget, the new government further deferred the application of the tax to 1 January 2019. The 15% was reduced to staggered amounts of 1% to 5% depending on the level of beneficiation by a particular company (GoZ, 2017).

In the 2017 budget, the government proposed to allocate US\$32.7 million towards the Value Addition and Beneficiation Cluster of the ZIMASSET to be channelled through the Ministries of Industry and Commerce, Mines and Mining Development, Tourism and Hospitality

Industry, as well as SMEs and Cooperative Development (GoZ, 2017). This figure would leverage on the benefits from the prioritisation of imports through the SI 64 of 2016 (GoZ, 2017). This implied that the government assumed that the SI64 of 2016 had yielded positive results on the value addition and beneficiation drive.

On 17 May 2017, during the 8 O'clock Zimbabwe Broadcasting Corporation (ZBC) Television News, the then Minister of Mines and Mining Development, Walter Chidhakwa, was quoted as having said that Zimbabwe was planning to build a \$200 million platinum refinery in 2018 in a joint venture with Australia's Kelltech Limited (ZBC, News, 17 May, 2017). The same was also reported by Reuters Africa (Chideme, 2017) as a move that was meant to make Zimbabwe benefit from its platinum mineral. If this was going to be successful, it would have enhanced the efforts by the individual platinum mining companies who have been under serious pressure to fulfil the commitment. However, by 2018, there was no signs of success in that regard. The issue of beneficiation and value addition as a key enabler to LCD programmes remained a hot area of discussion among key stakeholders in the mining sector.

### **5.3.6 SI 64 of 2016 and its Implications on LCD Programmes**

While Zimbabwe is signatory to the regional instruments highlighted above, in 2016, it introduced a trade measure (the SI 64 of 2016) that “protected” local industries from competition from foreign goods. The SI64 of 2016 controlled the import of some specific goods into the country mainly non-industrial items. However, other affected items were critical in the mining sectors for instance, wheelbarrows, structures, flat rolled products of iron and non-alloy steel among others (SI 64, 2016). The instrument removed some products from the Open General Import Licence (GoZ, 2017).

The instrument was met with mixed reactions from state and non-state actors. For the government, it was a “positive, strategic and timely as reported average capacity utilisation increased by 10% to 47.4%” (GoZ, 2017:20). The Minister of Finance and Economic Development indicated through the 2017 budget that this was only a temporary protection for a limited period hence it was not supposed to be viewed as promoting inefficiency and insulating local companies against external competition. The Minister encouraged local companies to take advantage of the window period to retool, recapitalise and re-orient their business models and address their cost structures and competitiveness (GoZ, 2017). In a way, the government appreciated the capacity constraints that the local players faced. The government further proposed to explore financing agreements to augment the local companies’

recapitalisation requirements to meet the resultant domestic supply gap and compete in the global market and, a 5% export incentive would be introduced to support exporters of manufactured goods (GoZ, 2017).

Community-based activists felt that this was a good move as it protected the weak local industries that had always been facing stiff competition from foreign companies that supply the mining equipment to the big foreign platinum mining companies. However, this instrument confirms some real practical cases where some regional and national mining instruments can be in conflict with each other. This is reflected where a government would be pressed to protect local players but at the same time committed to opening up the market in fulfilment of some regional and global frameworks.

On 20 May 2017, *The Chronicle* reported that the government had decided to scrap the instrument after claiming that it had achieved its targets, although no quantitative results were available to show that. The instrument was amended and removed and it became known as SI 122 of 2017 and maintained most of its original tenets. The only meaningful relaxation was effected on 23 October 2018 after the country had been hit by some shortages of basic commodities. Thus, the government was left without any option but to relax the instrument and allow the citizens to import the previously banned items from other countries (ZBC, 23 October 2018).

Meanwhile, the then Minister of Industry and Commerce, Mike Bimha (before the original instrument had been amended), is also said to have admitted that the measures had run into some challenges with other countries in the region having responded by coming up with retaliatory measures to counter Zimbabwe's policy. Instead, the government would implement a local content policy, described as "smart measures" by the Minister (Murwira, 2017). The Minister is quoted as having said that in order to address the challenge of the threat of retaliation from Zimbabwe's trading partners, the GoZ would replace the import management programme with a local content policy (Murwira, 2017). Such a policy would be anchored on prescribing sectoral local content thresholds for imports by stakeholders. Nevertheless, no local content policy had been crafted by the time of writing this thesis. Indeed, Bimha had been removed from the Cabinet following the 2018 elections where he had been beaten during the ZANU PF primary elections.

The other challenges included the continued need for imports by consumers, poor quality and delays in delivery of goods by the local producers due to less competition from imports,

incessant smuggling through the porous border posts resulting in increased black market and monopolistic behaviour by some local producers (Murwira, 2017). This points to the fact that there is a need for a comprehensive clear policy on LCD instead of piecemeal instruments in Zimbabwe. In order to understand further the potential and implications of SI 64 of 2016, there is a need to appreciate Zimbabwe's prevailing commitments at the international level. That would also show how Zimbabwe's membership to the WTO has direct implications on the success or failure of any local policy and legal frameworks that can be crafted to govern LCD programmes in the mining and other specific sectors.

#### **5.4 Zimbabwe's Membership in WTO: Implications for LCD**

Zimbabwe joined the WTO on 5 March 1995 where only governments can be members. This is a critical intergovernmental organisation whose objective is maintenance of orderly international commerce (Shoko, 2016). The organisation has a "highly utilised neutral" (Shoko, 2016: n.p) dispute resolution mechanism when there is some misunderstanding in the process of international trade. Furthermore, Zimbabwe is party to the multilateral trade agreements within the WTO, that is, the GATT. It joined as Rhodesia on 11 July 1948, before signing the updated version contract (GATT 1994) in 1994 (Shoko, 2016).

The WTO Cell Industries, Commerce and Investment Department Government of the Punjab (n.d.: n.p) attempts to answer some frequently asked question regarding the organisation and highlights the following:

An agreement on TRIMs was negotiated in the Uruguay Round. It is recognition of the likelihood that certain business measures can lead to trade-restrictive and distorting effects. It therefore seeks to:

- i) Limit trade restrictions measures;
- ii) Promote trade liberalisation globally;
- iii) Facilitate business process internationally;
- iv) Stimulate economic development member countries; and
- v) Promote economic growth in the developing member countries while free competition in the international market.

TRIMs are clearly not in support of the LCD programmes and this puts Zimbabwe in a dilemma in terms of fulfilling the commitments of the WTO, and also balancing that with the demands of activists within the mining sector. Generally, in their engagement meetings like AMIs, community activists did not seem to appreciate this dilemma. The government did not also take time to educate the citizens on this. However, the government and the mining companies did have their separate dialogue meetings where the community activists did not have access to. Shoko, (2016) underscores that GATT provisions give members the justification to take measures to protect domestic industries from serious injury caused by increased imports of certain goods. However, the injury need not have occurred already but even when increased imports threaten to do so; governments are within their right to take action. It can thus, be said that Zimbabwe, by bowing to activists' and local entrepreneurs' pressure, decided to come up with SI64 of 2016.

### **5.5 Lessons from other Countries**

MacDonald (n.d.) argues for clear policy and legal frameworks with clear provisions on LCD when he surveyed and profiled a number of countries across the globe to identify issues of LCD in their respective frameworks. He concludes that resources rich nations are now inserting requirements for LCD into their policy and legal frameworks. Thus, legislations, regulations as well as contracts clearly reflect the LCD component. MacDonald (n.d.) further asserts that if the LCD policy or law is successfully implemented, employment for local people can be guaranteed while local businesses can be boosted. Moreover, LCD programmes facilitate technological transfer as well as skills enhancement for the local workforce. However, where LCD objectives are not fulfilled development opportunities are lost. It is also indicated that where LCD targets are too high, investors are scared away and they may not be met by the host country. In the same vein, when the targets are too low, the host country may not be able to maximise potential linkages. Thus, a country should carefully frame its LCD targets by being sensitive to the local contexts. There is need to craft local content provisions which are comprehensive in terms of targets sought and measured against the percentage of investment concerned per specific timeframe among other quantitative and qualitative indicators. This will make it easier to monitor.

The analysis of the policy and legislative frameworks governing LCD programmes in the two selected cases of Botswana and Nigeria is basically based on various factors. These factors include employment matters, procurement, training, technological transfer, monitoring and

enforcement as well as government obligations in support of companies' programmes. The aim of the section is to draw some lessons for Zimbabwe regarding LCD programmes.

### **5.5.1 The Case of Botswana**

The LCD programmes in Botswana are generally based on the Mines and Minerals Act of 1999, and the Competition Act of 2009, while some specific policies and strategies enhance the practical implementation of the legal frameworks. Botswana is widely perceived as a model of the successful management of natural resources for development (Mabhena and Moyo, 2014). For this study, the researcher focuses on the two critical laws, as well as the Economic Diversification Drive (EDD), a five-year strategy (2011-2016) for economic diversification. The EDD was adopted as a way of diversifying the economy that had remained hinged on the primary products, diamond, copper, nickel and beef (EED, 2011). It is critical to note the following:

- Botswana has no single primary mechanism for regulating LCD in the mining sector;
- The Mines and Minerals Act of 1999 includes soft local content requirements and grants exploitation permits for industrial minerals only to Botswana citizens, unless given by the Minister (MacDonald, n.d.) and this regulates all laws relating to the sector and it includes some LCD provisions;
- The Competition Act of 2009 provides competition incentives for enterprises to train and employ Botswana citizens as well as procuring local goods (MacDonald, n.d.). The law regulates competition between mining and other related industries as well as the contribution to local economy;
- The EDD was a five-year strategy (2011-2016) for economic diversification and it considered local content as an engine for long-term and sustainable economic growth (Republic of Botswana, 2011).

According to MacDonald (n.d.), there are no requirements for technology transfer in all the available instruments. However, the laws and policies analysed for this study have shown that all the other critical elements of LCD are available including employment requirements, procurement requirements, training requirements, monitoring and enforcement mechanism and government obligations in support of companies' programmes. The instruments clearly show the quantitative and qualitative measurable indicators whose fulfilment can easily be

monitored and evaluated by any mining stakeholder. There are also clear monitoring and evaluation systems led by specific institutions which are well supported by the Government (see Annexure H which shows the quantitative and qualitative indicators as well as the monitoring mechanisms of LCD).

The Botswana case shows that LCD is regulated through many policy and legal frameworks. For this study, the example of Botswana offers a good case where the state was proactive with little or no influence from the community activists on LCD. However, the current study examines the role that community activists play in the crafting of mining policies and laws which have a direct bearing on LCD. The case further confirms the significant role that the state can play in mitigating the effects of market liberalism. In such an instance, the application of the “double movement” in the frame that Polanyi suggested is difficult.

### **5.5.2 The Case of Oil and Gas in Nigeria**

Nigeria is another good example of countries that managed to enact specific legislations dedicated to local content. A specific piece of law, Nigerian Oil and Gas Industry Content Development Act, 2010, was enacted and it provides a comprehensive legal framework for LCD (MacDonald, n.d.). A local content policy was issued in the early 2000s and is the basis for the Act. It is shown by Okafor and Aniche (2014) that the Nigerian content policy was formally initiated in 2006 under the Obasanjo administration following the initial submission of the National Content Development draft in 2003 by Nigerian National Petroleum Corporation (NNPC). The researcher realised what should generally happen for any developing country to maximise its resource richness by controlling and operating all the phases of that industry.

Some laws enacted in Nigeria included the Petroleum (Drilling and Production) Regulations; Industrial Training Fund 1971; Petroleum Technology Development Fund 1973 and National Office of Technology Acquisition Act 1979 (Akindelano, n.d.). However, for the purpose of the current study, an overview of the policy and legal frameworks designed by the Federal Government of Nigeria around LCD issues is offered. Focus is mainly on the 2010 Act which is comprehensive and applies to all operators, contractors and other entities involved in any project within the oil and gas industry. Akindelano (n.d.) argues that the legislation takes precedence over all other existing frameworks in respect of all matters and operations regarding Nigerian content initiatives in the oil and gas sector.



Okafor and Aniche (2014) argue that Nigeria is reputed to be the seventh largest oil producing state in the whole world. Such a ranking shows how critical oil and gas are in the economic life of the country. However, according to Azoro (2016), the participation of indigenous Nigerian companies in the industry has been largely limited due to low local content. An estimated \$8 billion (with potential to reach \$15 billion) is said to be spent annually on servicing the industry in such operations as manufacture, industrial procurement and construction among other services. Yet, of these huge sums of money, only very little of the accruable proceeds is spent locally (Azoro, 2016).

Thus, most of the service contracts are awarded to foreign companies because of what Azoro (2016) argues as lack of the requisite skills, technical expertise, manpower and production capacity and capability by the local companies for them to favourably compete with international companies such as Shell, Esso and British Petroleum (BP). It is indicated that research done in 2008 concluded then that, although the oil and gas industry accounted for 90% of Nigeria's revenue, it contributed less than 38% to the Nation's GDP (Akindelano, n.d., :n.p.). Okafor and Aniche (2014:82) put the contribution of the resources annually at an average of \$10 billion of the GDP, which is almost an average of less than 30%. The upstream industry had for decades functioned as an enclave economy with minimal impact on the wider economy (Akindelano, n.d.: n.p.).

Local content policy action in Nigeria started in 1971 through the establishment of the Nigerian National Oil Corporation (NNOC) (Azoro, 2016), which was meant to be a medium for the promotion of Nigeria's indigenisation policy in the petroleum sector. It was only by 2000 that the Nigerian Content Policy was envisioned to serve as the basis for measuring local participation and job creation for Nigerians in the oil and gas industry (Azoro, 2016). In an effort to realise the ideals of the policy, the Nigerian Content Division (NCD) was established which only shows the significance of supporting policy and legislative frameworks with institutions to implement and monitor progress.

By 2014, the expected gains from the policy and legal frameworks to the local citizens had, according to Okafor and Aniche (2014), remained elusive. The authors further argue that more than 70% of the jobs in the oil and gas industry remained in the hands of foreigners (Okafor and Aniche, 2014:82). The stated targets of 45% (initial targets in 2006) and 70% (2010 targets based on the new law) could not be met because indications then were that local content value of between 30% and 35% had only been met in 2009 (Mbamalu,2009 in Okafor

and Aniche 2014:83). Annexure I show the available legislative and policy frameworks that govern the mining sector in Nigeria with special focus on LCD matters.

### **5.5.3 Critical Issues for GoZ and Community Activists**

The Botswana and Nigerian cases, although focusing on different mineral resources, have exposed the study to a number of lessons that can help the GoZ and community activists in their endeavour to benefit from their natural resources. The policies and laws in the two countries clearly spelt out the quantum and quality of the local content requirements. The institutional mechanisms that are tasked with the role to implement the LCD programmes are a critical factor for the success in the monitoring of the mining sector. However, it will always be important to build the capacity of the institutions so that they will not be found wanting in the implementation and monitoring of the policies and the laws.

The awarding of mining licences and other related contracts should be based on commitments by the stakeholders to fulfil the LCD programmes. Once they are in place, the commitments need to be monitored. However, the fact that the Minister was given sole authority to determine some of the key decisions is a cause for concern since issues of transparency and accountability need to be clarified. It looks like even in the two cases cited above, this was the scenario.

The Nigerian and Botswana content programmes that emphasise focus on local goods and services are also likely to be in direct conflicts with some of the WTO principles where the two countries are members. This will remain one of the major obstacles to LCD initiatives for all WTO member countries.

## **5.6 Conclusion**

The chapter has managed to examine the available policy and legislative frameworks governing the mining sector in Zimbabwe. It was noted that Zimbabwe is yet to fully comply with the principles of the AMV regarding issues of making the country's minerals more competitive by adding value to them before exporting them. While the country was in the process of complying through reforming its domestic laws and policies, it was noted that it was taking long to finalise on the new frameworks. The MMAB of 2015 manifests a lot of gaps as far as issues of LCD and other enabling pillars like value addition and beneficiation are concerned. It was, however, appreciated that the draft minerals policy had gone a long way in complying with the AMV, but it was taking time to be finalised. The next chapter discusses local content development and platinum mining in the context of Zimbabwe.

## **CHAPTER 6: LOCAL CONTENT DEVELOPMENT AND PLATINUM MINING IN ZIMBABWE**

### **6.1 Introduction**

This chapter presents the key findings with regards the study stakeholders' understanding of LCD. It looks at the strategies employed by the three study platinum mining companies. The role of the community activists in influencing the strategies is traced through an analysis of the work of the individual entrepreneurs and groups. The aim is to assess the applicability of the "double movement" theory in the activism for participation in the platinum value chain. The emergence of activist entrepreneurs is examined to see if it was really a countermovement or a public relations arrangement established by the mining company as a response to the real double movement at hand. It discusses the programmes that the companies implemented in Zimbabwe guided by their policies on LCD. The chapter further discusses the gender and economic dimensions of the contribution of the local entrepreneurs in the platinum value chain. It is indicated that the activism around enterprise development in particular was a push for local people's participation in the platinum sector. Furthermore, one assesses the extent to which the activism was collective with regards participation in the mining value chain.

Examples of some local small scale businesses in Mhondoro-Ngezi and Chakari linked to the Zimplats are presented to highlight the major opportunities created by the mining of platinum for the local communities. One question that the section continue to engage is whether the small-scale entrepreneurs are linked to any hidden big entrepreneurs with links to the platinum mining company or not. The chapter also examines the Unki Mine's local procurement policy which is directly influenced by the company's global framework. The final case study looks at employment matters as they relate to LCD initiatives with particular focus on Mimosa. In general, the chapter argues that investment achievement is hinged on the capacity of the concerned company to create and maintain local competitive supplier bases through collaborations and partnerships for specific business activities. Firstly, the chapter highlights the compliance matters with regards the host country's IEE polices and laws which have a direct implication to the topic of LCD before discussing the levels of local spending, local enterprise development and employment creation.

## **6.2 Zimbabwe's IEE Policies and Platinum Companies**

The GoZ expected MNCs in the mining sector to assist local companies to manufacture some goods needed by the mines (Chidhakwa, 2017) instead of procuring from outside. Through the IEE policies, foreign companies were required to at least spend 75% of their proceeds locally by way of labour, taxes and supplies, among other ways. This applied where the issue of 51% ownership would not have been met as per the requirements of the IEE Act (See chapter 5). There were some conflicts in the interpretation of the policies among the key stakeholders including government officials. The Presidential Clarification (2016) of the policy regarding the need to spend at least 75% of the mining proceeds locally superseded all other interpretations of the same. The then State President, Robert Mugabe, had to intervene to clarify the situation, yet the perspective of the government regarding LCD was mainly reflected in the IEE policies.

The 2018 National Budget Statement (GoZ, 2017) proposed to amend the IEE laws where the 51%-49% requirement would now apply only to platinum and diamond sectors. The reform was a result of the new political dispensation with the coming in of a new President and Cabinet after the 15 November 2017 change of government facilitated by the military. It was interesting to note that only the two minerals were targeted by the new policy pronouncements yet, other key ones like gold were left out.

For Mimosa, a Memorandum of Understanding (MoU) was entered into with the GoZ in 2012 where the company and Implats (the 50:50 joint owners), would move a 51% shareholding interest in Mimosa to employees, local communities (10% each) and to the state's National Indigenisation and Economic Empowerment Fund (NIEEF) (31%) (Aquarius Platinum Limited, 2013). There were delays in the implementation of the provisions of the MoU. This was mainly as a result of the reservations that the company had on the new laws. Indeed, the literature reviewed showed that generally, most international companies did not readily accept the new laws and policies hence some resistance manifested itself.

In its 2014 Annual Sustainable Report, Aquarius Platinum Limited Company indicated that, while a non-binding term sheet regarding indigenisation had been met in December 2012, government indicated during 2013 that it was no longer supportive of the term sheet (Aquarius Platinum Limited, 2014). A new Minister responsible for Indigenisation had been appointed following the 2013 elections; hence Mimosa remained in frequent discussion with the GoZ sustainable mechanisms. The issue of the IEE policies thus continued to create uncertainties

among investors. By 2017, the company still indicated that it was in constant discussion with the GoZ on the full implementation of the laws.

In 2016, the former President Robert Mugabe “softened” the indigenisation policies. He allowed foreign miners to keep controlling stakes in their local units in exchange if they retain 75% of their earnings in Zimbabwe, including procurement (The Source, 1 February 2017). It should be noted though that the law was yet to be amended (at the time of writing) to reflect the changes brought about by the Presidential pronouncements. The new administration in Zimbabwe further proposed new amendments to the IEE laws as indicated earlier on. The regulation that directed a 75% local spending if fully complied with was going to ensure the success of the LCD initiatives. However, still, the figure needed to be broken down further to show the exact possible indicators for LCD. As it stood, it was going to be difficult to monitor.

Zimplats is said to have shared 10% of its equity with employees for \$95 million in 2017 (that is the Zimplats Employee Share Ownership Trust) (The Source, 1 February 2017). This followed an approval by Government of the plan in September 2015 to sell a majority stake to local black investors for \$971 million to meet the requirements of the law (The Source, 1 February 2017). Zimplats continued to engage the GoZ on the general implementation of the IEE Act. In all its annual integrated reports the matter featured while the company boasts of having been the first to comply with the initial provisions of the law. The screenshot below shows the company’s perspective on the law and its relationship with the GoZ on that.

**Figure 6.1: Zimplats Stakeholder Engagement**

Summary of Stakeholder Material Issues		
Stakeholder	Material Issue	Zimplats response
Government	<p><b>Indigenisation</b> In April 2016 a Presidential Statement was issued giving clarity to the framework for compliance by existing mining companies</p>	<ul style="list-style-type: none"> <li>• Engagement with government on indigenisation is ongoing</li> <li>• Zimplats was the torchbearer in the implementation of both the community share ownership trust and ESOT.</li> <li>• Similarly it is playing a leading role in terms of local procurement programmes and the development of LEDs in line with the Presidential Policy Statement of 2016</li> </ul>
	<p><b>Beneficiation</b> Government has directed the platinum industry to build a refinery. An export levy will be placed on all PGM concentrate exports from 1 January 2018</p>	<p>Zimplats already produces and exports converter matte (in metallic granular form). However in line with the government thrust on beneficiation, it is actively looking into further beneficiation by way of refurbishing the existing BMR at SMC and Joint Venture (JV) opportunities with other players in the country. Progress on the implementation of the enhanced beneficiation projects is currently constrained by cash flows triggered by prolonged low metal prices. Consequently, delivery of capital projects and their completion is now being matched to availability of cash resources</p>
	<p><b>Request for ground</b> On 13 January 2017, the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which the government gave fresh notice that it intended to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The operating subsidiary lodged an objection to the proposed acquisition. Following on the lodging by the operating subsidiary of its objection, the Government of Zimbabwe on 24 May 2017 served the operating subsidiary with an order of compulsory acquisition and on 26 June 2017 the Government filed a court application seeking confirmation of the acquisition.</p>	<p>The operating subsidiary responded to the court application and the parties are currently engaged in discussions to find an amicable resolution of this matter</p>

Source: Zimplats 2017 Report, p51

The platinum mining companies, Zimplats, Mimosa and Unki, believe that by creating an economically viable economy around its operations, it will be able to gain social acceptance to operate. The commitment is also evidenced by the level of spending in the LCD areas, according to their official reports which however are being dismissed by some community activists as having been manipulated (Anonymous Entrepreneur, Shurugwi, 5 July 2017).

### 6.2.1 Level of Local Spending

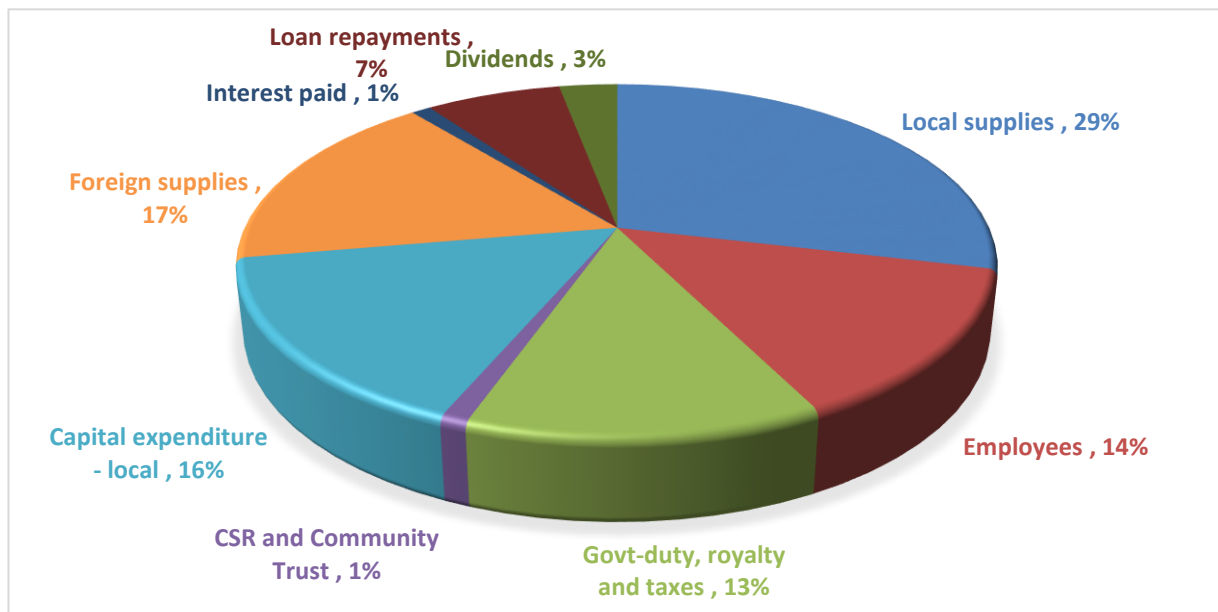
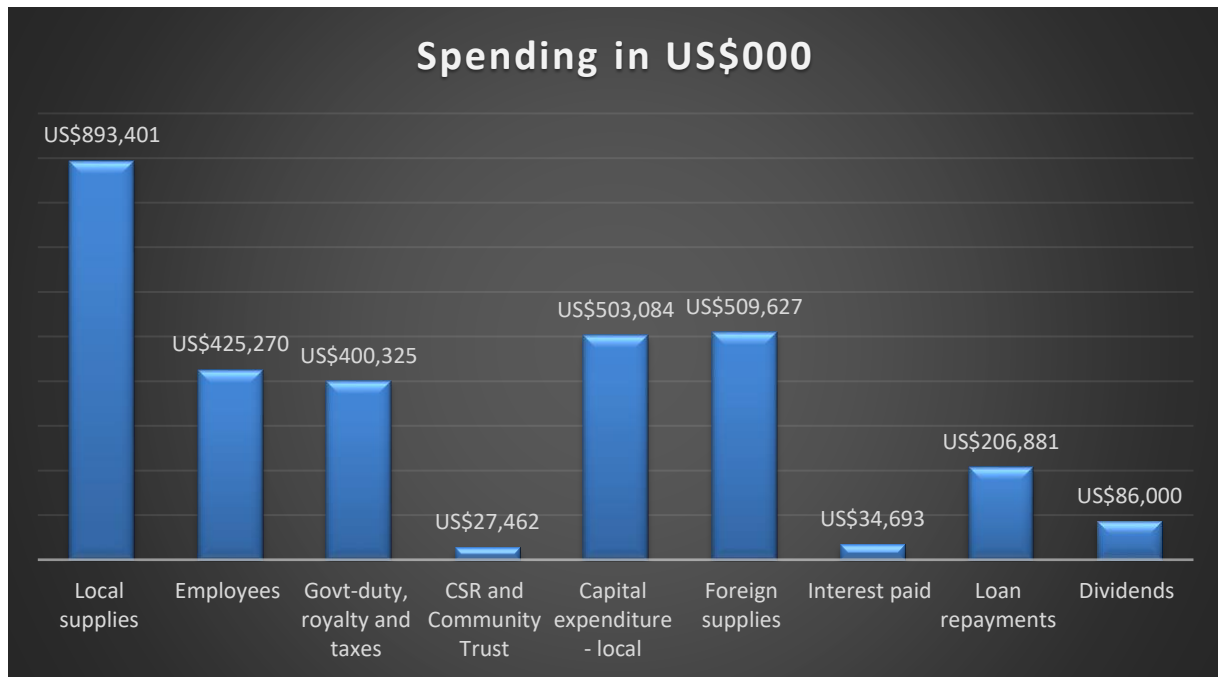
The perspective of a company's seriousness in the area of LCD can be shown through its local spending levels for each year of operation. Local spending can be reflected in the company's expenditure on local procurement, employment of locals and other tax related expenses. It

requires a thorough analysis of the annual reports for one to clearly note the levels of local expenditures particularly considering that some companies like the Anglo American and Implats which were part of the three companies under study give integrated reports for all the subsidiaries without disaggregated data for each branch. Efforts were therefore made to find individualised reports for the individual subsidiaries with some challenges for Unki.

In 15 years of Zimplats' existence in Zimbabwe (to 2017), for instance, the company spent much of the 5 billion dollars accrued towards procurement and employment (Chindove, 2017). According to the Aquarius Platinum Limited Sustainable Development Report (2013), Mimosa spent \$109 million (2012: \$137.3 million) of which 67% was spent locally (2012: 66%) between 1 July 2012 and 30 June 2013. Chitando (2016) further shares that 73% of the approximately US\$3 billion generated by platinum industry from 2012 to 2015 went to local suppliers, employees, communities and government of which 29% of that went towards local supplies and 17% was allocated to foreign supplies. Chitando's interests in the discussion should however be viewed with a critical eye as he was one of the executives in one of the study companies at the time. Mawowa (2013) indicates that by 2011, net employment costs at Zimplats alone were valued at US\$42 million. This obviously had some downstream social and economic effects. As a result, 14000 people were estimated to be directly depended on Zimplats and living within the Turf Village where already 2000 employee housing units had been constructed (2012).

Chitando was appointed Mines Minister in late 2017, but when he shared the statistics, he was still the Chairperson of the Platinum Producers' Association and the Managing Director of Mimosa. His contribution was not supposed to be taken without analysis as it could have been somehow biased in favour of the platinum sector. However, his data could also be nearly confirmed by Mawowa (2013), when the later estimated that by 2012, the platinum sector could have been employing around 45 000 people directly and possibly 15 000 in related industries. The figures however only referred to corporate mining while small scale miners could also have been a considerable number.

**Figure 6.2: Local Spending by Platinum Companies, 3-year Period to 30 June 2015**



**Data Source:** Chitando, 2016

For the period under review, it can be seen that employment and local suppliers received relatively good amounts from the sector. However, a concern can still be raised as foreign supplies continued to account for quite a high figure in terms of proceeds in percentages. It is also interesting to note that the contribution to CSR and related programmes was also very low.



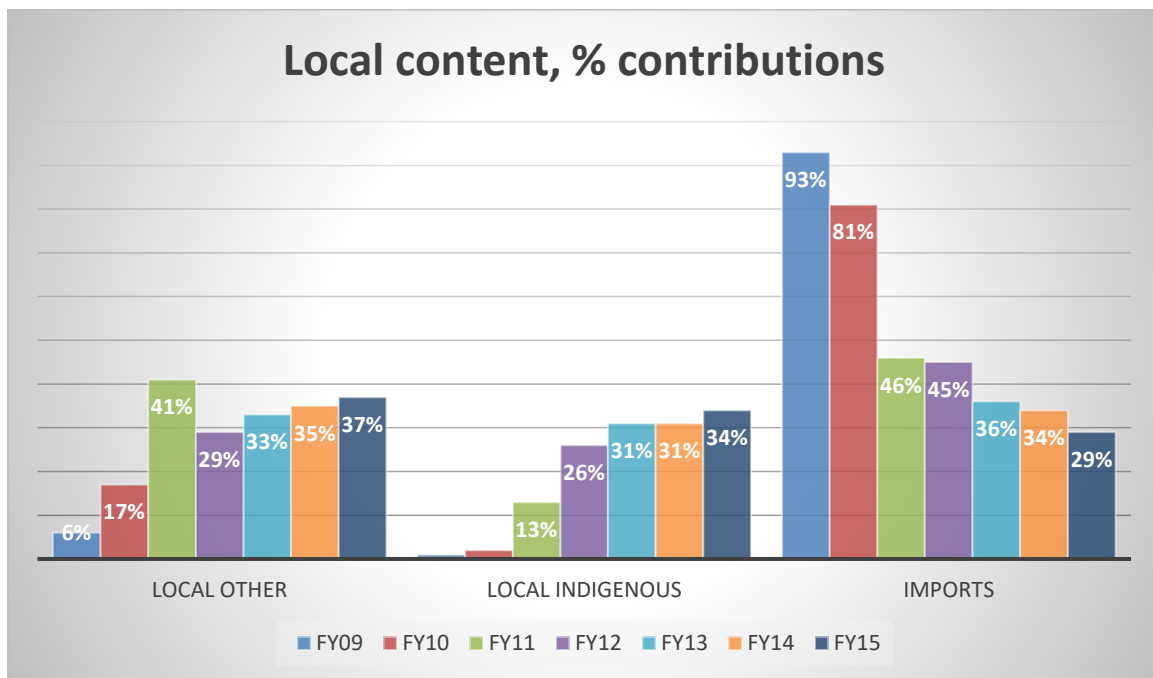
This shows that with effective regulatory framework, the sector has the potential to contribute to the national economy.

Mining can only be useful in social and economic development once the sector is linked to other economic sectors, particularly through local procurement and supplier development. Such linkages have multiplier effect on the whole economy. The sector is a means to the end (development) and not an end in itself, argued Walter Chidhakwa, then Minister of Mines in Zimbabwe while presenting at a ZELA meeting in Harare (2017), hence the need to link it to the rest of the economic sectors. Presenting on the contribution of the platinum sector to Zimbabwe's economy, Chitando (2016) argued that for every dollar created in the platinum industry, an estimated 73cents would be created in other sectors of the economy, arising from the multipliers. The indirect multipliers include the indirect and induced impacts of the mining sector on the economy that is backward linkages (for instance transport, supplies, professional services) and forward linkages (for instance electricity generation).. This, thus, provides an opportunity for the various local entrepreneurs to participate in the value chain as providers of the services and goods.

On its part, Zimplats defines indigenous suppliers as the companies registered and operating in Zimbabwe, but with at least 51 % being owned by black Zimbabweans or other previously disadvantaged groups (before independence in 1980). It is clear that the definition is drawn from the Zimbabwe's indigenisation frameworks. However, the discussions on what actually constitutes local suppliers continued among scholars and participants in the current study. It was noted that for the three case studies, the companies regarded local in terms of the immediate community where mining operations take place, the whole provinces and lastly the nation at large.

Mungwambi (2015) showed that over a seven-year period (2009 to 2015), payments to local suppliers, increased from 1% of total expenditure in 2009 to 34% in 2015. These statistics excluded payments to government and parastatals such as ZIMRA, Zimbabwe Electricity Supply Authority (ZESA), and other government related parastatals. The researcher noted that in most of the annual reports of the mining companies data with regards payments to government and parastatals was not being included in the statistics and this led to clear challenges in analysing the reports.

**Figure 6.3: Zimplats Statistics on Local Content (2009-2015)**

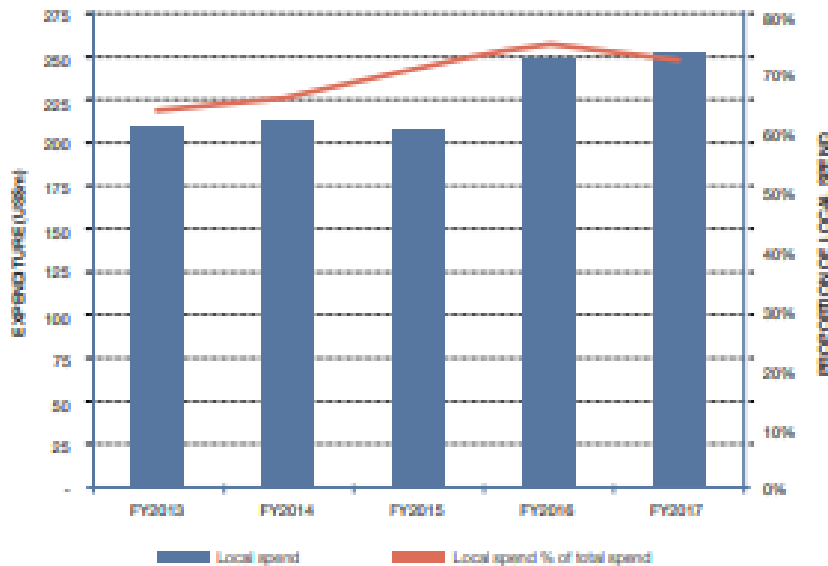


**Data Source:** Mungwambi, 2015

In its 2017 annual report, Zimplats shows that total value of local payments increased marginally from US\$252 million in 2016 to US\$253 million in 2017 as indicated on the graph below. However, local procurement alone decreased from 75% in 2016 to 72% for Zimplats despite the fact that the company continued to emphasise the issue.

**Figure 6.4: 2017 Local Spending for Zimplats**

**LOCAL SPEND**



**Source:** Zimplats 2017 Annual Report, p22

**6.2.2 Local Procurement**

Local procurement remains another critical component measurement of LCD. The three mining companies under study developed procurement policies that guided them. The Zimplats Board is said to have approved a specific policy to promote procurement from local and indigenous suppliers in 2011 (Mungwambi, 2015). It is one thing to have a policy and another for the stakeholders to implement it. For Zimplats, it revealed that road shows were held educating potential indigenous suppliers on procurement opportunities regarding goods and services procured by the company as well as the supplier registration process to be followed. Visits to identify companies to encourage them to take up procurement opportunities with Zimplats were also done (Mungwambi, 2015). Two officials representing Mimosa and Zimplats at the national AMI in Bulawayo (28 September 2016) appreciated the role of the CBOs as they monitor the mining sector in their respective communities. The CBOs alerted local suppliers of potential opportunities at the mines.

On the part of Unki, a specific procurement policy was also put in place whose vision is to create a sustainable and responsible local procurement programme. The vision also presented as anticipating a positive input of the mine to the host communities through a resilient supply

chain that leads to socio-economic development of the area (Unki, n.d.). To clearly have an appreciation of the companies' procurement strategies, the researcher makes particular reference to the Unki procurement policy but he also refers to the other study areas to strengthen my points.

The mining companies established Community Engagement Units although some of the key informants for the study did not know the contents of the companies' procurement policies. Yet, the companies' reports indicate that these are public documents for all the stakeholders including the host communities. This shows the weaknesses in the publicity strategies for the mines on key processes. The integrated report for Anglo American (2017:25) shows that Unki Mine plans to establish a community newspaper for enhancing engagement with the local communities. The same report shows that similar newspapers were established late 2016 in other company subsidiaries in South Africa. Councillor Nyoni of Ward 19 (she has since been replaced following the 2018 elections) in Shurugwi who was an active participant at the AMIs and community engagement meetings had this to say:

As a Councillor myself, I engaged the mine to find out more about its procurement policies. This was in response to the complaints raised by the community members to me about how the mine was treating them. It was after my meeting with the mine that an outreach exercise was conducted to explain the company's procurement policy (Interview, 7 July 2017).

According to the Councillor, the outreach established that the standards and quantities expected by the mine were beyond the capacity of local suppliers. However, some vendors supplied vegetables at the mine as individuals, but at times they combined their products to increase the quantities to meet the company standards and volumes. However, a ZCC member in Shurugwi shared that Unki usually required women to supply goods and services as groups. For instance, she shared (Interview, 24 October 2018) that Unki had invited ten women under the Women Coalition of Zimbabwe (a national CSOs working with women on gender and advocacy matters) to supply services through cleaning at \$8 per day for three years. Furthermore, the same condition also applied at Mimosa as shared by Councillor Sibanda of Ward 5 that hosts the mine. He indicated that Mimosa also preferred suppliers who came as groups. It was indicated that the following two women groups also supplied chicken and vegetables at Mimosa: K to the Power Three (*Kugona Kunenge Kudada*) and Awake Women's Groups among others. The major challenge met by the groups was failure to meet the expected mine standards. The community activists including the Councillor in Mhondongori continued to

advocate for more relaxed standards that would allow the local suppliers to be part of the platinum value chain.

The vendors in Chironde were said to have complained to the Councillor about what they called discrimination against small suppliers at the mine in terms of standards set. A community activist from Chironde Community that hosts Unki argued that the replacement of the Councillor has led to challenges accessing crucial information from the mine with regards procurement (10 October, Interview). The activists insinuated that the former Councillor must have closed all the communication lines with the Unki mine with regards local procurement.

The screen shot below shows the amounts of resources in Rands that were spent locally through procurement and other expenditure indicators. It is shown that Unki employed 1133 workers although the report does not indicate those who were from the local communities.

**Figure 6.5: 2017 Unki Local Procurement Spending**

Zimbabwe 2017 – R million	Total taxes borne	Total taxes collected	Capital investment	Total addressable procurement spend	Localised procurement from host communities	Wages and related	Corporate social investment	Total tax and economic contribution
Economic contribution	57.5	15.7	437.8	974.5	87.96%	387.5	5.7	1,878.8

Included in total borne is corporation tax of R54 million and royalties of Rnil.

NUMBER OF EMPLOYEES

**1,133**

TOTAL TAX AND ECONOMIC CONTRIBUTION TO THE ZIMBABWEAN ECONOMY IN 2017

**R1,879m**

TOTAL TAXES COLLECTED FROM EMPLOYEES IN 2017<sup>1</sup>

**R8m**

<sup>1</sup> As disclosed in the Amplats Sustainability Reports.

**UNKI-RUCHANYU CLINIC**

The lack of a health service centre in areas around the mines and wider district means community members have to walk over 25km to access primary healthcare. This presents potentially serious challenges, including delays in seeking medical attention, defaulting on reviews and home births that put the lives of mothers and babies at risk.

Unki Mine responded to the needs of the 20 relocated Rietfontein families and broader Ruchanyu community by partnering with the Department of Health to construct the clinic and staff accommodation facilities, and then equip the clinic.

The project also included power and water reticulation, as well as perimeter fencing. All infrastructure is complete while equipping the clinic is under way.



**Source:** Anglo American Platinum Limited Integrated Report 2017: 63

It is also shown on the figure that 87.96% of the total contribution to the Zimbabwean economy by Unki during the year under review was made up of localised procurement from host communities. Setting up of procurement targets by the mines is key as it allows the community activists and other stakeholders to monitor the implementation and progress of the mine strategies. Community activists will also act as the channel for the transmission of updates regarding opportunities for the local suppliers if they know the required targets regarding quantities and quality. The Zimplats Public Relations Official expressed at a ZELA meeting (2, March 2017) that, as a company:

We have set the targets from 2011 and a monthly performance review at appropriate management levels. The local procurement and supplier development was set by our board at 60% of anything purchased by the mine, although in reality the figure went to as high as 76%. We are thus surpassing targets already and we celebrate that.

In order to build the capacity of local suppliers, it was agreed that Zimplats assist contractors and suppliers with safety and control systems in line with the company's standards. The same official at the same event as cited above from the Zimplats had this to say:

We train our partners in business management in general, financial management as well as safety matters. We boast of being the leader in the area of capacity building. Our training is also compliant with international best practices with regards partnerships with local people.

This study established that some of the goods that were being purchased by the mining companies from the local partners were said to be supplied locally but they would have been imported from other countries like China and South Africa, among others. In such cases, it would be technically difficult for one to penalise the MNCs although it will be clear that the labels are not Zimbabwean. A case in point was the building materials supplied by a "local" partner to Unki purportedly from the local sources, yet one established that they had been imported from South Africa. The supplier was responsible for the construction of the staff houses in Shurugwi and other projects related to the mining activities.

This study further noted that while the platinum mining companies made efforts to promote local procurement, the local suppliers still faced challenges in meeting targets and this was some of the excuses given by the firms. The local suppliers faced cash flow problems leading to poor and inadequate goods and services being supplied. Participants at the 2017 Midlands AMI in Gweru (5 July 2017) shared that they were being affected by the cash shortages that hit the country for over two years (2016 to 2017):

As a direct response to such challenges, Zimplats, for example, undertook some training and mentorship sessions for the local suppliers to improve the quality of commodities delivered. The company also made advance payments to assist suppliers with working capital requirements. The grand strategy was to procure at least 80% of Zimplats requirements from the local companies by 2018 (Mungwambi, 2015).

The quotation above presents Zimplats as the saviour yet some activists argued that the mining company wanted to have direct influence in terms of the local suppliers. Related to financial challenges were the delays in the supply of commodities after the local companies would have been awarded the contracts by the mining companies. An official from Mimosa who attended one of the breakaway sessions during the national AMI in Bulawayo (28 September 2016) lamented that “even when these local suppliers are given the contracts, at times they do not deliver at all. If they manage in most cases they delay and this affects the company’s operations”. The capacity constraints on the part of the local suppliers obviously needed the attention of the big mining companies in order to address that.

Complaints from companies who would have failed to secure orders or contracts tendered were also mentioned by the communities. It was also found out that in some cases, those local companies that would not have been selected as suppliers tended to politicise the process by claiming that their failures would have been caused by their political affiliations for example, belonging to an opposition party. One key interviewee in Shurugwi (Interview, 7 July 2017) alleged that “it is always a question of which party you belong to. I have always told people that the Management at Unki get instructions from the ruling party hence all the projects are offered to those that support the party”. However, the mine’s reports indicated that everything was done transparently without any political interference.

It was interesting to note that Servicor, a catering company, was the supplier at all the three mining companies. The study attempted in vain to establish its official owner and the general status. However, it was observed that it employed some local people. One community activist in Mhondoro-Ngezi, who is a member of a local CBO that participated in this study, said that “we are not sure about where Servicor comes from, but at least it employs some people from this area. My wife actually works at the company...” (Community activist in Mhondoro-Ngezi, 25 May 2017). The researcher however, failed to establish the official numbers of employees engaged at Servicor at all the companies.

### **6.2.3 The Anglo-American Local Procurement Strategies**

The study noted that generally, the target platinum companies were guided by their global procurement strategies. This prompted Chief Banga of Shurugwi to argue that “communities should engage the headquarters of Unki Mine complaining about how the company is neglecting local people in terms of employment and local supplies” (contribution during AMI, 30 May 2016, Zvishavane). Combined for 2013, in total (in South Africa and Zimbabwe), the Aquarius Platinum Limited contributed about \$4.95 million to CSR (whose expenses also contribute towards local supplies) and local development (Aquarius Platinum Limited Report, 2013). The company pledges to continue working towards compliance with the Mining Charter (Aquarius Limited Report, 2013). One noted that, while this was the case, local activists felt that the company needed to do more in the area of local procurement.

The Anglo-American company indicates that by engaging local economic players in its supply chain, the company makes crucial positive contribution to the host areas. Anglo American believes that an effective local procurement policy leads to employment creation as well as to skills transfer. An Unki Official within the Human Resources Department argued that “there is no clear and purely Unki local procurement policy and indeed most things are imported from South Africa” (Interview, 14 October 2018). Logistical costs are also lowered in the supply chain as commodities will be secured locally. It can be seen that indeed, while local procurement benefits local communities, it has also become a strategic business decision that adds a lot of value to the company. The mining company also sees a lot of economic value in procuring locally even though it is not honest in localising the policy itself to Zimbabwe. Such a promising policy has not been well appreciated by the local suppliers who felt that the company remained global in its procurement.

The company vision captures issues of sustainability, responsibility and positive contribution of the mining activities on the local social and economic development. It further commits the company to building the resilience of the local suppliers. It can be argued that partnerships and capacity building of the local communities will be key for benchmarking the analysis of the policy only when the policy has been localised. However, the activists in Shurugwi remained sceptical about the effectiveness of the strategy employed by the company on the capacity of the local suppliers. The study found out that while the policy pronouncement sounded well, the implementation on the ground left a lot to be desired.



The entire supply chain should have offered potential opportunities for the local communities. The company pledges to pursue development results through local procurement at all levels (Anglo-American, n.d.) and it can be noted that the question of what constitutes “local” is addressed by focusing on both the local and national level procurement. While this can be considered as an inclusive approach (according to Unki reports), activists from the host communities from Shurugwi indicated that they expected to receive preference over suppliers from other districts. Furthermore, issues of quality, safety, delivery, health and environment are some of the key areas of discussion between the activists and the mine with regards to procurement matters. The study found out that local suppliers across the target areas faced some challenges in fulfilling issues of quality, delivery and sensitivity to environmental needs due to inadequacies of capital. To fill some of such gaps, Unki pledges in its official documents to enter into partnerships with the local suppliers. This approach was also noted at Zimplats and Mimosa. This ensures that the companies have guaranteed access to crucial inputs. The company encourages participation by SMEs in the platinum value chain through creation of simplified and transparency processes of procurement. In a way, this breaks the possible barriers to the SMEs who might face stiff competition from the big players in the industry. The payment terms will accommodate the needs of SMEs. However, at a minimum; all suppliers should comply with all national, statutory and regulatory requirements in their territories of operation. A special guidance tool was prepared to support suppliers to have a better appreciation of the implementation and assessment requirements followed by the company as outlined in the Supplier Sustainable Development Code (Anglo America, n.d.). The idea is to promote what Anglo American calls responsible sourcing. The guidelines are drafted in a more general manner; hence local situations will have to be considered. Councillor Nyoni confirmed to have been shown the tool (Interview, 7 July 2017). However, the other activists maintained that the marketing of the tools to the public was not enough. The procurement policy emphasises the need for the local suppliers to meet the global standards of Unki when it does not fully address issues peculiar to the company at local level.

The company sets some monitoring targets with regards the partnership activities and their impact. Indeed, this could have been an important aspect for the local activists as they would be able to measure the progress in the procurement of local commodities by the company. Yet, the Unki specific reports are not accessible to the activists. The integrated reports produced for all the subsidiaries are so complicated such that the community based activists could only comprehend them through the assistance of some experts like the national CSOs. The company

appreciates the need to develop specific strategies for each mining projects as the environment will always be different (Anglo-American, n.d.) but this was not the case on the ground.

In theory, the company generally aims to technically and commercially support local suppliers through the following strategies:

- Provision of seed funding to local suppliers: For Unki, this study did not confirm if this is happening. While the strategy could have also led to the building of the capacity of the local suppliers, the community activists professed ignorance of the facility;
- Provision of commercial processes and advice: Besides the outreach which is said to have been carried out in Ward 19 only, there were no other initiatives found by the study.
- Incubating entrepreneurial talent: Again, this was not confirmed by the community activists;
- Creating infrastructure like ‘Supplier Clusters’, allowing suppliers to share facilities and leverage on each other’s networks and capabilities. The study established that the local suppliers never knew about this arrangement;

An examination of the local procurement policy of Anglo-American, by extension affects Unki Mine, shows that MNCs now regard procuring locally as a strategic business decision that benefits the companies. In the process, the local suppliers are also theoretically linked to the platinum value chain at global level. The policy is however not emphasising gender, yet, this is one critical matter that cannot be ignored in a sustainable development debate. It was noted that local suppliers (anonymous) were engaged in providing bricks for the Unki Mine housing projects as well as for the construction task. However, the tender process for this appeared not to have been transparent according to a ZELA Data Collector (Interview, 7 July 2017). There was no transparency in the tendering of big projects which did not give local players the opportunity to participate. The construction of the employee housing units in the Shurugwi Town Centre was also done in a non-transparent manner according to local activists.

Lack of transparency in the procurement process was not only noted at Unki but at Mimosa and Zimplats too. While the companies claimed to be having local policies, they stuck to their global ones which are not sensitive to the local environment. In terms of transport services for instance, the study established that Mimosa hired local suppliers who include: Chawasarira Buses,

Pioneer Transport, Tauya Couches, Tombs Motorways and Nyamambi, among others. Although the study failed to establish the official owners of FC Platinum, it was established that Mimosa also utilised a few buses from that company (FC Platinum) too.

#### **6.2.4 Local Enterprise Development**

The study found out that the three mining companies boast of being fully committed to contributing towards the long-term sustainability of the communities that surround their operations. This includes building social, economic and environmental relations with their local communities. As part of the companies' commitments to promotion of LCD, a few initiatives were put in place. For instance, Zimplats developed a local enterprise development (LEDs) strategy to ensure that local businesses (in Mashonaland West Province that hosts the company) were given the opportunity to supply commodities to the company (Mungwambi, 2015). This therefore meant that for Zimplats, local referred mainly to Mashonaland West. This is how the company defined its local community.

The business relationship between platinum mining companies and the local entrepreneurs is meant to be collaborative. It should be a partnership where the big mining company assists with funding, safety, health, environment and quality related issues to enhance the capacity of the local small scale suppliers. The mining companies would also provide capacity development in business management and other critical areas that need attention in the partnership between local suppliers and big mining companies. In summary in the case of this study:

- Business partnership is where the local players are incorporated into the platinum value chain as suppliers of some critical inputs needed to produce platinum.
- Capacity building offered to the local players regarding business management, environmental issues and financial management as key in strengthening the collaborations.
- Favorable payment terms for local supplies should be offered to build the capacity base of the local players.
- Setting of local procurement targets which could be monitored, measured and evaluated by all stakeholders as also key for the partnership to grow.

- Internal and external reporting mechanism on local procurement should also be prioritised, thereby enhancing accountability.

While one encountered a number of female entrepreneurs in all the three study areas, it was felt that the following two particular cases that involved Zimplats will be representative of such for all the companies under study.

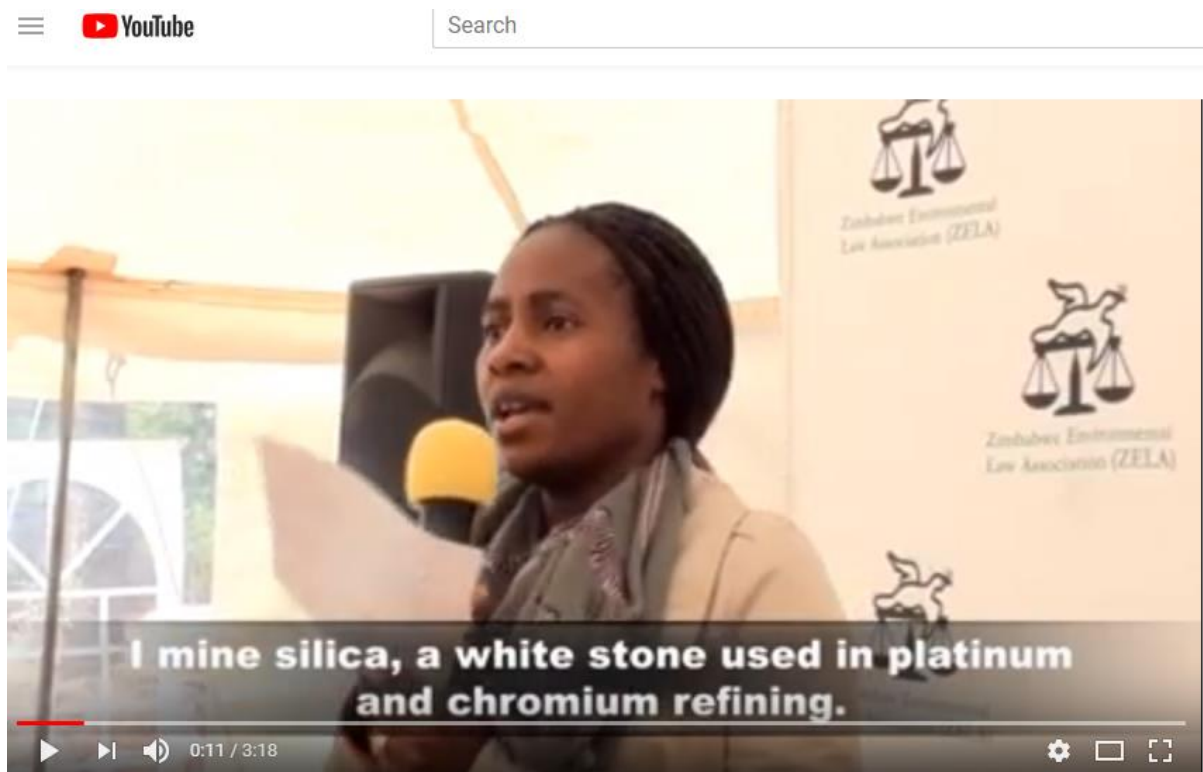
### **6.2.5 The Story of Sphiwe Makororo**

The story is meant to show the extent of participation by local communities in the platinum mining sector with special focus on women. Sphiwe was a small scale silica miner from Chakari, near Kadoma in Mashonaland West Province, about 50km from the Zimplats mining location. She owned a company that operated from Chakari. Her company partnered Zimplats in the supply of silica for over four years by 2017. The company was financially and technically supported by Zimplats. Its capacity to mine silica in an environmentally friendly manner was as a result of the training she received from Zimplats. Through the support from Zimplats, the company further managed to develop a five- year business plan. Sphiwe's main message to AMI delegates each year was that local suppliers should take up opportunities presented by the mining companies in their respective communities.

Sphiwe also shared her story through an interview the researcher had with her as well as during all the ZELA activities attended by the researcher. She would say:

My name is Sphiwe Makororo. I mine silica, a white stone used in platinum and chromium refining. When I approached Zimplats with my proposal to supply them with silica, initially they declined. Later, they reconsidered and gave me the contract since they did not have female suppliers. Zimplats used my gender to award me the contract and we should applaud them for that. They have the Local Enterprise Development programme whose aim is poverty alleviation in the community. I started by using a pick and shovel employing 28 people as I had to deliver on the contract. Employee safety is very important. Zimplats gave us knowledge on legal compliance and Environmental Management Agency (EMA) among other aspects. A Zimplats employee is in charge of the LED and acts as a mediator between us and them..." (Interview, 28 September 2016, Bulawayo).

**Figure 6.6: Sphiwe Makororo of Chakari**



Zimplats Local Enterprise Development (LED) - Silica Miner - Sphiwe Makororo

Sphiwe Makororo, a Zimplats silica supplier at one of the AMIs explaining the partnership with the mine

**Source:** <https://www.youtube.com/watch?v=xw1uxAc83mo>, accessed 20/09/18

Thus, Zimplats LED strategy particularly targeted women and from Sphiwe’s experience it was clear that her partnership entered was enhanced by her gender. Her story does not however, address the issue of collective beneficiary initiatives where all members of the communities can be involved. One tried to investigate if Sphiwe had some connections within the mine but she insisted that she did not have any. However, one of the community members who attended community meetings always argued that Sphiwe indeed should have been considered as a supplier based on her individual networks with some officials within the mine. Upon further investigations on the allegations, the researcher noted that the community member was not happy with the mine for it had “considered a supplier from Chakari, which is not part of Mhondoro-Ngezi...” (Argued the Community member at engagement meetings). This shows that the issues of “local” being the host community remained one of the much discussed matter among the activists.

Nevertheless, Sphiwe's story failed to show how activism could be used to benefit individuals instead of a whole host community. Furthermore, the story presents Zimplats' bias towards the women at the expense of the males in the platinum value chain. Some activists who always insisted that Sphiwe was connected personally to one of the Zimplats argued that the so called mediator between the supplier and the mining company was actually responsible for doing the accounting for the local company, further enhancing the theory of a hidden hand of ownership. Sphiwe was not prepared to share the current (as of 2017) statistics of her full time employees preferring to say that the company now serviced many families beyond the initial number of 28. It was however, clear that the company used contract employees in most cases to be able to meet the contractual obligations at Zimplats.

### **6.2.6 The Case of Turf Brick Moulding Company**

One more example of Zimplats partnership with local suppliers further shows how the company worked to enhance women-led enterprises. The following section further examines the gender dimensions in the local procurement discourse where another practical case of a group of women from Mhondoro-Ngezi was in partnership with Zimplats. One also examines the capacity of local suppliers with particular interest on the work of some women local suppliers. It is expected to give a full picture of the platinum mining companies' strategies in empowering local suppliers in a sustainable manner. The company is called Turf Brick Moulding Company and was formed on 24 November 2010 by thirty-one women (widows and divorcees) from Village 1, Turf, Mhondoro-Ngezi, in Mashonaland West Province. It was adopted by Zimplats, firstly as a cooperative, which was later registered as a private company. When it was transformed into a company, the rest of the women left, except eleven who were now directors of the company. It was established that some of the members left when the "demands of the new company were no longer bearable as we now had to work hard to fulfil the contractual obligations of the partnership with Zimplats....", said one of the Directors at the company in an interview (25 May 2017).

### **6.2.7 Support Received from Zimplats**

The company received much financial and technical as well as moral support from Zimplats.

A member of the company said that Zimplats:

...facilitated the formation of the corporative and all the registration procedures with the relevant departments. Later on, the platinum company also assisted us in the transformation of the brick moulding

company into an efficient business unit. As you can see, we are now a more organised, mobilised and networked company with all the ingredients of an efficient institution. Look at our offices, equipment and our organogram, all these point to the fact that we can compete with any other company and we obviously owe this to Zimplats (Interview, 25 May 2017).

The quotation above manifests the elements of activism, as the interviewee always emphasised that initially, they had to demand the support from Zimplats in a way that is reminiscent of true community activists. She indicated that they felt that it was the duty of the mining company to support them as it was “making huge profits from our resources...” she would say. The interviewee further indicated that the fact that they were organised, mobilised and networked to other community activists in Mhondoro-Ngezi was enough pressure for the mining company to consider them as partners. It was also shared that the confrontational approach was only diluted when the mining company invited them for partnership negotiations. Thus, one can say that the partnership was as a result of the activism that the local people showed towards the mining company. One could further argue that maybe the move by Zimplats was to dilute the possible negative effects of the activism on the mining operations.

Through another interview with one of the company’s Production Managers, the researcher established that Zimplats hired a consultant company based in Bulawayo to train the brick company officials on brick moulding on an ongoing basis. She highlighted that:

The training introduced us to the use of the electronic Brick Moulding machines as well as mixing pans which are efficient production equipment. We were also trained on general business management techniques by Empretec, which was also hired and paid for by Zimplats. This allowed us to run our company on a professional basis (Interview, 25 May 2017).

The study found out that the eleven officials who ran the company were all directors, overseeing different company departments. The organisational structure included the Managing Director, Production Managers, Human Resources Managers, Finance Managers, and Sales Managers among other critical office bearers. In the figure below, one of the company’s Production Managers is demonstrating how the Brick Moulding Machine Works to the Researcher.

**Figure 6.7: Demonstration on How the Brick Moulding Machine Works**



**Picture:** by author

The study noted too that Zimplats also supported the company through a hired consultant company. One, however, failed to get official salary range for the company employees, as well as other employment related conditions. This was regarded as private and confidential information. However, one observed that one of the Production Managers had just acquired a second-hand private vehicle for personal use direct from Japan. It was established that the vehicle had been purchased using the salaries received at the company. This shows that the salaries were at the level that allowed the women to spend on other personal wants beyond the basic needs.

Zimplats provided the company with some advance payments to allow for the purchase of equipment, as well as other inputs like protective clothes (work suits and safety shoes among others), cement and quarry to allow the company to meet its initial production demands. Moreover, the office space and its equipment (computers and printers, land used for brick production, as well as financial capital) were all supplied by Zimplats. The initial capital received from Zimplats also included an amount of US\$20000. In June 2017, Zimplats disposed some of its vehicles and the tendering process only targeted the brick company, the silica producing company (discussed above) as well as another anonymous clothing company from Kadoma that was also in partnership with Zimplats. The brick company managed to buy the vehicles at very low prices for use in its work.



### **6.2.7.1 Linkages with other players**

The brick company was linked to a Clothing Company in Kadoma (which chose to remain anonymous), which provides protective clothes through Zimplats and the Mhondoro-Ngezi Rural District Council (MNRDC) (which also facilitated for the company directors to purchase individual residential stands), and two other companies (which also opted for anonymity) that are also contracted by Zimplats to perform various services for the platinum mine. Thus, the company was now linked to other players beyond Zimplats such that the demands for their products were now exceeding their normal capacity.

### **6.2.7.2 Projects Achievements of the Company**

Through key informant interviews with the officials at the company, the researcher sought to have an appreciation of the links that existed between their work and other sectors in the area. He established that by May 2017, the company had already fulfilled the following projects within Turf, and outside:

- Employment for local people had been enhanced. For instance, at one point, forty-six (46) men were employed at the company. However, in most cases, the employment was contract-based as hiring was only done to fulfil specific orders placed by customers. On average, fifteen (15) men were employed on an almost regular basis;
- Supply of bricks for the construction of Zimplats' 1, 2, 3 bed roomed and core houses meant for the workers. At one point, 1 million bricks were needed by the platinum company and the company provided the service;
- Provision of bricks to the (MNRDC) for its construction projects across the area of its jurisdiction. This linkage with the projects of the Mhondoro-Ngezi local authorities ensures that the Brick Company reaches out to customers outside Turf;
- Construction of the Zimplats' Baobab Stadium which was now being used for community activities as well as by the Ngezi Platinum Stars, the mining company's soccer club; and
- Supply of bricks to customers as far as Kadoma, Chegutu and Harare, over fifty kilometre distance.

### **6.2.7.3 Challenges Faced by the Brick Company**

The company faced capacity challenges where Zimplats would always intervene (Interview, 25 May 2017). The demand for the company products sometimes exceeded its capacity. This affected the smooth performance of the company such that at some point, due to failure to pay the employees who had been recruited to fulfil specific projects requirements, the case spilled into the courts. One of the Production Managers narrated some of the challenges the company faced and one summarises them below as:

- During the implementation of the Baobab project, the company was supposed to supply an initial target of four hundred and fifty thousand (450 000) bricks before more were also required. Yet, the company had no capital for such a huge project hence Zimplats had to advance the company with three thousand and two hundred (3200) bags of cement. It is at this stage that the company managed to employ forty-six (46) contract workers. Zimplats also assisted with advance salaries for the employees. Through the facilitation of Zimplats, the brick company also received huge amounts of quarry on credit from another local company. The company that assisted is currently (at the time of writing the thesis) contracted by Zimplats to ferry platinum and other mine products to the concentrator sites in Selous.
- The company once failed to settle the salaries for its employees who were mostly males and was sued. However, Zimplats intervened by hiring a lawyer for the brick company as well as providing transport to and from the court sessions. Eventually, the brick company won the case.

### **6.2.8 Discussion**

The two examples of the partnerships entered into by Zimplats reinforce the company's drive for enhancing gender equality, sustainable mining and economic linkages. In both cases, the local suppliers were trained on running environmentally friendly businesses which can be linked to the rest of the economic activities in the respective areas. However, the two cases raise some critical issues for discussion as attempted below.

#### **6.2.8.1 Capacity of Women to Participate in Platinum Value Chain**

An examination of the case study of the brick moulding company reveals that women in Zimbabwe have the capacity to participate in the mining value chain. The case also shows that

indeed, the linkages created by Zimplats among other platinum companies have enhanced the social and economic lives of communities involved and that of the women themselves. It was also noted that all the directors had their own residential stands acquired through links with the local authorities via the mediation of Zimplats. All this confirmed the changed social status of these women in society. Traditionally, in Zimbabwe, it was generally difficult for women to own a vehicle or any other huge property like a house, but this group has challenged that norm. Such properties would normally be in the names of men.

Sphiwe's case also showed that women can now effectively and efficiently run an enterprise, which was not also the case previously in Zimbabwe. In one of the ZELA meetings, Sphiwe shared that her husband was part of her workforce (presentation, ZELA Summer School, 2015). Her story further indicates her role in amplification of the value of silica in Zimbabwe. Most of the participants who attended the successive AMIs did not even know what that mineral was and its use but through Sphiwe's ongoing presentations and exhibition of her partnership with Zimplats, silica's value was published. Participants developed an interest in the mining of silica.

#### **6.2.8.2 Linkages**

The enterprising of the women in Mashonaland West, employment was created for the local communities and individuals directly and indirectly. The linkages spilled over to as far as Kadoma, Harare and Chegutu, while some service companies from Bulawayo and other places were also hired to assist the brick company with various professional services thereby creating more opportunities for Zimbabwe's economy. Local lawyers, security companies, financial and business management consultants were involved in the capacity building of the Brick Company as well as provision of security and legal services. The brick company was also linked to a clothing company based in Kadoma for its protective clothing (overalls, work suits and safety shoes), to quarry supplying companies and cement producing companies among other economic players. This is a clear case of LCD promotion in the platinum sector in Zimbabwe. The same applied to the silica production where jobs were created in the same manner. However, as noted earlier on, the capacity of the small scale enterprises to sustain a huge workforce remained a major challenge.

### **6.2.8.3 Possibility of Hidden Ownership**

The participants at one of the AMIs in Gweru (held from 4-5 July 2017) raised questions regarding the “real” owners of the brick company as there were possibilities that there might be a hidden hand which is linked to Zimplats itself. The representatives of the company stood by their position that they were the bona fide owners of the company without any link to Zimplats, except through the partnership shared above. If the small scale suppliers at the mine are linked to any of the company officials that would raise serious corporate governance matters that can taint the image of the Zimplats. An activist from Mhondoro-Ngezi who remained sceptical about the value added to the community by Zimplats had this to say:

I note that each time the Zimplats speaks at ZELA meetings, its Public Relations Person always claims to have assisted local suppliers. This is part of her public relations role to portray a good picture of the company. The truth is that, the mine only considered relatives of the Zimplats bosses as suppliers of services and goods at the mine. How can an individual from as far as Chakari be considered to partner Zimplats when Turf has got hundreds of people who could do it. As the real owners, of this platinum, we will not get tired until we found out the real owner of the companies that work with Zimplats (Interview, 25 May 2017).

The same accusations were levelled against Sphiwe’s partnership with Zimplats. Yet, she insisted that she was not connected in any way with the officials at the mine.

### **6.2.8.4 Activism and Partnerships**

Two conflicting positions emerged with regards to the factors that led to Zimplats-local suppliers’ partnership. While, Zimplats argued that it was responsible for initiating the partnership in line with its LED strategies, the local suppliers in question insisted that it was as a result of their activism at various levels. Sphiwe’s case in particular, indicated that at first, her proposal was rejected and only to be considered later after she had insisted that she was a woman. The Turf Brick Company officials also shared that their partnership with Zimplats was borne out of some initial pressure piled onto the company by local activists. However, in both cases, gender became one of the main factors that led to Zimplats finally accepting their proposals. Another noticeable thing was the invisibility of the state role in the implementation of the partnerships. While the local authority in Mhondoro-Ngezi helped to link the Turf Brick Company to other markets outside Turf, its role in policy and legislative arena was not seen. The same applied to the central government hence one participant at the Zvishavane AMI

(2016) questioned the sustainability of the partnerships without government involvement. He argued that:

Such an arrangement will be always weak because the mining companies can easily manipulate the partnerships in their favour. Indeed, from the presentations made by the Officials from the Turf Company, it is clear that the state was never involved. Yet, for sustainability purposes, the state should be one of the main players. We need policies to strengthen and even protect this arrangement. Otherwise, we do not want to give these big companies any room to abuse us. So my recommendation is that, our government should be an interested element to these partnerships. We cannot rely on the benevolence of the MNCs. Furthermore, we need mechanisms that guarantees transparency in the selection of local suppliers and only the state can assist in that regard (AMI Break Away Group Discussion, 1 May 2016).

The participant felt that without a clear spelt out role of the state in the partnerships, the big mining companies would not have any policy or legal obligation to sustain the established relationship with small scale local enterprises. The researcher followed up on the issue of transparency in the selection of the local suppliers and established that in the two cases discussed above, the community members were not involved, yet in the annual reports for Zimplats, stakeholder engagement on such matters was emphasised.

While in both cases, the local suppliers argued that they pushed for the partnership, there was also no evidence for some collective efforts from communities. Thus, individual activism seemed to have been the main approach as opposed to collectivism. The local suppliers pushed for their individual benefits without any sign for collectivity. However, in the case of Unki and Mimosa, it was noted that the companies insisted on the need for local suppliers to combine efforts so as to meet set standards in terms of quantities and quality. This explains why women's services were sought through national CSOs and other local networks of women. One also wondered if this was really a "double movement" against a liberalised mining sector. The researcher argues that this could be a case of mining companies wanting to improve their image. Indeed, the activist entrepreneurs themselves appeared to be pushing for participation and not necessarily against the effects of liberalised mining sector.

#### **6.2.8.5 Employment Creation**

The study found out that, while the mining companies developed respective policies to guide them in the recruitment of the mine workers, the local communities in the study areas raised concerns about the numbers involved and the procedures followed in the recruitment process. Yet, employment creation has been regarded as one of the key indicators for LCD. The issue is about both the quality and quantities of the jobs made available through the mining activities

in any given community. In this section, one utilises mostly data obtained from Mimosa to show the levels of employment created by the platinum companies in Zimbabwe to the local communities. However, some specific examples will also be drawn from the other study areas where necessary.

Chitando (2016) asserts that the total employment in the platinum sector as a whole was around 10 000 by the end of 2015 (25% of total formal mining employment then). He further argues that each job created three additional job opportunities in the value chain. Thus, the sector generated about 30 000 jobs on the mineral value chain then although it was not clear how Chitando reached at that figure in his presentation. Chitando (2016) insists that the social impact of platinum is very high, and that given Zimbabwe's dependency ratio of 8:1, it means about 320 000 people directly depended for daily subsistence on the jobs created by the platinum sector. One major issue with regards to job creation was the definition of "local". The question remained as to whether the focus should be on local host communities, province or the country as a whole. Some participants in this study raised the matter indicating that as the local people (meaning residing in the actual geographical districts or wards), they were the supposed candidates for the jobs at Unki, Zimplats or Mimosa. This section makes reference mainly to the employment situation at Mimosa but some specific examples are also cited from Zimplats and Unki for comparison purposes.

#### **6.2.8.5.1 Local Employment: The Case of Mimosa**

Discussion on LCD also touches on employment matters. For this study, it was established that while Mimosa was said to have suspended recruitment of new employees as of 2018, FC Platinum, sub-contracted company whose ownership remained a major discussion among the project participants, was doing so on behalf of the Mimosa. The arrangement was such that those who would have been employees at Mimosa, once their contracts expired, they could reapply through FC Platinum. One further established that the same workers might be performing the same duties as before, but with reduced salaries. For example, an anonymous worker at Mimosa from Mhondongori said:

I had been a Mimosa employee since 2009 working underground and earning just above \$700. However, in 2014, my contract expired and I was recruited through FC Platinum performing the same duties, but now I am earning just above \$300. To tell you the truth, I also do not even know the real owner of FC Platinum despite the fact that this is my new employer (Interview, 2 June 2017).

Community members, who participated in this study, shared that they suspected that FC Platinum was owned by some of the Mimosa Directors but this was not confirmed as data of the official ownership could not be accessed. One interviewee from Mhondongori (3 June 2017) alleged that FC Platinum was a subsidiary of a business that was based in Bulawayo, which was thought to be supplying most of Mimosa inputs (estimated at over 70% supply to the mine). The same source further asserted that FC Platinum (Pvt) Limited was weaned from Mimosa after the football unit of the company had proved to be a major expense to Mimosa (although the official records were not available to verify). Initially, FC Platinum, the football club, was called Mimosa Football Club until it was promoted into the National Premier Soccer League in 2011. At the time of writing this thesis, FC Platinum ran a night club in Zvishavane, supplied most of the buses at Mimosa Mine, and ran a sport shop and a restaurant in the same town. It was also observed that at the mine site, there was a security company called Asset Security which was alleged (and confirmed by one of the security officials when asked during research) to be formally called FC Security. This further created confusion among the participants in the current study in terms of FC ownership.

The annual reports of the Aquarius Platinum Limited, where Mimosa's work is reported under, indicated that the company employed 100% Zimbabweans (Aquarius Platinum Limited, 2013). This means that Mimosa targeted employees initially from the Zvishavane communities and then to the rest of the provinces. Chief Wedza of the Zvishavane, whose area of jurisdiction hosts Mimosa, stated that in the top management of the company, there were no people from Zvishavane, although they were Zimbabweans (Interview, 2 June 2017). Councillor Sibanda of Ward 5 confirmed this through an interview (24 October 2018) when he argued that "only 27 permanent Mimosa employees were form the local area but almost 70 have been engaged during shut down for say three or so days". Yet, Mimosa has over 2000 employees according to the Councillor of which three quarters of that number belonged to FC Platinum. However, these figures were not in agreement with some official figures highlighted in the company reports. The 2014 Report shows that the total employees at Mimosa, including contractors, totalled 1,550, of which 128 were contractors (Aquarius Platinum Limited, 2014). This was up from 1,682 in 2013 where out of that number, 130 contractors were. In 2012, the number had been 1,572,199 (Aquarius Platinum Limited, 2013). What is interesting with these statistics is that the numbers for contractors were not increasing meaningfully; yet, the study established that as of 2017, many employees had been moved to FC Platinum as contractors.

It was noted that most of the local people from the surrounding Mhondongori and Mapanzure communities were employed mainly as general workers. The skilled workers came from other provinces. The regular shutdown at the mine usually offered the local people with the opportunity to be employed for a few days. It was shared that the young people from Mhondongori community now preferred to be artisanal miners instead of waiting for the shutdowns that did not provide them with sustainable and predictable salaries. This was particularly as a result of the reduced rates, with FC Platinum becoming the only employer. The IANRA research conducted in 2016 found the following with regards to employment of locals at Mimosa:

The Mimosa mine employed around 1,550 staff and contractors in 2014. Although it has created some jobs for local people, community leaders say these are disappointingly low, at only around 5% of the mine's workforce. The community is also concerned about an unclear quota system used to employ local people and what it perceives as the company's failure to deliver on its promises to employ more locals. Mimosa sub-contracts the hiring of employees to contractors who then take on construction workers. Most of these jobs are for casual labourers. Community members are concerned that labour laws are sometimes violated since there are cases of employees working for months without being paid (IANRA, 2016:n.p).

Mawowa (2013) highlights that as for Zimplats, the company officially claimed to be prioritising employment of locals especially for low skilled work. The 2017 annual report for Zimplats appreciates the high unemployment rates within Zimbabwe and it indicates that the community members continued to seek opportunities for employment at the mine. It claims that:

The operating subsidiary prioritises recruitment of staff from the local communities and consequently the majority of the staff are from the surrounding communities. Zimplats is also exploring opportunities for LEDs and income generating activities for the benefit of the community. Management is engaging the community on this matter (2017 Report, page 62).

It was established that the move by the mining company was a direct response to the pressure from the local communities. Contracting was also being done but Zimplats did not insist on its contractors to apply the same recruitment practices and labour standards. However, the issue of contracting did not come out prominently in the case of Unki. Employing local labourers would obviously lead to some downstream effects on the social and economic situations of the host communities.



Through an interview, Chief Wedza of Zvishavane indicated that occasionally, the traditional leaders were invited to provide employees, but there had always been challenges in satisfying the needs of all the villagers. Councillor Sibanda shared that his office was always invited by Mimosa through the Liaison Committee which he coincidentally chaired to second specific numbers for the shutdown. The numbers were not always huge, mostly below ten people at each time. This was also supported by the liaison Committee Secretary who was also part of this study. Thus, the Chiefs were also represented in the committee. The researcher noted that when an invitation came, it was not necessarily clear whether it was addressed to the Chief or to the Councillor. Both claimed (in separate interviews) that each one of them was the audience. This power dynamic led to some confusion that led to some corrupt tendencies in the process.

Mining activities at Mimosa directly affected the following chiefs: Wedza (the host), Mafala, Mapanzure, Mazvihwa and Masunda. In the case of Zimplats and Unki Mine, it was established that the mines were located in resettlement areas with no chiefs directly hosting them. Thus, even if opportunities arose for employment at the mines, it was difficult for the people in the reserves (Mhondoro-Ngezi and Shurugwi) to get the information on time. In Shurugwi, the chiefs included Chiefs Banga, Nhema and Ndanga, while in Mhondoro- Ngezi there were Chiefs Mushava, Nyika, Mupamombe (Muyambwa) and Benhura. The protests over the employee recruitment issues at Unki in 2014 (discussed later in the study) was a clear sign that there was no transparency in the whole process.

The Chiefs and other stakeholders who participated in this study recommended that there is need for specific legislation and policy that regulate employment at the mining companies in their areas. They were against the idea of having such issues administered under other laws and policies like IEE, where they will be superseded by other mining matters.

The study established that other companies sub-contracted at Mimosa included Gateway which, however, managed to employ two (2) local employees; Next Chair that employed all its fifteen (15) employees locally, Copper Kettle (for land scaping, cleaning and construction), Original Technology, Forit, New base (for equipment) and Oilcan Engineering. The question of the origins and ownership of most of these companies remained a major issue with local communities. It was found out that Gateway and Copper Kettle were alleged to be owned by one politician who is now late but originating from Midlands Province. One key informant also argued that Oilcan Engineering, believed to be from Kwekwe, was hired to provide consultancy

services regarding the labour blocking exercise hence the recommendations to subcontract the work to FC Platinum.

One established that the Mimosa mine built some decent places for the wives of the employees to use in their vending activities. The researcher managed to talk to two (2) vendors who indicated that they were married to Mimosa employees. However, it was discovered that the husbands of all the six (6) vendors present did not come from Zvishavane, but from other provinces. At the mine site, it was also observed that other players like Econet had their booths for Ecocash transactions.

In the case of Unki mine, the vendors were using shades meant for the employees waiting to be ferried by the company buses for their vending business. The waiting shades were well done and could accommodate huge numbers of people. One also observed the presence of an automated teller machine (ATM) belonging to Stan Bank near the waiting shades. This also confirmed the linkages that were created through the mining activities. Below is a picture of the market place constructed by the Mimosa Mine for the spouses of its employees and the Econet Ecocash booth referred to above.

**Figure 6.8: Market place constructed by Mimosa and Ecocash Booth by Econet**



**Picture:** by Research Assistant

One of the participants in Zvishavane argued that:

...there are not many people from Mhondgori who are employed at Mimosa. People from this community are only employed on temporary basis for two or three days during shut down period. As a result of this, most of our children have opted for being artisanal miners where they are guaranteed of income (Community activist, 2 June 2017).

In Shurugwi, in particular, the matter led to a massive protest by local communities in 2014, which mobilised against Unki, arguing that the company only recruited from other wards in the districts through the three Chiefs, Nhema, Ndanga and Banga, thereby virtually depriving the host ward (Ward 19) which is mainly made up of resettlements. Councillor Nyoni agreed with the community members on this allegation. It was found out that the chiefs had been allocated 25% each to supply local labour force making it 75% while the remainder would come from elsewhere across the world. This arrangement was never noted in the other two study areas except that the chiefs confirmed that the mining companies contacted them on employee matters. Furthermore, it was noted that the working relations between the chiefs and the Councillors in Shurugwi was not health while this was not observed in Zvishavane and Mhondoro-Ngezi. However, in all the areas it was alleged that the chiefs seconded their relatives only. One key interviewee in Shurugwi said that:

...our chiefs are now compromised; they only second their relatives to the mine. When we ask the company management, they argue that it is our chief who should answer to our concerns. The major challenge for us is that Unki is surrounded by resettlement areas hence we do not have chiefs who directly

represent us. When the mine calls for employees, the chiefs consider their relatives in the reserve areas, thus, we always lose out (Interview, 7 July 2017).

The same concern was also raised in Mhondoro-Ngezi where chiefs were accused by activist for considering their relatives for employment opportunities at Zimplats. Zimplats is also surrounded by resettlement areas without any chief directly representing the residents.

### **6.3 Conclusion**

The chapter discussed the various strategies employed by the platinum mining companies to fulfil LCD programmes. However, it was noted that the companies utilised their global policies with little being done to localise them. It was also shown that LCD has become part of business decision making processes as it affects both the business and social relations among key stakeholders. The case study approach used to share the key findings from the three areas allowed one to cover in detail the major thematic issues of local procurement, gender dimension and employment in the mining sector for the locals. It was also noted that most of the mine proceeds are channelled towards procurement hence the need for the GoZ to target regulations that ensure linkages of the mining with other sectors. The challenges faced by local suppliers and the subsequent intervention by mining companies were also discussed in this chapter. One also discussed the lack of transparency in the contraction of service providers at the mining companies. However, the role played by local activist entrepreneurs in influencing the LCD was not well pronounced and could not be fully explained by the “double movement” theory. The next is a presentation of corporate social responsibility practices of mining companies and local content development of activists as well as the interaction of the two groups.

## **CHAPTER 7: CORPORATE SOCIAL RESPONSIBILITY AND LOCAL CONTENT DEVELOPMENT**

### **7.1 Introduction**

The chapter discusses CSR in the mining sector, with particular focus on its possible linkages with LCD in terms of implementation. The researcher argues that the two concepts are technical and practically linked in the mining sector although they remain different in terms of their conceptualisation. He holds that CSR and LCD should be simultaneously addressed in terms of policy and legal frameworks. According to Carroll (2016), CSR has been progressing over decades. Evidence showing businesses pursuing initiatives to improve the status of society, host communities and certain stakeholders goes back to hundreds of years (Carroll *et al.*, 2012 in Carroll, 2016:1). In this study one traces the history of the liberalisation of the mining sector to the 1992 World Bank change of strategy where the role of the state was weakened (Campbell, 2011). Thus, the activism that manifested in the study areas around CSR matters was linked to issues of LCD too. It is also argued that CSR is basically meant for the fulfilment of social justice on the part of local communities while the private sector will be pursuing its business interests. Community voices are presented to pick the aspirations of the activists with regards CSR. Examples of some specific CSR programmes by the mining companies under study are offered with an attempt to trace to the role of activists in the implementation being made. The chapter contributes to the understanding of the concept of LCD.

### **7.2 Defining CSR**

Carroll (2016) traces the scholarly perspective on the initial definitions of CSR and early conceptualisation of it in terms of theory and practice to the 1960s. He, however, explains that the growing perfection and use of CSR emerged later, when the social struggles of the 1960s, which included the environmental, civil rights and women's movements, grew (Carroll, 2016). Proponents of CSR hold that it leads to social and economic development in the mining communities beyond the immediate business profits (Campbell, 2011). However, Campbell (2011) indicates that those who raise counter arguments say that CSR distracts from the fundamental economic role of the corporates. Dahlsrud (2006) identifies and analyses thirty-seven different definitions of CSR and, yet the list was not exhaustive (Carroll, 2016). The definition given by the UNECA and AU (2010) and adopted in this study (Chapter 1) captures the major aspects related to mining and highlighted in many of the definitions suggested by individual scholars.

Ado (2014) notes Waagstein's (2010) observation of the growth in the scholarly interest in CSR. However, it is also indicated that, for over two decades (to 2010), the main work had been around defining the concept (Ado, 2014). Yet, over the same period, Africa's experience was a cumulative process of reform that led to increasingly liberalised mining sector (Campbell, 2011). Through the 1992, World Bank's strategy for African Mining study, the role of the private sector was strengthened in the mining sector over that of the state (World Bank, 1992: 53). The World Bank strategy clearly advocated for the privatisation and liberalisation of the sector. In this study, the researcher, therefore, expands the discussion to include issues of linkages between CSR and LCD in the platinum sector and that will be part of my academic contribution to the subject.

Kercher (2006) elaborates that there is debate on the definition of the concept as it is at its evolving stage. Thus, it is normally interchangeably used with concepts such as corporate governance, corporate social investment, corporate sustainability and socially responsible investment (Kercher, 2006:2). Nalband and Kelabi (2014), citing Industry Canada's report in its website, agree that concept of CSR is still growing. The concept cannot be pinned down to a single issue hence it is contextual as it is determined by the corporate and national environment (Broomhill, 2015) but maintaining the key elements of the definition given above.

For Kercher (2006), the concept is connected to the behaviour of companies as to whether they are accountable to stakeholders or to shareholders (Kercher, 2006). Crowther and Aras (2008), have also defined CSR as concerned with what is or should be the relationship among MNCs, government and local communities. This definition is important in the current study where the issue of engagement among stakeholders on LCD is crucial with relationships influencing the outcome. European Multi-Stakeholder Forum on Corporate Social Responsibility (2004) is cited in Ado (2014:209) as having defined CSR as the "voluntary integration of environmental and social considerations into business operations over and above legal requirements and contractual obligations". The issue of environment also emerges as another crucial matter in the discussion. Furthermore, the same definition shows that CSR is not enforceable as it is voluntary. Indeed, the current study established that community activists and government officials had challenges in monitoring and enforcing the implementation of the CSR programmes in the study areas due to its legal non-enforceability.

The Industry Canada in its website, as cited by Nalband and Kelabi (2014), defines CSR as generally understood to be a way firms integrate the local interests like environment, social and

economic issues into their values and strategies thereby influencing decision making processes. The inclusion of local interests should promote accountability and transparency for better results for both the company and the local society. Such a definition brings together social, economic and environmental issues as they are related to the concerned firm's ways of doing business. However, it also puts emphasis on good governance elements where it relates to transparent and accountable matters. In the end, there is the issue of wealth creation which should lead to societal improvements. CSR, according to this definition, links the private interests to the public aspirations in the host country.

### **7.3 CSR and Corporate Accountability**

One other critical debate in the literature on CSR has been with regards to issues of policies and laws to regulate the conduct of the corporate (both local and international). Of particular importance is the fact that the MNCs normally conduct their business in foreign lands where the host communities will have huge expectations, including some fair share of their natural resources against the former's focus on profit maximisation. Those who argue for CSR, indicate that the efficiency of global markets is dependent on socially accountable business conduct (Kercher, 2006). Thus, it can be seen that even from a purely business perspective, CSR is also acceptable. However, an activist from Mhondoro-Ngezi argued for corporate accountability when he contributed during a break away session at a national AMI in Bulawayo in 2016. He said that:

The problem with our model is that CSR is not regulated at all. We need to have corporate accountability which has got some legal obligation on the company to do things that benefit the local people. Moreover, let us have laws that ensure that local people also benefit from their resources not just to fulfil the business interests of the company concerned (28 September 2016).

According to Campbell (2011), the role of the state in mining matters particularly in the regulation of the CSR initiatives was weakened in the 1990s following the liberalisation of the sector by the international financial institutions. This left the local communities exposed to the dictates of the international corporates. The mining companies were no longer accountable to the local communities but to international shareholders yet, the state could no longer intervene. Campbell (2011) further cites the Johannesburg Declaration on Sustainable Development which asserted the need for corporate accountability in the area of contribution to the evolution of equitable and sustainable communities and general society (UNECA and AU, 2010:124). This shows that CSR was now being reviewed to include accountability elements in it.

It is argued that although the concept has been in existence for some time, there are still disagreements on the appropriate CSR model (Kaman, 2015). Kaman (2015) elaborates on the various models that have been postulated by scholars on the matter. Kaman (2015), however, holds that most of the models developed do not consider environmental matters. The available literature offers initial CSR model that emphasised economic objective as developed by Carroll (1979). In this study, one proposes a model that links CSR to LCD and community activism in the last chapter of this thesis. Campbell (2011) revisited the role of CSR, by suggesting what he called the usefulness of adopting a more holistic and historical perspectives. In other words, Campbell (2011) discussed the various roles played by stakeholders in the CSR programmes including multilateral, national and local, public and private actors with regards to issues of responsibilities, legitimacy as well as accountability of each. The legitimacy of the CSR programmes was one major area of discussion within the study areas. One participant in Mhondoro-Ngezi at an engagement meeting observed had this to say:

CSR programmes can only be acceptable to us once we become part of the decision makers in terms of the nature and scope of the projects. As it stands, the Zimplats projects are just being forced onto us. We do not recognise them and we call upon the government to ensure that we have a say in the formulation and implementation of the projects. Otherwise, the legitimacy of these activities will be questionable without the involvement of our government (Community Activist, 27 May 2017).

#### **7.4 Neo-liberal, Neo-Keynesian and Radical Political Economy Perspectives**

Broomhill (2007) brings a different dimension when he argues that the major debates about CSR can be categorised into three major schools of thought, namely, the neo-Keynesian, neoliberal, and radical political economy approaches. Neoliberal school looks at CSR as fundamentally the implementation of a set of non-obligatory programmes initiated by the company (Broomhill, 2007). In this case, the role of the state in regulating CSR is absent. It can also be argued that this school of thought advocates for free market where the MNCs as well as the local firms are motivated by maximisation of profits more than any other factor in the adoption of CSR programmes. Milton Friedman (1970 in Broomhill, 2007:6), argues that there is only one social responsibility of the private sector, that is to make use of its resources. The main aim is to increase its profits as long it competes in a free competition.

The neoliberal viewpoint of CSR can also be viewed as one that promotes a positive deed of a company mainly on the basis of making more profits where the government, media and other stakeholders would not intervene to the detriment of the firm's image hence loss of profits. In



such cases, the whole exercise will be more of public relations than social and economic development for the host communities.

The second category is the neo-Keynesian perspective which utilises a wider definition of CSR that recognises the role of the firm's stakeholders, including the government (Broomhill, 2007). Focus is on the voluntary nature of CSR where there is no influence from other players to regulate the company's actions. In this case, the mining company for instance, integrates its environmental and social concerns in its strategic instruments as well as in its interface with other key players on a non-obligatory way (Broomhill, 2007). This also depicts a company which is sensitive to sustainability issues. Thus, the company will commit to sustainably implement its project while being sensitive to the interests of its stakeholders (Broomhill, 2007). One can also argue that this approach gives more room for the state to participate in the value chain of the specific company's products than the neoliberal approach cited above.

The radical political economy as the third school of thought holds that indeed, instead of promoting voluntary adoption of CSR there is need for adoption of corporate accountability (Broomhill, 2007). The latter will allow the host state and communities to demand accountability from the mining companies unlike in CSR arrangement where voluntarism is the key element. Radical political economists hold that the MNCs wield huge economic power which they can abuse in the implementation of their business projects and in most cases; it is the host communities who feel the negative impact of their actions. One such economist and academic, attending a ZIMCODD workshop on extractives (8 December 2017) had this to say:

Remember, we are dealing here with very powerful conglomerates with huge economic muscles. It is also common knowledge that the power held by these companies is often not properly used but it is abused in the plundering of our resources. They have the capacity to dismantle all Africa has built over centuries in terms of culture and thinking (Zimbabwean Economist, 2017).

CSR proponents are accused of not being sensitive to the realistic power dynamics that influence business interaction at global level where MNCs are ruthlessly utilising their muscles to make profits when local people are not benefiting. Hence, the majority of the policies and practices developed to promote CSR are seen as "naïve, ineffectual and inadequate" (Broomhill, 2007:8). Radical political analysts are, therefore, sceptical about the efficacy of CSR programmes and are also worried about the self-regulatory nature of the programmes. In other words, the radical political economists hold that the CSR programmes are meant to legitimise the companies' actions which are socially and environmentally destructive in nature

(Broomhill, 2007). A community activist in Mhondongori was influenced by such thinking and had this to say:

I have always highlighted this to the policy makers during AMIs, that CSR are not effective if they are not regulated through some framework of some sort. If there is no law or policy to regulate the CSR programmes, at least the community members should be consulted to determine the type of programmes to prioritise. This voluntarism will not benefit us at all... (Mhondongori Community Activist, Midlands AMI break away session, 5 July 2017).

Nevertheless, there are also those scholars who argue that business is obligated only to maximise profits in the context of the law and minimal ethical constraints (Friedman 1970; Levitt 1958) in Schwartz and Carroll (2003). However, others suggest a wider range of obligations to be fulfilled by the private player (Andrews 1973; Carroll 1979; Davis and Blomstrom 1975; Epstein 1987; McGuire 1963), again in Schwartz and Carroll, (2003:503). The various CSR models that are available in the literature seem to have been informed mainly by the two schools of thought.

The programmes should also be put in place to protect the environment that would be under threats from the mining activities. However, that programme should be linked to LCD initiatives facilitated by the same company. This study found that it is difficult for a mining company for instance, to fulfil all the aspirations of host communities.

#### **7.4.1 Stakeholder Perspectives on CSR**

Okan, Perker and Demirelli (2015) examined the various perceptions held by the key mining stakeholders that are the government, mining companies and the local communities (including academics and CSOs). The authors concluded that there are indeed differing perceptions and interests by these stakeholders in the mining sector. For the government, the main interest is around what the authors call “legal criteria”, mining companies focus on “economic criteria” while the rest of the stakeholders are concerned about “environmental criteria” (Okan, Perker and Demirelli, 2015:9). The authors used the decision-making technique in multiple criteria to measure the stakeholder perceptions (Okan, Perker and Demirelli, 2015). The table below illustrate the various perceptions.

**Table 7.1:CSR Criteria Framework**

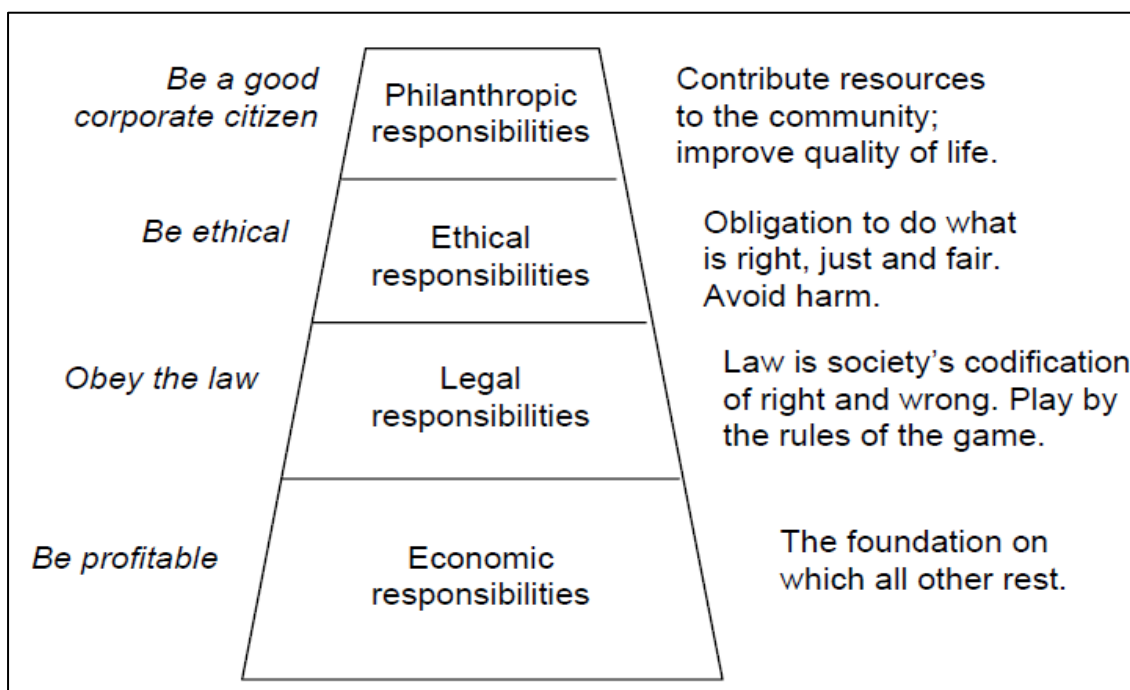
<b>Major Criteria</b>	<b>Secondary Criteria</b>	<b>Stakeholder Keywords</b>
Economic Criteria	<ul style="list-style-type: none"> <li>• Creation of jobs and focus on human resources</li> <li>• Contribution through taxes</li> <li>• Stimulation of local market and prevention of migration</li> <li>• Profitability</li> </ul>	<ul style="list-style-type: none"> <li>• To provide employment, training of personnel, giving priority to local community</li> <li>• The payments of tax</li> <li>• Local procurement: buying local goods and services for use as inputs</li> <li>• NB: Enhancement of economic linkages</li> </ul>
Legal Criteria	<ul style="list-style-type: none"> <li>• Compliance with available environmental regulatory frameworks such as the Environmental Impact Assessment (EIA) Reports</li> <li>• Compliance with specific occupational safety laws</li> <li>• Communication with relevant government authorities</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with relevant legal frameworks</li> <li>• Attention should be paid to protective clothing like helmets, work suits, mask etc.</li> <li>• Insurance for workers</li> <li>• The need for regular feedback between the companies and the government</li> </ul>
Environmental Criteria	<ul style="list-style-type: none"> <li>• Minimisation of air, water, noise and soil pollution</li> <li>• Minimisation of social impacts</li> <li>• Minimisation of effects to ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>• No to water, air, soil and noise pollution</li> <li>• No to infrastructural damage</li> <li>• No environmental damage</li> <li>• There is need for recycling</li> </ul>

	<ul style="list-style-type: none"> <li>• Minimisation of effects of industrial chemicals to environment and public health</li> </ul>	
Ethical Criteria	<ul style="list-style-type: none"> <li>• Ongoing reporting for transparency and accountability</li> <li>• To be environmentally and socially conscious beyond legal requirements</li> <li>• Creation and presence of workers unions</li> <li>• Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation and publicity of EIA reports</li> <li>• Engagement meetings with stakeholders</li> <li>• Protection of workers' rights</li> <li>• Compliance with corporate governance principles</li> </ul>
Philanthropic Criteria	<ul style="list-style-type: none"> <li>• Support for local services</li> <li>• Social benefits for employees</li> <li>• Provision of charities for different sections of host society</li> <li>• Activities targeted at poverty alleviation</li> <li>• Support to local businesses efforts</li> <li>• Contribution to host communities' identity</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of services towards education, health and other social facilities by the business</li> <li>• To provide housing and social facilities</li> <li>• Provision of scholarships and other sponsorships to local people</li> </ul>

**Source:** Adaption from Okan, Perker and Demirelli, 2015

Carroll (1979) contributed to the debate on CSR by emphasising that any definition of CSR should include the legal, ethical, economic and discretionary expectations that a society has of a company operating in that area (Schwartz and Carroll, 2003). This definition led to the development of Carroll’s Pyramid of CSR. He argued that CSR should be understood from four different perspectives which he presented in form of a pyramid. He thus, defined CSR as one that involves the legal, ethical, economic, and discretionary (philanthropic) aspirations of society (Carroll 1979, 1991, in Carroll, 2016:2). The figure below is the pyramid that Carroll developed.

**Figure 7.1: Carroll’s Pyramid of CSR**



**Source:** Nalband and Kelabi, 2014

### 7.5 The Role of State and Liberalisation of the Mining Sector

The 1980s saw the privatisation and liberalisation of the mining sector. This meant the redefinition of the role of the state in the sector. Privatization and enhanced reliance on market systems meant reduced role of direct state monitoring and of information access about the production process (Campbell *et al.*, 2004). Furthermore, the regulatory role of the state was weakened in the process as all the powers had been left with the private sector. Yet, in the 1990s, under the guidance of the World Bank Group (WBG), ESAPs also meant that there were no longer any restrictions to labour recruitment and procurement. The private sector was now

free to outsource its labour and inputs. The weakened institutional capacity of the state to regulate that led to the mining companies choosing strategies of interacting with host communities without any intervention from the state. The WBG clearly articulated its new mining strategy in Africa in a study released in 1992 (WBG, 1992). The new strategy recommended for a mining sector policy which focused on the role of the private sector as owner and operator while government regulates and promotes (Campbell, 2011). The implications of this included the state's transfer of legal authority to mining companies to manage what Szablowski (2007:27) called "social mediation". Campbell (2011) also argues that another result was the increased role of the private sector in service delivery, the role formerly hinged on the state. Strange (1996) called this the "retreat of the state". However, as the time went on, the legitimacy of the mining activities particularly under the CSR became questionable leading the WBG to respond through various initiatives. This included the introduction of the Environmental Impact Assessment (EIAs) and the Involuntary Resettlement (IR), both collectively known as the WBG safeguard policy regimes (Campbell, 2011). Subsequently, these became part of the MNCs' norms and practices in the mining sector. The monitoring of the CSR programmes was thus under the international players using global standards whose acceptance at local level remained a challenge. Thus, the role of the state in regulating CSR in Zimbabwe's mining sector should be understood from this historical background.

## **7.6 Community Voices: Understanding of CSR**

One participant from Mhondoro-Ngezi at the 2018 AMI in Gweru (18 May) had this to say:

For me CSR is about creation of jobs for the local people via mining projects that are not necessarily meant to benefit Zimplats, Unki, Mimosa or Zimasco. The mining companies should ensure that each project that they implement under CSR, in a big way benefits the local people through employment creation. I do not expect them to bring labour force from outside the mining community. That is CSR for me.

This perspective is supported by the UNECA and AU (2010)'s definition of CSR where issues of employment and labour are well captured. Another participant at the same AMI (Gweru, 18 May 2018) who is a vendor at Chachacha Business Centre in Shurugwi held that:

CSR should not be something complicated. It should be that activity by a mining company that allows me to be linked to the main project. I need to sell my vegetables to the mine employees. I need to be connected to the procuring office at Unki and that way I will prove my ability as a vendor. Surely, I

cannot fail to satisfy the vegetable needs at the mine. Thus, for me CSR is not always sponsorship for soccer tournament or construction of clinics and roads but empowerment.

Chief Wedza of Zvishavane lamented that CSR was always externally driven without any input from the local communities. He had this to say:

While we do appreciate the social facilities that we enjoy as a result of Mimosa, we feel that in future the mine should consult us on what we think will be priority areas. While we may feel that our community needs to be assisted through recruitment of our children who are unemployed, the mine may decide to sponsor soccer teams. At times there is duplication of facilities when critical needs would not have been addressed. The challenge is that we do not have any authority as Chiefs to control what the mine gives us. We are a bit handicapped when it comes to that. The law does not allow us to intervene so we end up just taking what the mine gives us (Chief Wedza, Interview, 2 June 2017).

A Community Worker in the Ministry of Agriculture from Mhondongori (Interview, 2 June 2017) argued in the same vein that the companies should consult the local people before deciding on any CSR programme. She said that:

The problem with the current arrangement is that, a company just decides what to do in our communities without consulting us. For example, we hear that Mimosa has sponsored football or such related activities, but do we eat football when there is drought? Let the people speak. It is the people who know what is key for them at any particular moment.

These concerns were always echoed by a local Member of Parliament (until 2018 elections when he lost the race) for Zvishavane Ngezi Constituency (John Holder) whenever he interacted with communities, government departments and mining companies at the AMIs. The legislature would argue that “CSR in Zimbabwe is like a wedding present. No one tells you what to give at a wedding....” The legislature would be emotional about the subject. Yet, CSR is not legislated in Zimbabwe, hence companies decide on what to give to the communities. These sentiments were also raised by Campbell (2011) when he argued that investment strategies meant to promote CSR initiatives may not be aligned to local development objectives as they will be a result of external forces not integrated into the local public policies.

Yet, in some cases, community members challenged the mining companies to transparently share the expenditures for their CSR programmes. This followed incidents where the mining companies would argue that they would not be obliged to fulfil some LCD initiatives as they would have already done their best in the area of CSR. A community member in Mhondongori complained that:

Mimosa cannot say that it has already fulfilled our needs through the CSR programmes. How can we be convinced when we do not know their budgets? We are not shown how they would have spent on those projects. We need to know the figures so that we are able to exonerate them. Without that, surely, in my case I will not rest until they give me a job in the mine (Interview, 2 June 2017).

Community activists appreciated the weakened role of the state in the mining projects following the liberalisation of the sector. Contributing to a plenary discussion at the 2016 AMI (28 September), a community activist from Mhondoro-Ngezi argued that:

We cannot continue to blame our government on the non-beneficial of the mining projects to our local development. Our governments have been over powered by these international companies. They are now incapacitated; they cannot do anything to protect our local interest. In any case, this is the situation everywhere. With a weak state, the communities cannot win this war. It looks like all the powers are with the mining companies. This leaves us exposed as we are not protected.

In a similar observation, Campbell (2011) held that there may be challenges that arise when one attempts to ensure that there is legitimacy of mining projects while failing to deal with matters of the weakened institutional and political capacity of the host states. For him, it will be like giving preference to technocratic over political legitimisation process (Campbell, 2011).

### **7.7 Platinum Companies in Zimbabwe and CSR**

This section examines the various CSR programmes employed by the three target platinum mining companies. Focus is on education, health, housing and employment creation, although reference is also made to other related programmes. My general argument is that while CSR should maintain its voluntarism nature, the state's regulatory power should ensure that the local communities participate in the formulation and implementation of the programmes. That way, LCD will be guaranteed for the social and economic development of the communities. It is further held that in the process enjoyment of social and economic rights of the people will be enhanced.

### **7.8 Engagement Frameworks on CSR**

It was found out that, during the early years of mining in the three mining communities, there were no formal engagement meetings between the local people and the mining companies. There was tension as the local people felt that the mining companies had led to the displacement of their families. In Shurugwi for instance, Unki had led to the relocation of some families from the mining area of Chironde Community. In the case of Mimosa, up to around 2012, the relations were still strained as the Mhondongori Community felt that their grazing land was



being encroached into by the mining activities leading to the pollution of the water meant for the livestock.

The study established that later on CSR programmes were now being coordinated by the Community Liaison Committees in the respective study areas. For instance, for Mimosa, there is a Corporate Social Responsibility Superintendent, who, however, was not from the local community (as he came from Mutare). He represented the mining company in engaging communities on CSR projects. Ward 5 in Runde Rural District Council hosts Mimosa; hence it is directly affected by the mine activities. The Community Liaison Committees that cover Ward 5 and 19 were very active in terms of advocacy around LCD and CSR issues. It was noted, however, that the general perception was that the two wards were being “favoured” by Mimosa in terms of CSR programmes. A Ward Councillor at an AMI in Zvishavane in 2016 lamented that:

....everything happens in Mhondongori. Mazvihwa, Mapanzure, and other areas are also negatively affected by the mining activities at Mimosa but they are not receiving any meaningful developmental projects from the mine. We should also benefit in form of employment, skills development and business linkages when the company is fulfilling its CSR programmes (A Councillor from Mazvihwa contributing in an AMI break away session, 2016).

The contribution by the Councillor above shows that the communities expected mining companies to simultaneously address LCD and CSR programmes without separating the two.

Writing about Unki Mine’s CSR programmes, Masuku and Ndlovu (2014) note that the mining company embarked on many programmes covering public relations, marketing, support to communities and donations. The current study also found out that generally, Mimosa and Zimplats also took the same approach to their CSR initiatives, though with varying impacts on the respective host communities. At Zimplats, the engagement meetings with communities were done quarterly but the company also carried out some surveys as indicated below:

At Zimplats, we also carry out our own independent researches through some surveys in order to address perception issues. Yes, data from the engagement meetings is critical for our decision-making process, but independent surveys also compliment such information from the community members (Zimplats Corporate Relations Official, 22 March 2017, ZELA Workshop).

It was also noted that Unki does have a community engagement office that meets the community members on issues that emanate from mining activities. For Mimosa, this is done through the same office which engages the Community Liaison Committees. Such

arrangements minimise possibilities of conflicts. However, one noted that most of the community activists interacted with were sceptical about the effectiveness of the meetings in the absence of some regulatory framework to the CSR programmes.

Through the annual reports as well as the websites of all the three companies under study, emphasis is made on the commitment by the firms to social development programmes; hence they have clear community engagement strategies. However, the main challenge noted by study participants is the fact that the strategies still lack the emphasis on local people participation in the formulation of CSR projects. The CSR initiatives for the companies are mainly guided by that of their parent companies. Moyo and Hwenga (2010) point out that in South Africa; Implats established a structure to deal with Socio-Economic Development (SED) activities that take place under the Impala Community Development Trust (ICDT), established in 1998. A Corporate Social Affairs Policy adopted in 2007 also guides community development with particular focus on women and youth empowerment, as well as people living with disability (Moyo and Hwenga, 2010).

Appreciating the fact that the mining companies are guided by their parent companies' policies, Chief Banga of Shurugwi had this to say:

We need to be vigilant in how we deal with these companies with regards to employment of our children in the mines as well as fulfilment of CSR programmes. How can the mine say that it cannot consider our children for employment because it would have built a school for us? I suggest that we deal directly with the Anglo American Company. Unki gets instructions from its head office. If we are to realise results in our struggle to benefit from our resources, as Chiefs from Shurugwi, let us write a letter direct to the head office telling them what we want addressed by Unki. We must tell them that we need the company to honour both CSR and employment as well as business linkage obligations at once. We cannot be forced to separate the two. Our government should also be forced to have the CSR and employment issues regulated in one law or policy for enforcement (Interview, 28 September 2016).

Unki is guided by the Anglo American policies and the annual reports indicate that the company aims to create strong relationships with local stakeholders (Anglo-American, 2012). Yet, the quotation above shows that the relationship between the company and the communities needed to be improved. In Mhondongori, the community members expected Mimoso to employ them and at the same time support their social and economic development. However,

...in the first days, Mimoso used to conduct some outreach exercises alerting community members of potential vacancies in the mine, but that is no longer happening, maybe the mine now employs from other communities. We are no longer even sure why it supports football when we need jobs. Its support to

soccer should not affect our employment opportunities at the mine (said one community member at a community engagement meeting in Mhondongori, 3 June 2017).

Clearly, the community members had challenges in differentiating the two concepts (LCD and CSR). However, their argument is that whatever the case, the two have to be regulated so that a company will not hide behind one at the expense of the other.

## **7.9 Education**

The three mining companies showed that they all regarded education as one of the key areas that they can contribute towards. Moyo and Hwenga (2010) note on an annual basis, Mimosa supported the Better Schools Programme. The company also provided reading materials valued at R18 000. This went towards prizes for the participating schools in the district (Moyo and Hwenga, 2010: 232). Mimosa also supported the construction of classroom block with three classes at Makwasha Primary School, with an expenditure of R805 000 (Moyo and Hwenga, 2010:232). The company also constructed two blocks at Mukwidzi Secondary School in Mhondongori and also rehabilitated Mutshingwe School in the same community, which I visited.

It was further noted that Mimosa also supported tertiary institutions in its CSR programmes. For instance, support was offered to the University of Zimbabwe where the institution received administrative equipment and scholarship programmes while a learning block was also constructed at the Zimbabwe School of Mines (Sunday News, 6 September 2015).

**Figure 7.2: Shade Constructed by Mimosa in Zvishavane**



**Source:** Sunday Mail, 28 February 2016

Unki Mine is also reported to have constructed a double storey primary school with 16 classrooms which are fitted with furniture. The researcher also observed that Unki refurbished and equipped Chironde Primary and Secondary Schools under the company's community social investment initiatives. An upgrade of the road in the new resettlement for the relocated families ensured that school children from Village 17 would now be able to easily access the two schools.

At Mhondoro-Ngezi, it was said by one of the key informants that Zimplats managed to refurbish and electrify the Turf Primary School while it also constructed the teachers' cottages at Turf Secondary School. It was further said that the company had by 2010 dedicated some US\$645 000 (R4.6 million) to renovate Wanganui Turf High School. One observed the developments made at the school during my three visits to the area.

A teacher at Wanganui Turf High School, who is also an environmental activist, said that:

The school benefited a great deal from Zimplats as you can see. However, I still believe that it can still do more. It should not just bribe the communities by giving them say a dollar when it has the capacity to give ten dollars. For me, yes, the school was assisted, but what about those schools under Chief Mushava, just some few kilometres from here. I challenge the mine to extend the hand to all the needy schools, that way we would say at least we have benefited from our platinum. By the way, we expect both employment

and support in terms of developmental projects from the mine. I feel that this can only be realised if the government is able to regulate CSR and local content development issues in the same framework (Interview, 25 May 2017).

At national level, Zimplats also contributed to the education system in various ways. The company was supporting a Professor at the University of Zimbabwe to build the capacity of the institution in the area of research (Chindove, 22 March 2017, ZELA Workshop). The company donated 44 desktop computers to the University of Zimbabwe in the Engineering Faculty in 2006 (Moyo and Hwenga, 2010).

### **7.10 Housing**

In November 2016, Unki Mine had concluded the initial stage of its housing scheme in Shurugwi and workers had already moved into the 350 houses. The project involved construction of 950 housing units for its employees in Impala Source Farm, about five kilometres to the south-west of the town of Shurugwi. The project targeted a total of 3300 houses for the whole project (The Sunday Mail, 13 November, 2016). When the researcher visited the place in late 2017, the area was occupied by some people who also work in Gweru with relatives employed at Unki. A medical nurse working in Gweru with a husband employed at Unki appreciated the standard of the housing units when she said that:

In my life I had never dreamt of staying in such a beautiful house. I thank my husband's employer for this. I hope all other mining companies are doing the same in the areas they operate from. The mine has given Shurugwi a new lease of life. However, my recommendation is to have laws that control how the companies decide on employment and on such social and economic developments like housing. We should be able to tell the extent of CSR and that of local content issues as presented by my brother in the breakaway session. (Contribution to an AMI Plenary discussion, 5 July 2017).

Zimplats also did a lot in terms of provision of accommodation for its employees. Housing development (2010 units including 680 for home ownership) were developed as of first quarter of 2017. The company boasted that:

...most of our employees are very young, with an average age of 36 years, thus, we take pride in seeing many of our young workers, some of whom are school-leavers, taking ownership of houses soon after being employed at our company (Zimplats Corporate Relations Official, 2017).

As for Zvishavane, Mimosa also contributed a great deal to the growth of the town through its workers' housing units, as well as business units. Through Football Club (FC) Platinum, it ran a night club, restaurant and sports shops in the town. One activist at an AMI in Zvishavane in 2016 argued that

...the town had nearly become a ghost city following the stoppage of asbestos mining. When FC Platinum came in, there is life in Zvishavane. People can now have time watching soccer at Mandava, enjoying themselves in the night club and also in the restaurant. (Interview, 3 June 2017).

From the quotation above, it is clear that the presence of FC Platinum in Zvishavane is viewed differently by community members. While some questioned its links with Mimosa, others seemed to be happy about the services it offered.

Most Mimosa employees reside in Zvishavane in both the high and low-density suburbs of the city. The company handed the houses over to the Zvishavane local authority (Moyo and Hwenga, 2010), thereby almost assuming council duties in the suburbs, including road maintenance and replacement of broken electricity transformers. Mimosa also built other housing units at the mine site in Mhondongori, Ward 5. The company built more houses in town (40km away from the mine), and few at the mine site. This is to avoid the 'ghost town' scenario that usually follows when the mine closes down (Moyo and Hwenga, 2010).

Zimplats also invested in employee housing projects. The figure 7.2 below shows the Zimplats Housing projects for the employees. The general outlook of the housing units were impressive as shared by the employees and the community members. It was found noted that local companies were involved in the construction of the houses. One notable company was the one discussed earlier on in the previous chapter. However, the researcher could not fully and officially establish the identity of the rest of the companies involved in the project although the Zimplats Public Relations officials interacted with insisted that most of the contractors were from Zimbabwe.

**Figure 7.3: Zimplats Housing Project for the Mine Workers**



**Picture:** By Makosori, 2014

### **7.11 Contribution to the Host Communities' Growth**

At the time of writing this thesis, Banc ABC, Stanbic, ZB Bank, OK Zimbabwe and Denmark Supermarket were some of the investors that operated at the Turf centre in Mhondoro-Ngezi. Presenting a paper at one of the AMIs, one community member had this to say:

...the mine contributed a great deal to the growth of the centre. Turf became one of the fastest growing centres in Zimbabwe. You can see that we now have got medical surgeries operated by local medical doctors among other services. The services are now linked to the mining business. This is what we want as communities since this is one way of benefiting from our platinum (a community member who is also a teacher and environmental activist at Wanganui School, 2017).

Zimplats further constructed a road network from the Harare-Chegutu Highway to the mine site. It is a 77-kilometre road network to Selous used by the company to transport its produce to the concentrator in Selous for melting. This is, however, in direct contrast to the dust road that connects Turf with the Masvingo-Harare Highway. Chief Mushava from Ward 6 of Mhondoro-Ngezi (Interview, 25 May 2017) lamented the state of the road in his area of jurisdiction. He had no kind words for Zimplats regarding road maintenance as he said:

I have always complained to my colleagues (chiefs in the area) that we need to open our eyes and see the truth. Right now, Mhondoro-Ngezi which hosts Zimplats does not benefit in terms of real development. I am sure you have seen how bad our road is, the one you used to come here. While this is the case, Zimplats has been made to benefit Chegutu and also Zvishavane Districts where the President comes from through the Chegutu-Zvimba-Mhondoro-Ngezi CSOT. This is not fair at all. I hear that platinum

was discovered in Darwendale, is it true? If it is true, you will see, since it is the President's area, we are not going to be involved there, yet, our own resources have been opened up to other people from other districts....

The same sentiments were echoed by the activists in Zvishavane with regards to Mimosa where the road infrastructure which was developed by the mining company was initially meant to benefit the mine and not the community. The road runs for 30 kilometres from the Zvishavane-Bulawayo Highway to the mine site in Mhondongori, passing through Ward 19 and 5. The community members held that the tarred road only benefited the mine since the dust roads in the surrounding areas were dilapidated. One noted these concerns by the community members and also observed the dilapidated dust roads stretching towards Mukwidzi Range from the mine site. A community activist who is also a civil servant in the area complained that:

The road that connects Mhondongori community and the mine site is very bad. During the rainy season, we cannot access some of our projects. I use a bike for my job but at times I fail to fulfil some of my duties as the roads will be slippery. I am sure Mimosa was simply concerned about the transportation of its products from the mine site to the main road. It would have been better if the communities had benefited through employment to cover up for the bad road network, but this is not the case (Interview, 2 June 2017).

The Unki situation is not very different from that of Zimplats and Mimosa. Nevertheless, road upgrade in the area meant that there was now easy access to a better resourced Chironde Clinic, as well as to Chironde Primary and Secondary Schools (Anglo American, 2012). The activists who participated in this study confirmed that there was now an efficient transport network between Shurugwi Town and Chironde Community that hosts the mine site, which is 24.5 km away. One key informant for my research said, "Our women are now able to go and sell their wares in town from Chironde without much challenges as the road is now good" (Interview, 7 July 2017).

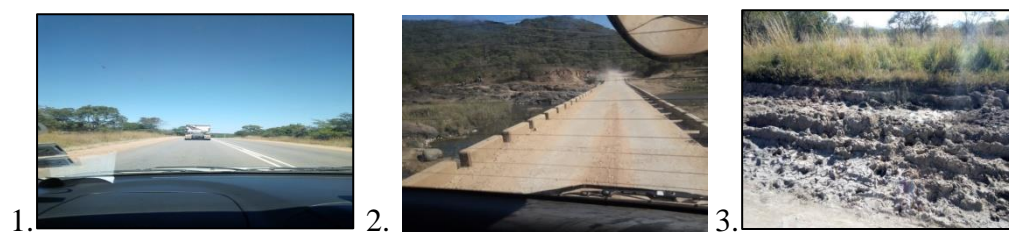
The researcher personally observed that the road was now served by many commuter omnibuses and private vehicles that ply the route. Vegetable and fruit vendors utilised these transport facilities. However, in comparison with the road network developed by Mimosa in Zvishavane and Zimplats in Mhondoro-Ngezi, the Unki road was poorly done, was very narrow and not well maintained. Interestingly, a bridge which is exactly 500 meters away from the main gate at Unki along the dust road to Chironde Business Centre is very narrow and low such that during the rainy season, community members cannot cross the Mutevekwana River. Yet,



the activists expected the mine to have improved the bridge considering its proximity to the mine site.

The Figures (1- Zimplats, 2-Unki and 3- Mimosa) below show the road networks that connect the three mining companies to the nearby communities. The Zimplats road looks good as far as it connects the concentrator to the mining site. The ones for Unki and Mimosa directly connect Chironde and Mhondongori communities respectively. It was clear that Mimosa had not invested in the road network to the levels of the other companies. As for Unki, while the gravel road is maintained, it needs to be improved to the levels of the road network observed at Zimplats.

**Figure 7.4: Pictures showing sections of the road networks in the three communities**



**Picture:** by the Author

### 7.12 Health facilities

The mining companies' role in the social development of the host communities could also be noted in the health sector. Mimosa for instance, supported the construction of clinics and other related infrastructural development equipment. The company constructed a mortuary at the Rural District Hospital in Zvishavane in 2009 which serves people residing in town as well as mine workers. Four beds were also donated at the hospital. The company further sunk a borehole at Mhondongori Clinic, 9 km from the mine site. In May 2017, the same clinic received 350 blankets from Mimosa. One observed a practical example where a cattle-drawn scotch cart was used as a means of transport for a patient who had just been discharged after giving birth. It was established that the same mode of transport had been used to bring the patient to the clinic. At Chitungwiza Hospital, near Harare, it was further noticed that some bill boards indicating that Mimosa had renovated some of the maternal wards at the institution were visible.

Following the destruction of property and food reserves for many families in Mberengwa and Zvishavane communities as a result of Cyclone Dineo in the first quarter of 2017, Mimosa

made donations to the floods victims. The donations included 20 tonnes of maize, 1000 blankets, 10 tonnes of soya chunks, five tonnes of sugar beans, three tonnes of dried fish, two tonnes potatoes, two tonnes of onions, cabbages, 1 000 blankets and other groceries to 400 desperate families (TellZim,26 March, 2017). Appreciating the work that Mimosa had always been doing in the province, the then Minister of State for Midlands Province Provincial Affairs, Jason Machaya, had this to say:

...Mimosa is like our first-born child. In our culture, if the first born doesn't lead by example, we know that family is doomed. Mimosa has proved to the Midlands province that it is a responsible first-born child. (TellZim, 26 March, 2017).

Mimosa drilled and equipped four boreholes at a cost of \$53,377 (Aquarius Platinum Limited, 2014). It also drilled two boreholes in Zvishavane suburbs and one each in the Mhondongori and Kromedraai.

Other notable health interventions done by Mimosa were the refurbishment of the School of Nursing at Harare Central Hospital. The company donated beds, laundry machines and cooking facilities (Sunday News, 6 September 2015). Support was also offered to St. Giles Medical Rehabilitation Centre in Harare. According to the company's website, Mimosa refurbished the workshop, donated vehicles (including) an ambulance and other health tools required in dispensing the Centre's duties. The renovations and equipment at Harare Hospital and St Giles are said to have cost\$3,879,000 (Aquarius Platinum Limited, 2013). However, the Aquarius report of 2014 put the contribution to St. Giles alone at \$1, 4 million by that year while renovations at Harare Central Hospital also continued at a cost of \$623,420 for that year (Aquarius Platinum Limited, 2014). This shows that CSR is not restricted to the local communities. It can be felt at national level. In this case, Mimosa went beyond Zvishavane communities to support projects in other provinces. The St Giles centre mainly relies on budget from the government as well as support from well-wishers, yet, due to economic challenges, these had dropped a great deal. Chief Wedza had this to say about the Mimosa's health efforts:

I am one of the happiest people. Mimosa operates from my area of jurisdiction and has worked well with me and the rest of the chiefs in the area. For me the greatest contribution of Mimosa in Zimbabwe is its support in the health sector. You can see here, Zvishavane Hospital now looks like a new institution. I am also told that the company has also supported a number of other health institutions in Harare. This is what we expect from these mining companies as traditional leaders. In Zvishavane District as a whole, a number of clinics have also received support ranging from beds, renovations, and other critical items.

We however, still encourage these companies to ensure that they adequately employ our children (Interview, 2 June 2017).

The figure below is a picture of the new look Zvishavane District Hospital after the renovation by Mimosa.

**Figure 7.5: A Section of Zvishavane District Hospital Renovated by Mimosa**



**Picture:** by the Author

For Zimplats, the health programmes involved the renovations at Turf Clinic. The objective was to restore the clinic’s image as a full primary health care centre for the workers and their families as well as other local people. The programme was done in collaboration with the Mhondoro-Ngezi council. It was estimated that it would cost US\$185 000 (Moyo and Hwenga, 2010).

On its part, Unki Mine showed its “social commitments” and its good citizenship through some donations made to the community. The mine assisted in responding to health challenges like cholera outbreaks through construction of toilets during the 2009 Cholera outbreak. The company also provided training for the builders in all nine beneficiary villages to ensure that the building met the Zimbabwean Ministry of Health standards and specifications (Masuku and Ndlovu, 2014). It was also reported in the Sunday News of 22 January 2014, that the budget

for that year included the conclusion of a casualty ward at Gweru Provincial Hospital and equipment for the health facility. The same article also indicated that until 2014, Unki Mine had already spent about \$14 million dollars towards its CSR programmes and this would rise to \$16 million by end of that year.

One gathered that Unki Mine also built a mother's shelter at Chironde Clinic in Ward 19 for the expecting mothers. A community activist in Chironde, who was also a regular participant at the AMIs, argued that "this reduced the risk of loss to life on the part of expecting mothers" (Interview, 7 July 2017). I also visited another project supported by Unki in Gweru, a dormitory at the Midlands Aids Service Centre (MASO) premises in Mkoba, Gweru in 2017.

### **7.13 Employment Creation in Fulfilment of CSR Programmes**

An analysis of the platinum mining companies' CSR projects brings many LCD issues, particularly employment and local suppliers' matters. The Unki Housing Project is said to have created hundreds of jobs for local people. However, during the implementation of the Impala Farm Housing Project, Unki had challenges with regards to the contracts negotiations with three local construction companies, which are Citizen, Bambanani JV and Selbridge, subcontracted to build the houses. Yet, this had the opportunity to create an estimated 700 jobs for the local people (The Herald, 15, October, 2013). This case serves to confirm the linkages that exist between CSR and LCD programmes in the mining sector. It also reveals the economic power that MNCs have in the contract negotiation process because the local companies were given ultimatums when they had raised some issues with the contracts. Thus, the issue of power is one factor that affects LCD in the mining sector.

Commenting on Mimosa's efforts in employing the local community members, a contract worker at the mine explained that:

As for Mimosa, the company contracted FC Platinum which is the only recruiting agent at the moment. Some of the workers who had their contracts terminated at Mimosa were incorporated into FC Platinum at extremely reduced remuneration rates. If one was earning \$700 at Mimosa, he or she is now getting almost half of that at FC Platinum but performing the same tasks as before. We are not sure about the arrangement... (Interview, 2 June 2017).

The researcher tried in vain to officially confirm such scenarios with the mine officials. It was also difficult to get an official position regarding the relationship between Mimosa and FC Platinum. However, what emerged from this situation is that issues of CSR and LCD are linked mainly from a practical perspective.

The Zimplats Corporate Relations Official, attending one of the ZELA workshops on 2 March 2017 in Harare said that:

At Zimplats, employment was created when the mine supported local suppliers in terms of capital and skills training. The local suppliers were also hired to construct some CSR related facilities like the Baobab Stadium which is owned by the company and used for community recreational activities among others. The number of jobs created by the company through this arrangement is more than 6000 through our various projects.

It was also reported that Zimplats housing meant for the employees indirectly created some economic linkages for the economy. The project was part of the US\$470 million Phase II expansion that the company had been undertaking and it gave the Mhondoro Community the opportunity to generate income through provision of services and materials (Financial Gazette, 7 August 2014). Local suppliers were targeted for the provision of bricks for the houses. By the end of the project, it was estimated that the local brick suppliers would have moulded and supplied nearly eight million bricks thereby earning close to US\$500 000 (Financial Gazette, 7 August 2014).

#### **7.14 Sports and Recreation**

Mimosa and Zimplats had sub-contracted some companies that formed and ran football clubs that were promoted into the National Premier Soccer League, and these were FC Platinum and Ngezi Platinum Stars, respectively. The clubs received huge support from the companies and were quite successful, including qualifying for some continental tournaments. At the time of writing FC Platinum had already won the 2017 Castle Lager Premiership Championship while Ngezi Platinum Stars had represented Zimbabwe in some 2017 African Confederation Cup competitions.

Zimplats constructed the Baobab Stadium for use by the community for some social activities. The stadium was constructed through partnerships with some local suppliers as indicated elsewhere in this study. It became the home ground for Ngezi Platinum Stars. The local soccer stadium, managed by the Zvishavane Town Council, Mandava also received a lot of financial support from Mimosa. It was upgraded, including the expansion of the size of the pitch, construction of terraces with a VIP pavilion, camera plinths, a security wall, a water reticulation system and three ablution blocks at a cost of \$283,373 (Aquarius Platinum Limited, 2014). The sporting activities carried out in the stadium created employment for the community members who worked as footballers or suppliers of services and materials.

The clubs recruited as separate entities from the mining companies and this created challenges, particularly for Mimosa where stakeholders raised concerns regarding lack of transparency and accountability on the ownership and proceeds from FC Platinum. The researcher attended one of the engagement meetings in Mhondongori Community and it was observed that the FC Platinum recruited its players from other districts. Concerns were also raised in both Mhondoro-Ngezi and Zvishavane that the majority of the players who helped the teams to be promoted into the National Premier Soccer League were all offloaded, thereby making them destitute without employment. One youth in Mhondongori complained that “we supported the team before it was promoted into the national league but now Mimosa cannot even reward us by employing our brothers here” (Mhondongori Youth, 2 June 2017). However, it has been a trend in Zimbabwe that once a soccer team is promoted into the National Premiership, it tends to attract more experienced players thus, it is possible that the two teams did that thereby almost neglecting the original players.

### **7.15 Environment**

Zimbabwe’s Environmental Management Act (Chapter 20:27) of 2002 with subsequent amendments makes it compulsory for companies to manage air and water pollution which come from the mining projects. The law requires the companies to possess emission licences and to meet the terms set for the emissions. In South Africa, Implats is signatory to the Department of Minerals and Energy (DME) South Africa Strategy to limit greenhouse gas emissions (Moyo and Hwenga, 2010).

The Annual Sustainability Reports from the three mining companies indicated that they were complying with environmental regulations in Zimbabwe. I, however, observed one of the dumping areas at Zimplats Mine site which needed attention from the mining company. Community activists argued that the mine was not doing enough to protect the environment. At the dumping site in question, the researcher observed used plastic containers, chemical, drink and beer bottles and food materials; and cattle were feeding on the plastics. A cloud of smelly smoke engulfed the place. Yet, Zimplats had an Environmental Management framework. For instance, the Environmental Management ISO14001 Certification 2004 was said to be in place and there was also a system supported by BMS Policy with key commitments on pollution prevention, resource conservation, legal and other requirements compliance and continual improvement. Below is a figure showing the dumping site near Zimplats mine.



**Figure 7.6: One of the dumping sites near Zimplats**



**Picture:** by the Author

In the case of Mimosa, the company embarked on tree planting exercise. Mimosa assisted in establishing a nursery in Mtshingwe, to support the reforestation of the land of the surrounding communities (Aquarius Platinum Limited, 2013). According to the Aquarius Platinum Limited Report (2013), the programme contributed to a positive culture for the planting of local plants and preservation of key resources in the communities. Nevertheless, the local activists did not attach any value to the project.

#### **7.16 CSR and LCD from a Social Justice Perspective**

The study established that while the platinum mining companies embarked on CSR programmes, there is still need for the GoZ to regulate CSR to allow for stakeholders to monitor and evaluate the actions of the companies. The community activists, through technical and financial support from some national CSOs, managed to challenge the platinum mining companies in various ways with regards to CSR programmes. However, their advocacy is weakened by the fact that the programmes are not legally enforceable. In the absence of any regulatory framework, the community activism is thus pursued from purely a social justice perspective. For the activists, CSR and LCD are both social justice concepts. They argued that natural resources should be extracted in such a way that allows the future generations to benefit from the same resources. The host communities have the right to enjoy benefits from their

platinum as they are directly affected by the mining projects socially and environmentally. Recommending on the need to regulate CSR programmes, an activist from Mhondongori argued that:

We have been advocating for improvements in the handling of CSR programmes by Mimoso and other mining companies here. However, my brother, we cannot win this war as the government is not supporting us. We have been expecting our government to put in place regulations that we can use to make sure that as communities we have a stake in the management of our resources. Right now, a lot of resources are channelled towards CSR programmes that benefit other districts, yet, the people here who are exposed to social and environmental challenges due to mining projects are suffering. It is all about making sure that those who suffer from environmental and social effects of mining benefit my brother. This is the only fair deal. Let us have regulations on CSR then as communities we can enforce them from here by making sure that these programmes are done by our children who need jobs (Interview, 3 June 2017).

Newell and Frynas (2007) examine the extent to which CSR programmes could assist in addressing poverty, social exclusion and economic development among other issues. In the same vein they also interrogate the balance of responsibilities among the key players of the state, market and civil society in the process of addressing the developmental problems. This is also in line with the work of Campbell (2011) where the issue of changing roles of the state in the mining sector led to the questionable legitimacy of the CSR activities. Local activists in the study areas held that:

Resources in our locality should be the engine for poverty alleviation. In as much as we do not have the capital to turn our platinum into usable resources, we should still benefit from other social and economic programmes linked to the resource. The rationale is simple: this is a social and economic justice argument. We suffer from effects of mining activities here hence we should be compensated through employment and social facilities created by the mining companies (argued one activist at the AMI in Zvishavane, 28 May 2016)

According to Campbell (2011), if the mining companies are to contribute to the social needs of local people, the government should negotiate equitable and transparent contracts as set in specific national regulatory frameworks. He had this to say:

There is need for a framework that considers the overall policy coherence on the part of all different government actors and departments concerned. More generally, policy coherence on the part of multilateral and bilateral actors implies as well that all agencies and ministries concerned assume public as well as corporate, accountability, in this critically important area... (Campbell, 2011:5).



The study found out that for the mining communities, CSR is a social justice matter that needed to be fulfilled by the corporates with the assistance of the state's regulatory role. What was also clear was how the activists viewed CSR beyond just the provision of social infrastructure but accessibility to employment facilities. Yet, some scholars like Gumpinger (2011) have indicated that it will be difficult to legalise CSR. The following quotation summarises the argument that CSR remains illegitimate and difficult to fulfil:

The problem is that the notion of corporate social responsibility, under the current corporate law framework, is an oxymoron. The corporation's legal mandate is to pursue its own best interests and thus to maximize the wealth of its shareholders. Hence, corporate social responsibility is illegal and impossible to the extent that it undermines a company's bottom line. Acting out of social concern can only be justified insofar as it tends to bolster the corporation's interests. It is not surprising then that critics have characterized corporate social responsibility as an "ideological movement" designed to legitimize the power of transnational corporations. (Gumpinger, 2011:102).

Thus, the legitimacy of CSR can only be understood through the lens of social justice if the concerned mining companies deliver what the host communities expect beyond their core business. Once the mining activities are linked to other social and economic programmes, opportunities will be enhanced for the host communities. One Mhondongori activists argued that "it is not just about us getting employment at the mine, but we want to ensure that the poor old men and women have opportunities to survive through our salaries, because they deserve to benefit too (Interview, 2 June 2017).

### **7.17 CSR, LCD and CSOTs Linkages**

The study investigated the perspectives of the community activists, platinum mining companies and government officials with regards to the linkages of the two concepts of CSR and LCD. Generally, the community activists were mixing up the two concepts while the government and platinum mining companies technically knew the linkages. However, there were instances where mining companies would deliberately argue with community activists that they would not be obliged to fulfil LCD requirements as they would have channelled resources towards CSR programmes or CSOTs. The mining companies also seemed to have felt that separating the two in terms of fulfilment would add some financial burdens to their budgets. However, this was done purely from a financial perspective yet, on the technical differences, they had an appreciation. The government on its part appeared to be reluctant to regulate the CSR and LCD. From the discussions at the AMIs and other observed events, the GoZ was cautious not to scare away the investors through such regulations.

During the events that one observed, representatives of the mining companies would share the contributions the companies were making towards local development by citing initiatives without necessarily separating the CSR and LCD for the community activists to be able to engage with them on specific programmes. For me, the programmes that were shared which included the corporate roles in the development of roads, health and education institutions, while appearing to be more biased towards CSR issues, they also addressed LCD expectations. Local people were involved as workers and also as suppliers of commodities when CSR programmes were being done.

Nalband and Kelabi (2014) argue that indeed, companies need to invest in CSR as a strategy to make their businesses competitive since the local environment is critical. They give examples where the companies require appropriate infrastructure, quality education and health, which are important factors to consider when recruiting employees in future for the companies' operations. Cooperation with local players, quality of key departments, as well as local policies and laws, all affect the business in various ways (Nalband and Kelabi, 2014). It can be seen that while the companies will be fulfilling their CSR obligations as a way of building their business competitiveness, in the process, they will also be addressing LCD issues.

Citing Porter (2003), Nalband and Kelabi (2014) further argue that as companies fulfil their philanthropic roles, they also create positive business impacts for themselves, but also for the local communities. Porter (2003) is cited as having challenged academics to "provide careful thinking, a clear rational framework, evidence and intellectual argumentation" to justify CSR (Nalband and Kelabi, 2014:236). Picking from Porter's value chain analysis, one can say that local communities will now be contributing to that chain. Indeed, mining communities in this study were now demanding that the platinum mining companies align operations to sustainable development (Prno and Slocombe, 2012). This meant ensuring participation by local communities that lead to economic benefits accruing to the local people. Thus, the alignment will fulfil both CSR and LCD obligations at the same time.

In trying to explain the differences between CSR and LCD, Ado (2014) holds that the former is mostly voluntary and is concerned about environmental and philanthropic matters while the latter is often mandatory. Furthermore, LCD encompasses employment creation, technological and skills transfer, promotion of industrialisation as well as local procurement of inputs by the mining company from the host communities (Ado, 2014). On the issue of mandatory

application, it is clear from the literature reviewed, as well as from the study participants, that there was now some advocacy to make CSR, like LCD, mandatory.

Kazzazi and Nouri (2012), in Ado (2014:207), argue that CSR is a well-established and researched concept compared to LCD which is “currently evolving and still struggling for recognition”. Indeed, the literature showed that LCD is still to be researched on from various angles. Ado (2013) indicates how LCD has been affected by some specific WTO principles that discourage trade protectionism and local content measures in particular. The WTO is clearly against local content programmes.

The study also established that the linkages between CSR and LCD can be located within some countries’ legislative frameworks where the two are concurrently addressed by a single piece of law without any distinction. An example is the Mineral and Petroleum Resources Development Act (2004) of South Africa, that requires a mining aspirant for a mining right to submit social and labour plans. Regulation 41 states that:

...the objectives of the social and labour plan are to: (a) promote employment and advance the social and economic welfare of all South Africans; (b) contribute to the transformation of the mining industry;(c) ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they are operating (Economic Commission for Africa, 2011:85).

The plans have to include elements in particular detail of a human resource development plan, a local economic development agenda and processes pertaining to administration of downscaling and retrenchment, and should offer financials for the execution of various aspects of the social and labour plan (Economic Commission for Africa, 2011). In this piece of legislation, both CSR and LCD are simultaneously addressed.

The Economic Commission for Africa (2011: 85) cites the Berlin Guidelines of 1991 as an effort by mining companies to make sure that they stuck to host country principles while operational abroad. It is indicated that there have been discussions around utilisation of local domestic laws in promotion of socially accountable conduct overseas by firms based in those countries and their affiliates (Economic Commission for Africa, 2011). However, the suggestions were met with some resistance where it was argued that such proposals would lead to the compromise of the sovereignty of the host countries. Furthermore, there would be likelihood that the same companies would be subjected to stiff competition, particularly from companies where such legislations did not exist (Economic Commission for Africa, 2011). What is generally agreeable to most of the scholars is that indeed, it is advisable for the

companies to abide by international standards as this reduces the risks of clashes with host communities leading to economic losses and even strained international relations between hosts and sending countries.

In line with the thinking of Campbell (2011:4), one Zimbabwean economist (and activist), presenting at the national AMI, in Bulawayo, had this to say about the linkages between CSR and LCD:

The prevailing position with regards CSR in Zimbabwe is premised on what Campbell termed mono-sectoral approach. This strategy does not seek to explain the contribution made by mining as a sector to the global economic goals of the country which entails inter-sectoral clear linkages. Mining should surely be the hub of all other economic and social sectors (contribution during a break away session, 28 September 2016).

The argument above clearly shows the linkages that should prevail between CSR and LCD in the mining sector. The discussions at most of the observed events were centred on the need to build eventual backward and forward linkages such as possibility of facilitating value-added processing of minerals (Campbell, 2011).

The study further noted some academic questions emerging regarding the linkages that exist within the three programmes of LCD, CSR and CSOT that Zimbabwe adopted in the mining sector. An analysis of the work of the companies under study revealed that there were still some varied interpretations of the theoretical and practical meaning of LCD, CSR and CSOT.

While the three platinum mining companies in Zimbabwe will perceive their CSR projects as part of the government's legislated CSOT programmes, the mining communities in the study areas argued that the two should be fulfilled separately. The Zvishavane CSOT Administrator indicated that one of the mining companies in his area of jurisdiction indicated that it would soon reduce its budget towards CSR as it would have contributed through the CSOT. He had this to say:

I sit in the CSOT meetings as per the legal requirements of this country. I am privy to some proposals and suggestions that are made with regards to CSR programmes by the mining companies. The latest proposal made by one of our local mining companies is that they want to reduce the CSR budget as they would have supported the CSOT programmes. For me all this is due to the fact that as a country we do not have an authority to regulate CSR programmes. Thus, the mining companies will always decide on our behalf and we cannot legally challenge them (Interview, 3 June 2017).

It was further noted that there exist clear linkages between LCD and CSOT expectations from the communities. The CSOTs are expected to facilitate the transfer of skills and technology to local community members according to their mandate. Indeed, the CSOTs managed to train communities as fence makers in Zvishavane and provided some capital for some specific groups who were now able to supply the products to the various stakeholders. The Trust in Zvishavane was facilitating that the Mhondongori Women and Youth Fencing Group access market for its product at the Mimosa Mine. The Zvishavane CSOT Administrator further shared that the Trust had been advocating to the Mimosa Mine to consider local labour and suppliers in their procurement policies. Indeed, the Trust Deed emphasises the need for beneficiation of the country's mineral resources before they are exported. I found out that the concept of CSOT resonated well with the argument for local procurement in particular or LCD in general to start at a community level before considering the national outlook. The Zvishavane CSOT Administrator recommended that:

Mining companies should first consider labour and suppliers from within the host community before expanding to other districts and provinces in Zimbabwe. Host communities expect to benefit from their local resources through employment, business linkages and skills development. Therefore, it will only be proper and indeed fair that mining companies first fish from the local communities (Interview, 2 June 2017).

Summing up the linkages among CSR, CSOTs and LCD, the Runde Council CEO argued that:

As a rural authority, we have learnt that CSOTs are a practical way of sharing resources. CSOTs create jobs for the local people, enhance income generating projects, they are pro-poor, and indeed they have the potential to promote peace and democracy in a potentially conflict-ridden mining community (Interview, 6 July 2017).

The figure below shows the Mhondongori fence making group at work.

**Figure 7.7: Mhondongori Fence Making Group Demonstrating their Work to the Researcher**



**Picture:** by Research Assistant

The CSOT in Zvishavane managed to facilitate the construction of new education and health institutions in the resettlements created following the agrarian reform, as well as rehabilitating some in the rural areas. The projects have created employment for the local communities. For instance, the Mhondongori Community Irrigation needed a 2,7-kilometre long fence which was then supplied by the women and youth group referred to earlier on. The group received capital from the CSOT in the form of steel wire as it already had its own fence making machine as well as skills gotten through training by a separate CSO. Therefore, the Trust's projects were said to be need-based while there is a deliberate effort to involve the local communities (with special emphasis on youths, women and people with disability) in terms of participation. The evaluation and audit of the projects during the Trust's five-year existence was done through funding from Mimosa. The researcher observed one of the auditing sessions during one of the visits at the CSOT offices. The figure below summarises some of the projects that were fulfilled under the CSOT programme.



**Figure 7.8: CSOT Projects implemented in Zvishavane 2012-2013**

ZVISHAVANE COMMUNITY - SHARE OWNERSHIP TRUST 2012 - 2013 PROJECTS - FACTS		
PROJECT PLACE	PROJECT NAME	BENEFICIARIES
CHINEMBEURE SEC SCH	1 x 2 CLASSROOM BLOCK & FURNITURE	23
GWEMVURACHENA PRY SCH	1 x 2 CLASSROOM BLOCK & FURNITURE	23
GWEMVURACHENA PRY SCH	1 x F14 HOUSE	23
CHIVIZINA / MUTAMBI	ELECTRIFICATION	23
ZERUYI PRY SCH	1 x 2 CLASSROOM BLOCK	36
GOYARIZADZE SEC SCH	1 x 2 CLASSROOM BLOCK	50
MABHAZULI PRY SCH	FENCING	53
MAPIRIMIRA PRY SCH	FENCING	426
MAPIRIMIRA PRY SCH	2 x F14 HOUSES	177
DAMBUDZO LUNDI CLINIC	2 x F14 HOUSES	177
SIYANSA PRY SCH	1 x 2 CLASSROOM BLOCK	295
SINAMI PRY SCH	1 x 2 CLASSROOM BLOCK	368
CHACHITSA SEC SCH	1 x 2 CLASSROOM BLOCK	272
MABASA PRY SCH	1 x 2 CLASSROOM BLOCK	268
MABASA PRY SCH	1 x 2 CLASSROOM BLOCK	438
VENGE PRY SCH	1 x 10 SQUAT HOLE TOILET	438
BILASHAYA PRY SCH	PROVISION OF FURNITURE	240
CHIRERE PRY SCH	ELECTRIFICATION	353
MWEZHE PRY SCH	1 x 2 CLASSROOM BLOCK	256
ORETI PRY SCH	2 x 2 CLASSROOM BLOCK	146
MPUMELELO SEC SCH	1 x 2 CLASSROOM & FURNITURE	184
MPUMELELO SEC SCH	2 x 2 CLASSROOM BLOCK	184
MPUMELELO SEC SCH	1 x F14 HOUSE	184
MPUMELELO SEC SCH	SCIENCE LABORATORY	184
MPUMELELO SEC SCH	1 x 10 SQUAT HOLE TOILET	184
ZVESONA DAYATAYA CLINIC	CLINIC CONSTRUCTION	6665
ZVESONA DAYATAYA CLINIC	1 x F14 HOUSE	6665
NSOME PRY SCH	ELECTRIFICATION	271
WEDZA	2 x 2 CLASSROOM BLOCK	243
MUKWIDZI SEC SCH	1 x 2 CLASSROOM BLOCK & FURNITURE	165
MUKWIDZI SEC SCH	2 x F14 HOUSES	165
ZVISHAVANE DISTRICT	11 x BOREHOLE DRILLING & FITTING	74 357
ZVISHAVANE DISTRICT	TRACTOR PLOUGHS & TYRES	74 357
MUPANI - MHOTOTI	IRRIGATION SCHEME	-
ZCSOT OFFICES	TONNER UP TRUCK	Zvishavane Dist
ZCSOT OFFICES	2 x TOYOTA HILUX	Zvishavane Dist

**Picture:** by the Author

### 7.18 Conclusion

The chapter discussed the contested definition of CSR in the extractive sector. It was argued that CRS is not detached from LCD programmes in the mining sector in terms of application particularly as far as community activists are concerned. However, the main issue that emerged is that Zimbabwe can regulate CSR implementation using the same regulatory framework as the LCD although the two remain conceptually different. Once the laws are in place, the community activists will have measurable indicators to their advocacy work for reference purposes. It emerged that there are linkages among CSR, LCD and CSOT projects in the platinum mining sector. However, there is varying perception from the three key stakeholders regarding the three concepts. The role of the state in the implementation of the CSR is key as regulation of the programme will ensure that the local people benefit from the mining linkages with other economic activities. While CSR is a welcome development among the communities,

non-consultation by the mining companies was a major issue with activists. The next chapter presents the debate about community activism as a double movement in platinum mining communities.



## **CHAPTER 8: COMMUNITY ACTIVISM IN PLATINUM MINING COMMUNITIES: A DOUBLE MOVEMENT**

### **8.1 Introduction**

This chapter contributes to the study through an analysis of the community activism around LCD in the platinum sector in Zimbabwe. It looks at the forms of activism, the advocacy issues pursued, available opportunities and challenges encountered as well as the outcomes of that effort. The role of civil society in the promotion of LCD is also discussed. This allows one to locate the CBOs that advocate for LCD in the mining sector. The study attempts to benchmark the role of the CBOs with the theoretical roles as examined in the literature on civil society work. A close examination of the work of three CBOs in the three study areas assists in the appreciation of the forms of activism, its dynamics, opportunities and challenges as they relate to LCD. An examination of the concept of Alternative Mining Indabas (AMIs) as a form of community-based activism is also made. The extent and effectiveness of the activism in influencing LCD are also analysed. One argues in this chapter that, the activism is a “double movement” as it reacts to the effects of liberalisation of the mining sector. The discussion on community activism however, reveals some gaps within the “double movement” theory as postulated by Polanyi and these are further examined under the next chapter of the study.

### **8.2 Role of Civil Society in LCD Programmes**

Experience of Zimbabwe shows a wide range of non-state actors some of which are large registered and formal, while others are informal local organizations. The local organisations are many but normally invisible to people outside a given community. They include mass movements, political parties, trade associations, and community-based organisations among others (Pasha, 2004). Their origins and work is not detached from the influence of some external factors mainly national and international CSOs.

The civil society is critical in promoting LCD in Zimbabwe and elsewhere. The inclusion of civic organisations in development of a community strengthens the citizen participation in critical processes. The CSOs (social movements in this case) influence fairness through their assumed pro-poor bias, build harmony around development policies and results since it is argued that they represent a wide range of interests (Connolly, 2007). Furthermore, they also fulfil a watchdog role on the actions of government, private companies and thereby improve accountability and transparency in the development process (Connolly, 2007). However, at

times they face immense criticism from government departments as they will be seen as pushing some political agendas.

The current study adopts a definition of civil society given by Connor (1999 in Pasha 2004) that:

Civil society is composed of autonomous associations which develop a dense, diverse and pluralistic network. As it develops, civil society will consist of a range of local groups, specialized organizations and linkages between them to amplify the corrective voices of civil society as a partner in governance and the market (Connor, 1999, in Pasha, 2004:3).

Veneklasen (1994 in Pasha 2004:3) also offers a definition that captures critical characteristics of civil society which, however, is not very different from that of Connor (1999). Veneklasen emphasises the interface between the people and the government and this is seen in the culture of community engagement structures. In this case, the norms include “values of trust, reciprocity, tolerance and inclusion, which are critical to cooperation and community problem solving structure of association” (Veneklasen, 1994 in Pasha 2004:3).

CSOs are expected to be representative of the interest of the ordinary people in a given locality including people living with disability, women and youths. They should influence social and economic development at local level. Non-state actors should strive to be as independent as possible in order to gain the trust of other players. Independence is measured in terms of their working relationships with either the government or mining companies. Non- state actors can be located at community, national, regional or international levels. In the current study, my focus is on CBOs which are however, linked to national and international CSOs in terms of the technical and financial support received.

### **8.2.1 Advocacy Work**

The civil society should always be seen to be representing the interests of local communities in terms of protecting their interests. This will involve alerting the local entrepreneurs regarding business opportunities arising from the presence of foreign mining companies in a given community. They should also be able to raise awareness with the mining companies concerning the local capabilities to supply the materials and services needed at the mine. It is also argued that the existing gaps within the local suppliers should also be raised by the non- state actors so that the companies and the government will respond to cover that. The national government is also expected to consider support to local suppliers in its annual budget.

In more broad sense, civil society's role is summarised below by Pasha (2004) when he said that CSOs can further good governance by:

- policy analysis and advocacy;
- regulating and monitoring of state performance and the action and behavior of public officials;
- building social capital and enabling citizens to identify and articulate their values, beliefs, civic norms and democratic practices;
- mobilising constituencies, particularly the vulnerable and marginalised sections of masses, to participate more fully in politics and public affairs; and
- Development work to improve their wellbeing and other communities (Pasha, 2004:3).

The researcher attempts in this study to explain some selected roles of civil society below with interest on LCD promotion.

### **8.2.2 Mobilisation of Community Members**

Normally, when a foreign company enters a community, it will not be able to mobilise the potential suppliers of goods or labour force as it will still be trying to establish links. Thus, the non-state actors should be able to coordinate the potential suppliers of service or materials to ensure that the companies have a wide choice in their selection of suppliers and employees. In most cases it will be difficult for a single supplier to meet the demands of the big mining companies hence there is need for potential suppliers to combine their capacities and participate in the mining value chains as groups who enjoy economies of scale. The civil society is therefore described as offering a voice for the ordinary people and marginalised (Connolly, 2007) in this case.

The study established that mobilisation could be for peaceful engagement processes while in some cases it could be in more confrontational way. Protests were held in Shurugwi at one point when the community members were mobilised against the Unki Mine's recruitment policies. In the case of Zvishavane, the peaceful engagement processes between Mimosa and the communities were built after some initial confrontation. This was shared by Councillor Sibanda of Ward 5 in Zvishavane (Interview, 24 October 2018).

### **8.2.3 Capacity Building of Suppliers**

The non-state actors can actually provide the capacity needed by local communities to effectively participate in the mining value chain. They can train potential employees or suppliers at the mine. The CSOs can collaborate to provide training on social and economic programmes that ensures that the locals are ready to partake in the mining processes. Training programmes can include business skills, leadership skills, fundraising, project management and public relations among other critical skills necessary in a mining project.

The CSOs can also provide consultants services to the local entrepreneurs and individuals who may have been affected by some policies at the mine like labour matters. However, from another angle, the same advice can be offered to the foreign companies regarding local cultures, languages, and other requirements which the latter may take for granted thereby creating unnecessary friction with the local traditional leadership. Therefore, non-state actors in general can offer ground-breaking ideas and solutions and strengthen the impact of developmental work through provision of local knowledge (Connolly, 2007).

CSOs can collaborate with small scale business to lessen the burden for office rents, training venues and other support services that can strain the capital of SMEs. In the promotion of LCD, this contribution by CSOs is critical to enhance small business participation.

### **8.2.4 Monitoring and Evaluation**

As independent players, CSOs and CBOs can contribute through tracking the work of government and mining companies. In the process, they will be able to raise any transparency and accountability matters. For instance, they may be able to pick that the companies are not employing their workforce locally or procuring from the local suppliers as per their procurement policies. On the part of the government, the CSOs and CBOs can raise issues of transparency regarding mining contracts awarding and land related matters. In this case, the CSOs can collaborate with the media in order to raise the profile of the matters through wide publicity. Issues of expenditure locally and compliance with other regulations will be publicised. It can be argued however that for effectiveness in this area, there should be clear policies and legislations with measurable indicators which can be monitored by the CSOs and reported by the media.

Community Based Organisations in Shurugwi, Zvishavane and Mhondoro-Ngezi were trained by ZELA to be data extractors where they research on employment, enterprise development,

service delivery, mining impacts on the environment and social lives of citizens and payment of taxation by the private sector among other mining issues. The community activists became effective monitors of the work of the government and the mining companies.

### **8.3 Conceptualisation of Activism in Platinum Mining Communities**

In general, the community activists in the study areas were calling for policy and legislative reforms in Zimbabwe's mining sector. They argued that their efforts can only bear fruits once the government improves the frameworks that govern the mining sector. Particular focus was on the reform of the Mines and Minerals Act of 1961, approval of the Minerals Policy, domestication of the AMV and other international protocols to ensure that host communities' benefit from their mineral resources in a more sustainable way. The community activists also criticized the perceived power of MNCs in the global economy (Ward, 2009). Thus, their activism was meant to contribute to the countering of economic liberalism thereby confirming Karl Polanyi's theory of double movement.

The activists expressed their frustration when they argued that:

... our efforts were not supported by the government. Our government continue to side with the platinum companies. Right now, it has taken more than six years for the finalisation of the minerals policy and more than ten years for the conclusion of the Mines and Minerals Bills. We know through the training we received from ZELA that the Africa Mining Vision itself has got good provisions for us to benefit from our minerals, but no efforts have been put in place to domesticate it... (Community Activist in Mhondongori, Contributing during the AMI in 2016).

### **8.4 Dynamics in the Activist Movement**

Activism around mining issues including LCD was mainly led by CBOs in the targeted areas. The community activism on LCD and other mining matters manifested itself in various forms making it a complex movement. Generally, it was made up of individual activists, academics (academic activists), individual legislatures, local authorities, traditional leaders, Ward Councillors, CBOs, and CSOs. It was noted that there were some "activist Councillors and Legislators". The activists received financial and moral support from some international funding partners who also practically participated in most of the engagement meetings held for stakeholders.

There were some interesting dynamics with some of the activists. For instance, the local authorities, being part of government structures also called for the central government to be transparent in awarding mining contracts. They are expected to deliver services to the

communities but they complained that they were not getting much from the natural resources in their areas of jurisdiction in the form of taxes. The licence awarding process takes place at the central government level with virtually no input from local authorities.

While the study focused mainly on Mhondoro-Ngezi, Zvishavane and Shurugwi areas, through the AMI processes at district, provincial and national levels, I observed the other authorities from other provinces. These include Mutare, Buhera, Mutoko, Guruve and Gwanda among others who participated at the annual AMIs and other related events. Yet, from another angle, local authorities were targeted by the other activists who expected policy and legislative changes that have a bearing on mining emanating from the councils. Local authorities in this study confirm the tag one puts on them that of being “an activist sub-national government” which demanded some recognition from the central government for effectiveness in their duties.

It was further noted that activism was also being led by SMEs which felt that they needed to be considered by the mining companies as business partners. They also challenged the government to build their capacities as suppliers to the mining projects. Some of them became active members of the CBOs that were formed in the three areas of study. One therefore named them as “activist entrepreneurs”. The entrepreneurs advocated for the government to increase loan facilities through the fiscal policy for them to effectively participate in the platinum value chain. They also engaged the respective platinum mining companies for opportunities as suppliers of relevant materials at the mines. The Ministry of SMEs was a regular participant at the ZELA events including the AMIs where it was engaged with regards to policy interventions to support local suppliers.

### **8.5 Fulfilling Community Priorities**

The activists were aware that they were dealing with international mining companies who are controlled from their head offices. Thus, they needed some networks at regional and international levels in order to strengthen their voice on mining matters. However, more specifically, each activist group was concerned about specific issues that directly affected it.

The community activists’ conceptualisation of LCD and CSR rested mainly on social and economic development of their local communities. The activists would argue that:

What we really want cannot be summarized in a single concept like LCD or CSR because it is actually a complex package which we can only be able to define ourselves when given the opportunity. The problem is that you

technical people tend to define our needs all the times, yet, you cannot fulfill them without our input (Community Activist in Shurugwi, Interview, 7 July 2017).

This makes it extremely difficult for the mining companies and the government to immediately fulfill the community priorities.

This also shows that LCD is not an end but a means to attain local social and economic development hinged on mining. The development envisioned by the communities includes good education, health, road networks and water facilities among others. Thus, it will always be critical for policy makers to bear in mind the end results hence the need for a value-based approach in dealing with community priorities.

### **8.6 Was it a Question of Resource Nationalism?**

My study attempted to understand the rationale behind the communities' efforts and the issues of resource nationalism. There has been a trend towards increased voice on resource nationalism. Local people seek to protect their natural resources from further extraction by MNCs (Solomon, 2012). In the process of challenging economic liberalism, developing countries aim at leveraging the social and economic benefits of their resources and this places them at a global economic and geopolitical landscape (Solomon, 2012). Solomon (2012) argues that resource nationalism can threaten critical private domestic and foreign business in the host countries. The author further argues that protective practices are often directed towards instant political gains at the expense of sustainable economic benefit (Solomon, 2012) and in the process breeding corruption. The issue of corruption being raised by Solomon (2012) has also been one of the areas of focus for the CBOs.

Resource nationalism is characterised by the aspirations of the citizens to derive more economic benefits from natural resources in their areas (Solomon, 2012:72). This can be through: absolute nationalisation of private sector investments. It can also be through limited nationalisation where the host state holds equity in a privately-run firm with or without compensation (Solomon, 2012:72). However, in case of the communities under study, the activists were not necessarily calling for an outright nationalisation of platinum mining companies but a share in the form of employment, r as well as enterprise development.

For Wilson (2011:285), resource nationalism involves a “state-directed and mercantilist approach to the management of natural resources”. The host country utilises its legal jurisdiction to achieve national development objectives that would otherwise not obtain if their

exploitation were left to MNCs led processes (Wilson, 2011:285). The argument put forward is that natural resources are limited, hence if left to market processes, will not be exploited in a manner that benefit the local people socially and economically. Therefore, the host country applies interventionist policies to ensure that the resources benefit the locals (Moran 1971 in Wilson, 2011).

It is clear in the literature reviewed that there is no agreed definition of resource nationalism. However, the main issue in many of the definitions consulted was the emphasis on the government intervention to maximise proceeds through controlling the exploitation of the resources (Ward, 2009). Furthermore, to have a broad appreciation of the concept, there is need to consider its linkages with other concepts like nationalism, economic nationalism, political nationalism and protectionism (Ward, 2012).

The spirit of resource nationalism was particularly observed in Shurugwi. The key informants as well as the various events observed showed that the community that hosts Unki (Chironde) “does not benefit” from the mine in terms of employment. The activists accused the three chiefs that are consulted by the mine to fulfil the allocation of 75% local employees, as being bribed by those with financial power to second only well-connected potential employees at the expense of Chironde. In Chironde, a community activist complained that:

The three chiefs in Shurugwi do not consult their subjects when Unki calls for potential employees. They only recommend their relatives. In this case we cannot blame Unki but our chiefs who are selfish. Yet, we do not have any law or policy to back up our concern against the chiefs (Interview, 7 July 2017).

There was a conflict as to what actually constitute local content among the activists. Most of them understood it to mean employment created for the host communities without emphasis on the national outlook. Others still held that the employment should go beyond the specific communities hosting the mines. One, thus, would argue that LCD is a resource nationalism (at local level) coined in business terms. The government led programme of CSOTs confirms the conflicts that exist within the stakeholders. The concept is a resource communalism where those communities which are not directly hosting mining projects can still benefit from the resources through the CSOT arrangements.

### **8.6.1 A Case of Challenging “Resource Privatism”?**

Mining contracts are highly secretive. The communities do not even know their contents as the deals are made by the central government and the mining companies. The traditional leaders



and local authorities are not consulted hence the violation of the free, prior and informed consent principle. The secrecy has led to suspicions that have subsequently contributed to the emergence of activism as the communities need information regarding LCD issues among other critical mining matters. The parliament is also not privy to the contents of the mining contracts even though it should be representing the people. Mawowa (2013:108) holds the same opinion as he argues that “generally, governments have been accused of hiding information on mining contracts and abusing resource rents while mining companies have been accused of externalising the costs of extraction and privatising profits”. A member of the Parliamentary Committee on Mines and Energy, confirmed that indeed, as legislators they have challenges as they struggle to get details of mining contracts (Panellist at AMI, 7 July 2017, Gweru).

The traditional leaders who participated in this project were concerned that their people lost farming and resettlement land, their ancestors’ graves were disturbed, and some cultural obligations were not done before the mining projects commenced. Chief Mapanzure of Zvishavane always complained that “our people’s graves have been tampered with without our consent. These foreign companies do not respect our dead and we need to do something to control their behaviours...” (Contributions during ongoing AMIs).

On their part, the rural district councils complained that they were not receiving enough proceeds from the mining operations yet; they are expected to deliver social and economic development. They would say:

As local authorities, we are in a dilemma. The communities expect us to provide good services with support from our local resources. Yet, we are not even consulted by the central government before any mining project commences. I am sure roles should be clarified as to who exactly should be responsible for granting mining contracts. We should be involved also in suggesting CSR and LCD programmes (Moyo, Runde Rural District CEO, Interview, 3 June 2017).

The behaviour of MNCs in privatising the negotiations with host countries has been described as a form of “resource privatism”. The interests of the private sector dominate the contact negotiations with host governments (Ward, 2009:6). It can also be a scenario where deals are done without regards to public interest (Ward, 2009).

Commenting on the GoZ’s appeal for FDI, a Mhondongori community activist argued that:

Our country is in desperate need of foreign businesses. The new government of President Mnangagwa is very weak. It will not prioritise our needs as communities but what it wants is foreign support. Obviously, in such a situation we are at the mercy of these mining companies as a country in general and as

communities in particular when it comes to contract negotiations... (Interview, 22 May 2018, Zvishavane).

### 8.7 Perspective on LCD

The communities in general expected the mining companies to be providing employment for the local people and create business for their goods and services. However, on the issue of skills and technological transfer to local communities, the community activists had scanty knowledge. . Furthermore, they were concerned about environmental damage caused by mining projects. Thus, they advocated for mining frameworks that protect the environment, regulate the companies’ procurement exercise and lead to the domestication of some regional, continental and international best practices in mining. Without necessarily calling it LCD, the activists were advocating for socio-economic development of their areas. The Table 8.1 below shows the comparative perspectives of key stakeholders regarding LCD.

**Table 8.1: Comparative Perspectives of Key Stakeholders on LCD**

<b>Mining Companies</b>	<b>Communities</b>	<b>Government</b>
They see LCD as an initiative that facilitates their social license.	Long term improvements in quality of social and economic life is associated with LCD	Greater benefit sharing from private sector with government prioritising taxes. It is all about revenue for the government to operate well.
Access to land for utilisation for company projects will be given by the government if the company promotes LCD.	Access to livelihoods opportunities: education, health, infrastructure, water and so on	Reduced pressure of government for local community development as the companies will cover the gaps.
Through LCD, companies reduce risk to protect their reputation.	Community better off due to company presence. LCD should thus lead to better life.	Utilisation of effective implementation system held by companies.

Productivity gains can be realised if there is partnership with local players.		Companies' contribution to the national economy. The companies' activities are meant to contribute to the country's GDP.
Positive legacy to be reflected through LCD projects.		

**Source:** Compiled from various sources by the Author

The activists, in their various groups indicated that they expected the platinum mining companies to consider the following as potential types of LCD programmes:

- Local enterprise development or social investment: In this case it can also be seen that CSR programmes can be considered as social investments where the company would be intervening in social activities for the community.
- Employment of local people in the mining projects. The definition of local for the communities firstly include local community members, then those from the immediate surroundings of the mining projects before expanding to the Zimbabwean nationals at large. Employment chances on a long-term basis should be envisioned through building local skills that are transferable. Activists expected the mining companies to spare some quota of labour force for the local people.
- Purchase from local and Zimbabwean national suppliers of goods and services needed by the mines. The growth of locally based spirited and commercially sound investments has the likelihood of enhancing supplier-customer partnerships which have business benefits for all the partners in the project.
- Effects on induced employment where wages and other benefits from the mine trigger employment of other people by the mine employees. These include house maids and herd boys among other potential employees hired by those working in the mines. Therefore, a sustainable approach should be able to lead to some multiplier effects of a mining project hence enhanced spending in communities.

## **8.8 Regulation of CSR Programmes**

In general, the communities advocated for the regulation of CSR programmes. This would allow the host communities and governments to monitor and evaluate progress made by the companies in this regard. Councillor Nyoni of Shurugwi called for wide consultation of community members when a mining company is planning CSR initiatives. She said, “currently as the political and development leadership we are not being consulted hence poor prioritisation of CSR programmes by the mining companies...” (Interview, 7 July 2017). Communities were also advocating for CSR programmes that are tailor made to fulfil LCD issues.

This can be done in the model of the Shungu Dzevhu Irrigation Scheme here in Shurugwi. The scheme was constructed by Unki Mine as compensation to the relocated communities that lost their irrigation scheme to pave way for mining operations. It was constructed to the tune of \$550,000 (Shurugwi Community Activist, Interview, 7 July 2017).

While, CSR remains a voluntary issue, there is need for all stakeholders to be consulted on the nature of the programmes that will be initiated at various levels according to activists who participated in the study. The activists were particularly concerned that the mining companies just decided on their behalf in terms of CSR processes.

## **8.9 Challenges Affecting Community Activism**

The effectiveness of community-based activism in the mining sector was being affected mainly by lack of policy and legislative support. However, there were also some technical and financial challenges that affected the movement. While ZELA managed to build the capacity of the targeted CBOs in the areas of research, advocacy and networking, the legal and policy frameworks did not allow for an effective monitoring of progress by stakeholders. The following sections discuss the various challenges shared by the activists in the three communities of study.

### **8.9.1 Governing Framework**

The available relevant LCD related legislation and policies are embedded in other general frameworks without particular focus on LCD. The IEE policies for instance give some quantitative indicators of LCD like the 75% local expenditure clause but there are no monitoring frameworks. Furthermore, there is no specific local content policy in Zimbabwe hence it is difficult to pin down any company to fulfil that in their project implementation. Yet, in an advocacy work, there should be some qualitative and quantitative indicators for

monitoring purposes. Thus, a major recommendation that emerged from this discussion was the need for Zimbabwe to craft specific LCD laws and policies.

The function of government in promoting LCD in the extractive sector can thus be considered at different levels that are national and sub-national. Both levels have the powers to influence policy and legislative reforms that have a bearing on social and economic development at community levels. Interestingly, the local authorities had their own issues with the central government particularly with regards to awarding of contracts to mining companies as indicated above. Thus, the government:

...has the law and policy making powers as well as monitoring their implementation. As communities, we look to the government to determine the value of company contributions to local social and economic development, but surely, we are being let down. In the process we end up taking upon ourselves to challenge both the state and these companies and in the process, we are viewed as enemies of development by the government... (said an Environmental Activist in Mhondoro-Ngezi, Interview, 25 May 2017).

### **8.9.2 Unfavourable Economic Sector**

In generally, the Zimbabwean public sector has not been favouring LCD in the mining sector. The formal industry has been underperforming for over a decade and half. Much of the activity is found in the informal sector. Zimbabwe's economy is said to have slowed from 3.8% in 2014 to 1.5% in 2015 due to weak domestic demand, huge public debt, stiff liquidity conditions, environmental challenges, poor road and rail network and institutional weaknesses among other factors (African Development Bank Group, n.d.). This has been the case for some years. Yet, the general performance of an economy has a bearing on the effectiveness of LCD programmes in a country.

Besides provision of favorable policies and laws, focus should also be on infrastructure delivery (roads, electricity, regulatory environment and so forth) and other key sectors such as research and development through government investment (Chikuvadze, 2015). This calls for strong fiscal space that supports local suppliers.

Chikuvadze (2015: n.p) says that the challenges faced in the public sector which have a bearing on LCD encompass under-developed industrial policy, bureaucratic registration of an investment venture, tax frameworks which are not clear, poor infrastructure, laws that are ambiguous, corrupt tendencies as well as unskilled and limited labour force.

In the case of Zimbabwe, the “activist entrepreneurs” who participated in this study were concerned mainly with lack of proper support for the SMEs. They offered some recommendations to the government as follows:

The government should link mining licenses to local content issues to guarantee LCD strategies that can be monitored by all of us as key stakeholders. We further urge government to establish an SME plan linked to LCD strategies. For instance, there is need for a more structured support for the sector such as simplified business registration processes, training in business management and linking SMEs to the mining sector (Turf Brick Molding Company Official, Interview, 25 May 2017).

### **8.9.3 Financial and Technical Capacity**

The CBOs in the three communities said that they faced financial challenges in their work. This affected their programmes of engagement with the other stakeholders as they would not be able to foot the logistical requirements like visiting Harare or other places to meet the relevant departments. It was reported that ZELA has been able to facilitate engagement processes through supporting limited numbers of community members to attend strategic workshops and meetings with the mining companies and the government departments. ZELA also managed to link the community activists with some national, regional and global movements around mining issues. Representatives of the respective communities have become regular participants at the IAMIs in Cape Town. One CBO leader in Mhondongori boasted that he now knows regional places because of being an activist. He said that:

I now know Africa as result of my association with activists in the extractive sector. I have travelled to Kenya, South Africa and Zambia pushing the agenda of the people of Mhondongori in as far as mining issues are concerned. I hope at the end of the day I will be able to visit the headquarters of Mimosa so that they know our grievances from the horse’s mouth. We always use mediators to pass our issues and maybe it now needs our presence in their offices (Community Activist in Mhondongori, Interview, 2 June 2017).

Although more still needs to be done, ZELA also managed to assist the CBOs in registering as Trusts and this has helped them to be officially recognized by the government and mining companies. Other technical skills offered include training in advocacy work as well as research. The research skills have assisted the CBOs to do independent surveys on the statistics regarding employment and supplies among other critical data needed by communities in their advocacy work. However, accessing official information from the companies to validate their findings remained a major challenge.

## **8.10 Opportunities for Community Activism**

The efforts by the community activists were well supported by some national CSOs which provided the former with some moral, financial and technical support. In turn, the activism became connected to some regional and global movements that challenge market liberalism. Solidarity was received from some regional movements through the IAMIs. The local entrepreneurs within the mining communities also seized the opportunities that presented themselves at the mines. Activist-entrepreneurs became business partners with the big mining companies. Thus, the “mining as a threat” mentality that characterised the initial relations with the private sector was transformed into business partnerships. The business opportunities were always communicated by the CBOs to the potential suppliers. However, further research needs to be done to establish socio-economic implications of that partnership in terms of who actually benefits between community members and the big mining companies.

### **8.10.1 Networked to Global Movements**

The study found out that there are many opportunities that exist to be utilised by the community activists. The CBOs that are actively advocating for LCD are now well connected with national CSOs which are in turn linked to some regional and global networks working on the same issues. This makes their activism a global movement on LCD in the mining sector. ZELA in particular managed to support the CBOs in terms of capacity building, financial support and networking. This makes the activism sustainable and thus will strengthen the local movements. Indeed ZELA managed to link the CBOs with other like-minded organisations in the region through the IAMIs. One key partner, Norwegian Church Aid (an international faith based organisation that supported AMIs) continued to offer critical support through ZELA and indeed this has linked the community movements in the study areas to global networks around the extractives. The local urgency around mining issues has attracted the attention on some regional and international stakeholders. However, while this enhances the voice (they also receive solidarity) of the local actors on specific mining matters, such scenarios tend to weaken give host governments ammunition against the activism. It would seem as if the agenda is being influenced from other countries.

### **8.10.2 Business Opportunities**

The training offered to the community activists emphasised engagement instead of confrontation. The activists were trained to regard the presence of mining projects as a business

opportunity for them to participate in the platinum value chain as suppliers of critical materials and labour. They should be able to negotiate for business partnerships with the mining companies. There is need to limit the “Business Threatens Communities” message according to an anonymous ZELA Official (Interview, 21 October 2016). A representative of the Turf Brick Moulding Company in Mhondoro-Ngezi indicated that they built very good relationships with Zimplats. She said:

.....we have become good fellows. Initially, we did not trust the company when it invited us for partnership. We thought it wanted to use us for its own benefits, but now you can see where we are because of this partnership. We now feel as equal players since we get our business share each time we engage each other (Interview, 25 May 2017).

Upon suspecting that the real owners of the company may be other people directly linked to the Zimplats, the researcher insisted on seeing the documents which he was shown on 25 May 2017 and they confirmed the activists as the owners. Thus, the participation of local people in the platinum value chain was noted especially at Zimplats although the issue of ownership remained a debatable matter among the activists.

### **8.10.3 Policy and Legal Reforms**

At the time of writing this thesis, Zimbabwe was reforming its mining laws and policies. This was a great opportunity for the activists to continue engaging the key stakeholders to influence LCD issues in the new laws and policies. The activists were also advocating for the domestication of some continental and regional frameworks so that local communities’ benefit from their resources. Specifically, advocacy was on the need to domesticate the AMV and the SADC Industrialisation Strategy. The AMIs and other processes built the technical capacity of the activists such that they were now able to engage the key stakeholders on their own. Chief Mapanzure had this to say:

Indeed, the AMIs is crucial at this particular moment when as a country we are in the process of reforming our laws. The AMIs remains a learning platform for us in order to contribute to the law-making process from an informed position....” (He was giving closing remarks at the Midlands AMI in Gweru, 7 July 2017)

### **8.10.4 Mining Companies Aim to Protect Image**

The MNCs have a reputation to protect their images hence they will always try to fulfil all the available soft laws they commit themselves to at global level. Reputational risks are what they will aim to avoid at all costs as this would affect their markets globally. Thus, they craft



community engagement policies which the activists should fully utilise in their advocacy work. The activists can refer to some best practices like free prior and informed consent which will influence the content of the mining deals entered with the host companies. The platinum that is mined in Zvishavane, Shurugwi and Mhondoro-Ngezi is consumed globally hence any campaign against it at local level will always have a bearing on its global acceptance.

The study established that the activists in Marange, Zimbabwe, campaigned against what they called the “blood diamond” and the country’s image was tainted hence some actions to rectify the situation were taken. Thus, there is need for the activists through their national, regional and global networks to target the global value chain in their campaign efforts. In 2015, during an AMI break away session in Zvishavane, Chief Banga of Shurugwi insisted that the community activists should actually target global players (where real decisions are made according to him) in their advocacy on LCD. At the AMIs, mining companies also attended where they attempted to respond to community concerns. However, it be argued that the companies only attended as a public relations move to improve their image. Thus, the activists’ assumption is that their issues were channelled to the head offices of the companies through their officials who attended the AMIs, yet there is no guarantee that the messages reached the intended targets. However, the declarations that were made during the AMIs in Cape Town in South Africa were directly handed over to the mining companies meeting annually in that town. The figure below shows one of the mining company officials responding to some issues raised by community members at the 2016 national AMI in Bulawayo.

**Figure 8.1: A Company Official at one of the AMIs**



**Source:**

ZELA AMI Documentary, 2017

### **8.11 Contribution of CBOs in LCD Programmes**

Hussain *et al.*, (2008:749) define CBOs as organizations formed not for profit. They can operate at local or national level to facilitate community efforts for development at that level. CBOs are engaged in planning, implementation and monitoring of socio-economic development programmes while also offering technical assistance to communities (Hussain *et al.*, 2008). It can be seen that the role of CBOs can bring positive changes to a community targeted.

Cited in How matters (2011), Maruta (2011), indicated that community organisations are an impulsive people's response to a specific unfavourable occasion in society and its surroundings. The core of its founders is typically an affinity group of comparatively lengthy union. Thus, it is mainly something which is not formal. Decisions are made along the way. Roles and responsibilities within the CBO are spread on an *ad hoc* basis among members mostly in an informal way. What connects the people is the spirit of togetherness and what drives their effort is the mutual interest in their success. Hence, the operations of members are voluntary (Maruta, 2011:67).

While some CBOs might not have been formed to deal with natural resource governance issues, they can find themselves in the advocacy work on LCD. The following section discusses the role of some selected CBOs from the study areas.

### **8.11.1 The Case of Mhondongori Community**

Relations between Mimosa and the Mhondongori community in Zvishavane were not initially good. At one point in 2012, the community members felt that the mining activities were expanding into their farming and grazing areas thereby affecting their livelihoods. The community's water for their livestock was also being spoiled by the chemicals from the mining activities. The materials from the mining activities would flow into the rivers from where the community livestock drank water.

In response, the community members mobilised against the mine and vandalised the mine fence in protest. The situation became so tense that the Mine through its Security Department initiated an engagement process with the community. At that moment, there was no formal engagement between the company and the community. Community Liaison Committees were subsequently established to engage the company on behalf of the community. The committees were made up of Ward Councillors, CBOs' representatives and other interest groups. The engagement meetings were said to be held quarterly with the mining officials to discuss any critical issues affecting the two stakeholders. The areas of focus included environmental matters, LCD and CSR issues, road networks and water among others.

Through the technical and financial support from ZELA, the Mhondongori Resource Community Development Trust (MRCDT) was formed in 2014 to look into natural resources governance matters affecting the community. Thus, the Liaison Committees inform the trust on natural resources governance issues for advocacy purposes. The trust was registered and has been instrumental in building the capacity of the community on natural resources governance. The trust in turn also advises the Liaison Committees when the later engages the mine. It has been very active during the provincial and national AMIs. One of its members (Kudakwashe Zireva of Mhondongori) has managed to present the community issues at regional and international platforms. He has shared the community's perspectives regarding Mimosa's mining activities including seeking solidarity on the community's advocacy matters with the mine.

Generally, the relations between the mine and the community have improved through the work of the committee. The researcher managed to attend some of the engagement meetings where the mining company officials would give updates on employment opportunities, environmental issues and other relevant information. However, he noted that most of the key information required by the community was not readily available. For instance, in a number of meetings, the community members wanted to know the number of local people formally employed at the mine, yet, the mine officials always promised to give statistics that are specific for Mimosa to no avail. In the mine reports, the statistics are combined with those of other branches across the world. Mimosa Community Liaison Officer represented the mine company.

### **8.11.2 The Case of Shurugwi Community**

The Shurugwi community activists were instrumental in challenging the Unki Mine management on various issues including the hiring of labour. It was reported that the community accused the management of recruiting few people from the local area while the majority of workers were drawn from outside the district (The Standard, 5 January 2014). It was observed that the main activism was concentrated in Chironde (Ward 19) which hosts Unki Mine. The area is made up of resettlements without a Chief directly controlling it. Mrs Nyoni, Ward Councillor and a community activist agreed that:

The locals are victims of mining activities. Many families were relocated from the area to pave way for the mining project. Farming and grazing areas for the remaining families were also compromised and the people no longer have enough land. Yet, their children are not being employed (Interview, 7 July 2017).

However, the Shurugwi Community Development Trust (SCDT), a CBO was formed to specifically lead in the activism around LCD, environmental and general service delivery matters. This started as a loose collective effort by ordinary members of the community, traditional leaders and councillors where they shared their grievances with the mining company regarding grazing land and employment of the local community members. Through the technical assistance from ZELA, a more formalised CBO was registered to spearhead the engagement processes with Unki. However, before the formation of the CBO, the community members expressed their grievances through protests. Below is an example of such protests.

#### **8.11.2.1 Community Protest against Unki**

In January 2014, the Chironde community in Shurugwi staged a peaceful protest against the mine over recruitment matters. At least more than three hundred community members were

mobilised by some activists including the traditional leaders to protest against non-employment of local people by the mining company (Interview, Community Activist, 8 July 2017). The study noted that the mine management regarded the community demands on employment of locals as “unrealistic, especially that the community wanted the company to employ people from Shurugwi only for unskilled labour” (The Standard, 5 January 2014)). Yet, previous meetings held between the two stakeholders in 2013, had the mine promising “to give preferential treatment by recruiting people from Shurugwi but was now breaching that” (The Standard, 5 January 2014). The activists also held that the company did not consider qualified local people in its recruitment process. They indicated that:

We have many graduates in this area but the mine continues to employ its management from other areas. We are not happy at all. This explains why at one point we mobilised the community members against the mining company. The company should surely appreciate that we have done our part to send our children to school and these should ensure that we benefit from the platinum in our area (ZELA Data extractor in Shurugwi during Midlands AMI Break away Session, 5 July 2017).

It was mentioned that the protesters had planned to drive their livestock into the mining area and also to stop any mine vehicle passing through. The messages on their posters denounced the mine’s policy on recruitment. They also complained about loss of grazing land for their livestock as well as the company’s reluctance to procure its goods and services locally. The protesters were only dispersed by the riot police who claimed that the gathering had not been cleared as per the country’s laws, Public Order and Security Act (POSA) that requires the police to clear any protest or demonstration. The leaders of the protests were arrested and only to be released after the intervention of some senior politicians in the province. One noted that those arrested, are the ones who naturally became the leaders of the SCDT, the CBO that was subsequently formed.

It had been discovered that the protesters had used banners and regalia belonging to the ruling party ZANU PF thus the politicians felt that this could politically work against the popularity of the party. The study further established that the three local Chiefs who had openly supported the protest at its planning stage chickened out at last minute. It was alleged by the community activists interviewed that the traditional leaders had received unspecified threats from some senior political leaders in the area who are also said to be somehow “linked and benefiting” at the mine. This confirmed that the traditional leaders’ role in the activism had remained compromised. Some sources also claimed that the traditional leaders were also exposed to bribery particularly with regards the employment of locals at the mine. However, I tried to

follow up on this with the concerned Chiefs during the 2018 AMI (Gweru), but they refuted that.

The Standard (5 January 2014) indicates that Unki management argued that the company's commitment to offer preference to locals was shown through its hiring of trainee operators from Shurugwi. Jobs that did not require special expertise were filled by local people. A Human Resources Official at the mine confirmed that mainly unskilled workers were recruited from the local communities (Interview, 12 October 2018). The actual figures of local employees at the time could not be formally accessed. However, the media gave their own figures. For instance, as of August 2013, there were 163 workers from Shurugwi out of the 480 people employed by the company (The Standard, 5 January 2014). However, the host community to Unki Mine felt that locals from Ward 19 were not adequately employed. The researcher established that the Chiefs were required to second 25% each of any figure required at any given moment at the mine. The challenge was that the Chiefs would obviously pick the potential employees from their areas of jurisdiction, yet, Chironde does not have any direct traditional leader dealing with it hence it is always left out on opportunities. Further observations were made regarding the non-formalised engagement between the ordinary community activists with their three local Chiefs. This could have assisted in clarifying the matter between the two stakeholders.

The activists also argued that the government was not able to provide them with support that would allow them to effectively participate in the mining value chain. Shurugwi community activists in an interview on 7 July 2017 said that "it looks like that the government does not have the political will to ensure that we participate in the mining process". The same activist went on to argue that such a situation "explains why prevailing legislative and policy frameworks in Zimbabwe would seem to favour mining companies". For instance, where the mining companies are likely to clash with the farmers in the area, the laws prioritise mining over farming. He cited the case of Chironde farmers who were relocated from the area to pave way for the mining activities.

### **8.11.3 Mining Data Extraction**

The SCDT was instrumental in data extraction programmes. This was an initiative by ZELA and the *Publish What You Pay Zimbabwe* where communities were trained as data extractors on mining. The aim was to enhance an evidence based advocacy on the part of activists. Sharing

at an AMI in Gweru on 4 July 2017, one of the anonymous data extractors from Shurugwi working under the trust, indicated that their research approach was guided by the following:

- The data on which taxes the companies pay- directed to MNCs where the communities expect the companies to transparently show the different taxes they pay to the government and also the various local expenditures for a given period including procurement and employment issues.
- Publish why you pay- meant to solicit data regarding the rationale for the various expenditures by the mining companies in the area.
- Publish how you pay- basically to extract data regarding employment, procurement, rental costs among others and the payment methods used. This allows for tracking the expenditures and in the process, ascertains if the company is fulfilling critical programmes like LCD and CSR.
- Publish how you extract (mine) - this offers data with regards to mining methods which will expose if the company is using goods and services from local or abroad. Furthermore, it shows the extent to which the mining company respects the human and environmental rights of the local people.

The data extractors produced reports which they shared with stakeholders at relevant events including engagement platforms like the AMIs and the regular scheduled meetings with the mining companies. However, in most cases the work was hampered by lack of specific regulatory frameworks on which the activists would benchmark the progress made. This particularly affects issues of LCD and CSR which are not directly regulated. The study established that there were ten data extractors in Shurugwi, all being members of the trust including a local Ward Councillor.

#### **8.11.4 The Case of Mhondoro-Ngezi**

In Mhondoro-Ngezi, engagement between Zimplats and the community was being led by Turf Resource Conservation Trust (TRCT). The CBO worked on environmental issues including mining. ZELA was instrumental in the formation and registration of the organisation. Representatives of the CBO also received training on advocacy, leadership and other skills from ZELA and were also active members of the AMI movement.

The CBO engaged the mining company on employment, procurement and environmental matters. It further engaged the Mhondoro-Ngezi local authorities with regards to company activities like CSR programmes. The researcher observed that the CBO was now being recognised by the company. This was confirmed by the company's Public Relations department at all the ZELA meetings and workshops observed. The CBO also confirmed most of the reported CSR projects in Mhondoro-Ngezi facilitated by the mine.

However, the community activists still had some feeling that the company had to do more on environmental protection. An anonymous member of the CBO argued that:

while the company presents itself as an unquestionable good neighbour to the community, it still had to do more in the area of environmental protection. There are a lot of dumping sites around the mine site which are life threatening. These should have been improved by the company since some of the materials found there are clearly products from the mining projects (Interview, 25 May 2017).

The following is a dumping area adjacent to one of the schools at the mine site. One noticed that the area was heavily polluted by some industrial chemicals from the mine as well as other materials from domestic uses.

**Figure 8.2: Polluted River near Zimplats**



**Picture:** by Research Assistant



Otherwise, there was a good working relation between the mine and the trust. The Turf Brick Moulding Company worked closely with the Trust and this has enhanced the networks of the company beyond Mhondoro-Ngezi to Harare, Chegutu and Kadoma. The company had also become an active participant at AMIs where it showcased its business partnership with Zimplats. It was however clear, that the brick company had good relations with the Zimplats mainly due to the public relations stance taken by the company. Zimplats seemed to use the partnership for its marketing purposes beyond just assisting the local community businesses. On the other side, relations with the environmentalists in the area while it was improving, more still needed to be done to nurture it.

#### **8.16. The tendency for Collective Efforts**

It can be said that ZELA built the capacity of activists through facilitating the formation and registration of CBOs. Social movement has been built with regards the organisation, mobilisation and networking involved in the activism. ZELA also did the same across the country including in Manicaland where more than five Trusts were formed advocating on diamond mining issues. The model of establishing CBOs in the mining communities proved to be an effective activism as it is more sustainable than the use of national CSOs. CBOs are on the ground and their influence can easily be felt by the stakeholders. In this case, they were instrumental in advocating for a model that encompasses LCD and CSR in the mining sector. This confirmed the tendency for community members to work as groups or associations. ZELA thus contributed to the global movement building around platinum issues in the world. The study however, noted that the constitutions of the CBOs were not very explicitly about the need for accountability to the community on the part of activists. One community member at an AMI in Bulawayo, 11 October 2018, argued that that “these activists who lead us in most cases are not even accountable to us. They do not give us any feedback from meetings they hold in Harare and Cape Town” (Anonymous Shurugwi Community Member).

Furthermore, with regards the entrepreneurs, the activism was not pushing for collective supplies to the mines. One noted some disjointed efforts in terms of partnerships particularly with Zimplats. The suppliers did not approach the mining companies as associations but mostly as individuals or individual groups. This was clearly the collectivism tendency noted in the literature on social movements.

## **8.12 Alternative Mining Indaba as a Form of Community Activism**

The AMI concept was born as a countermovement to the ongoing Mining Indaba that is held annually in Cape Town, South Africa by the mining companies. It had been realised that the mining indabas were only meant for the capitalists who meet to strategize on how to maximise profits from the mining sector (Moreblessings Chidaushe, NCA, Interview, 9 August 2018). The mining companies plan for the mining of resources yet, the mining communities who bear the impacts of mining both socially and environmentally are not part of that discussion (Chidaushe, Interview, 9 August 2018). The companies will also invite the governments whom they manipulate due to their compromised positions regarding FDI where they desperately need that hence acceptance to some unbearable mining conditions which affect their people. Moreover, participation at the Mining Indaba calls for one to pay more than one thousand United States Dollars, a figure that cannot be afforded by the majority of citizens.

Thus in 2010, the CSOs in Southern Africa teamed up and came up with an idea for an alternative platform for the ordinary community people to discuss issues that affect them with regards to mining activities. The CSOs in the region received technical support from international organisations led by the NCA. The AMIs became annual events with an international one being held in Cape Town parallel to the Mining Indaba. The concept has been cascaded to national, provincial and district platforms. Hence it has become a movement with a powerful voice that is able to challenge the MNCs which enjoy global support in terms of their policies (said one ZELA Program Officer, Interview, 10 November 2016).

Since 2013, ZELA in collaboration with ZIMCODD and ZCC adopted the process at provincial and national levels and in 2017 district platforms were created. The process received financial and moral support from some international funding partners. The following figure shows the growth of the platform since its inception in 2012.

The mining sector is critical in Zimbabwe hence the communities needed the capacity to speak on their own regarding the governance of their natural resources. The AMI provided that platform where the communities engage the policy makers including the mining companies in a freer environment. The platform also provided solidarity among the affected communities of Great Dyke, Manicaland and other areas where mining activities are felt. Thus, issues emerge at district level and are channelled to national platform via the provincial AMIs.

### 8.12.1 Objectives of the AMIs

The objectives of the AMIs were replicated from district to the international level. The following snap shot shows the official aims of the AMIs which can be localised in any given country and community.

**Figure 8.3: Objectives of AMIs**

#### Goal and objectives

The main goal is to present an alternative voice, the community voice, to that of corporates who meet yearly during the Mining Indaba. Furthermore it is hoped that the AMI will, through effective advocacy, enhance transparency and accountability in the governance of natural resources and lead to a continent that extracts minerals sustainably and distributes natural resources revenues equitably.



#### Objectives of the AMI2018:

- To provide a platform to empower communities affected and impacted by the extractives industries to reclaim their rights through the formulation of alternatives.
- To advocate for transparent, equitable and just extractives practices in the management, governance and distribution of national resources through policy and legislative reform.
- To create meaningful decision making processes for communities, advocating for just national and regional policies and corporate practices.
- To provide space for engagement for the inter faith communities, governments, CSO's and private sector to share information and

**Source:** <http://altminingindaba.co.za/>, Retrieved 19/09/18

The AMIs at all levels allowed experts to share their perspectives on mining, government departments update on critical policy matters, community members shared their experiences with regard to mining activities while the parliamentarians would also do the same with regards to the legislative frameworks. Mining companies who attended would be expected to give feedback regarding their policies on the various emerging issues like CSR and LCD initiatives. Break away sessions were created to allow participants to concentrate on specific areas of interest in a more detailed approach. Outcomes from the breakaway sessions informed the final resolutions that were channelled to the next phase of the AMIs. District and provincial AMIs dealt with specific mining issues in the respective communities and this informed the engagement strategies in those areas. The declarations made at every national AMI were followed up with specific stakeholders and progress reported in the next meeting the following year. Thus, testimonies coming from the communities shaped the agenda of the AMI at international level. An example of an AMI declaration is shown on the figure below and these would be widely publicised to influence the mining processes.

### **8.12.2 Achievements of the AMIs**

The annual themes for the AMIs emphasised the need to make mining one of the sectors that benefit all the stakeholders as well as an encouragement for engagement. For instance, the 2016 national AMI theme was *‘Mining Sector Reforms: A Call for Economic, Social and Environmental Justice’* (2016 ZAMI Programme Report). The theme was inspired by the quest to influence then ongoing legislative and policy reforms in the mining sector and ensure that there was a conducive operating environment for mining sector to make contributions to the economy well. For 2017 the theme was *‘Responsible and Accountable Governance of Minerals’*. This emphasised the need for good governance of Zimbabwe’s mineral resources while it also called for stakeholders to be responsible in their business. For 2018 the theme ran *‘Accountable and Transparent Governance of Mineral Resources: Safeguarding Development Interests of Local Communities in Mining Sector Reforms’*. This was meant to allow the stakeholders to interrogate the ongoing mining policy and legal reform processes.

Therefore, the platform asserted its authority as a progressive multi-stakeholder platform that facilitates discussion of the sector and proffering policy, legislative and programming interventions to promote sustainable mineral resources exploitation (2016 ZAMI Programme Report). Most importantly, it allowed the ordinary community member to engage the key stakeholders in the sector on critical matters affecting him or her.

#### **8.12.2.1 Enhanced Stakeholder Engagement**

This study noted that one achievement of the AMIs was the creation of good working relations among the key stakeholders. The Community Liaison Committees established in the respective communities were now able to engage the mining companies and government on LCD and other mining matters on a regular scheduled basis. The meetings have allowed for improvements in the management of the environment by mining companies, employment of local people as well as enterprise development. Chief Fortune Charumbira, the President of the Chief’s Council of Zimbabwe argued during the 2016 AMI in Bulawayo that:

As traditional leaders, we welcome this platform as it allows us to share our grievances with most of you who have not been able to give us the respect we deserve in terms of the management of our ancestral resources. We are here to warn you that, if you decide to bypass us in your processes, our ancestors will turn against the nation. Anyway, I am happy that you have created the AMIs and they will always ensure that such an undesirable development will not happen as my Chiefs here will always be with you and

give you proper guidance on the management of our natural resources.... (He was contributing during a plenary session).

Yet, when the platform was first implemented, it was confrontational in nature. A lot of demonstrations were held against the mining companies. The relations between the communities in the study areas and the respective mining companies had been very bad before the creation of some engagement platforms. However, community members still felt that they needed to engage the headquarters of the platinum companies for quick decision making on their grievances.

### 8.12.2.2 Traditional Leadership

The traditional leaders who were interviewed shared that the AMIs built their capacity for the administration of the CSOTs in their areas. The platforms “allowed me to learn a lot from my counterparts through the breakaway sessions and other presentations made and discussed at the AMIs”, said Chief Wedza of Zvishavane at the national AMI in Bulawayo (Interview, 4 October 2017). At least the chiefs who attended the meetings on a regular basis were now well equipped to understand mining matters such that they were now effective activists advocating for their people and environmental rights. The figure below shows an image of some of the traditional leaders who had been regular participants at the AMIs since their inception in 2010.

**Figure 8.4: Traditional Leaders and Government Officials at ZAMI**



**From Left:** Traditional Leaders and Government Officials at the 2016 ZAMI in Bulawayo and Chief Mapanzure of Zvishavane explaining about the significance of AMIs in a documentary developed by ZELA (2017)

**Source:** ZAMI Coordination Team

The traditional leaders were key stakeholders on advancing LCD matters. They were also influential in mobilisation of communities around employment and environmental issues. Generally, the communities looked up to their chiefs and local political leadership to ensure that they got employed at the respective mines. Nevertheless, the traditional leaders remained in a dilemma in some cases where they would be expected to protect the interests of the communities but at the same time the politicians may compromise local initiative as witnessed in Shurugwi earlier on.

### **8.12.2.3 Local Authorities**

The local authorities indicated that they learnt a lot regarding open budgeting processes. They were now able to plan together with the mining companies which ensures the success of their programmes. It also meant that they would not duplicate the programmes that the companies might be implementing under their CSR programmes. The local authorities also utilised the platforms for advocating for the execution of the national constitution with regards to the mining proceeds allocated to them which has not been realised. A solidarity movement around that has been created. The AMIs became a platform for the participating communities to raise the issues with the national government and the mining companies.

### **8.12.2.4 Legislative Processes**

The respective Parliamentary Portfolio Committees also indicated that the AMIs provided them with some technical knowledge which they lacked before. They would also get the various perspectives regarding the legislative processes while they also gave feedback on the status of some legislation that had a bearing on the sector. The main committees that attended the AMIs included the Environment, Mining SMEs and Economic Development. The Mines and Minerals Bill was one of the major laws that were scrutinised at the AMIs. The legislature for Zvishavane Ngezi, Shurugwi North and Mhondoro-Ngezi happened to be part of the Mines Committee and they were active participants at the AMIs and they engaged with the other stakeholders during the review process for the Mines and Minerals Act.

### **8.12.2.5 Capacity Building of CBOs**

The CBOs regard the AMIs as a learning process where they would build their advocacy capacity on LCD issues and other related matters. An interaction with activists from other areas allowed them to gain and enjoy solidarity on their local advocacy issues hence strengthening

of their voice on policy issues affecting them. Makusha Mackenzie, an activist from Shurugwi said that:

It was the AMIs that strengthened our engagement capacity here in Shurugwi. I still remember that before we were introduced to the event by ZELA, our efforts to talk to the Unki management was always a mountain. We did not have the facts. Yes we knew that we had issues with the mine but how to present them was always a problems. The mine would always dismiss us on the basis that we did not have the specific figures of the local people employed at Unki and we also did not know who exactly had been contracted to provide some vegetables and other consumables from Chironde. However, now, through learning from how others are doing it in Mhondoro, Zvishavane or Guruve, we are now cleverer than before... (Interview, 7 July 2017).

The researcher thus noted that the effectiveness of the community activism in influencing LCD was mainly hinged on the capacity to engage the mining companies and the government departments.

### **8.13 Analysis of the Activism**

#### **8.13.1 Consistent Agenda**

The study noted that community activists were now able to share in public their advocacy issues. They no longer had the fear that they claimed had been a major challenge when they first engaged the mining companies and government officials on mining matters. Their message was consistent in all the three areas of study.

The activists also revealed that mining companies secretly approached some of their individual members in an attempt to silence them on LCD issues but this did not neutralise the message being passed on. On the part of traditional leadership, their position however remained controversial. They identified with the message on LCD during the AMIs and other platforms. However, they were still hesitant to openly give an objective critique of the government policies on mining in the presence of Ministers and other Government officials who attended the events. It also emerged that there were some incidents where the community activists alleged that some of the traditional leaders would be bribed by the mining companies hence became compromised. A community activist in Shurugwi alleged that:

It is clear from the behaviours of some of our traditional leaders that they were bribed by the mining company. How can they just retreat at the last minute when we had planned for the demonstration together? In fact, the chiefs had been active for all along but we were surprised when they retreated on the actual day of the demonstration. We obviously suspected that they had received some bribes... (Interview, 7 July 2017).

While that allegation was strong among mostly the Shurugwi activists, the concerned Chiefs refuted them when the researcher wanted to confirm that.

There was clear convergence of community groups' agenda and this was alleged to have been influenced by the role of ZELA which built the capacity of CBOs in all the three areas. The message was on the necessity to reform the principal mining laws and policies to ensure that local communities participate in the exploitation of minerals more sustainably. The issue of respecting the environment was also key in the study while LCD and CSR matters also characterised most of the discussions observed. The consistency in the agenda was crucial particularly during communication of the AMI resolutions which would be shared with a wider range of audience worldwide via various channels.

### **8.13.2 Public Intellectuals and Knowledge Creation**

The study found out that community activism in Zimbabwe was actually being led by a variety of individuals with varying educational qualifications. This became a process of knowledge creation at that level. Some of the activists were school teachers, ward coordinators, traditional leaders, while others had been in the mines as workers before among other professions. This made it easier for ZELA to coordinate the process. One can argue that the activists became core producers of knowledge as they had a strong grounding in the issues they advocated for.

It was established that in most cases, the central government would tap from such knowledge developed from community activism. For instance, the land reform in Zimbabwe was heavily influenced by the activism in Chief Svosve's area in Mashonaland East. The government later officialised the process by crafting relevant policies and laws to regulate the process hence the subsequent Fast Track Land Reform processes. The same can be said about the climate change activism that was led by the CSOs and later the government crafted relevant policy documents. Thus, the government will always take the ideas from the activists, manipulate them and then give them back as official policy positions. However, in the process, the activists are not usually credited. An academic presenting a paper at an AMI in Zvishavane (31 May 2016) argued that "the government always take ideas from community activists but the problem is that it does not acknowledge that". The same applies in the case of the LCD and CSR matters in the mining sector. Community activists contributed greatly to the subsequent government initiatives yet that credit will not likely be acknowledged in future.



### **8.13.3 The Choice of Non-Confrontational Methods**

ZELA's strategy on non-confrontation also works well for the CBOs. Initially, the organisation had considered "other means" (ZELA Official, ZAMI, 2016), but later settled for engagement with key stakeholders as a strategy. This was in direct contrast with other players who went for radicalism when dealing with mining companies and government. The dialogue meetings that were held allowed the mining stakeholders to work together. The engagement meetings that one attended were characterised by open discussions on critical mining issues. However, in most cases, mining companies' representatives would not be able to give concrete decisions regarding LCD matters as they argued that they would still need to consult their head offices. The engagement meetings would bring parliamentarians, government officials (central and local authorities), traditional leaders, mining companies, communalities, mining experts and at times funding partners.

However, the strategy led ZELA to be accused of being too close to the mining companies and government. There were fears in the civil society sector of having activism being made to suffer due to this "capture" by the state and mining companies. This form of "activism capture" would likely lead to what one would call "activism paralysis".

### **8.13.4 Grassroots Activism versus Elite Activist Class**

One observed that in most cases, the activism in the respective study areas was being dominated by individual leaders who always attended related activities at national level organised by ZELA and other players. The activists were members of the CBOs studied; some were local teachers, while others were also ward coordinators working for the government. The activists were also part of the Community Liaison Committees that engaged the mining companies and government departments in their respective areas. One would question why these were the only ones visibly representing the communities whenever there were relevant events outside the communities and even outside the country. Thus, a new class was created made up of activist elites. This class of activists was now being highly regarded in the communities from which the activists originated. They became so powerful that they were now being regarded as opinion leaders in the respective communities. Thus, the size of the activism base could not thus be objectively established as the "elite activists" would always appear to represent the communities at every event observed.

The activists who participated in this study however, maintained that they represented their communities. One activist in Mhondongori maintained that he was “perceived in a positive way by the mining companies, government representatives and the communities he represents” (Interview, 2 June 2017). Thus, their task is to protect the interests of communities through encouraging development of projects that benefit the people.

One issue that emerged was the need to allow other activists in the communities to be exposed at national and regional level so that the capacity would be shared not to be concentrated in single lead activists as this is not sustainable. This does not undermine the need for maintaining champion activists in each community though.

#### **8.13.5 Local and Global Movement**

It can be argued that while the community activism within the platinum mining communities in Zimbabwe might appear to be concentrated at local level, the regional and international solidarity received made it a global movement. It was indeed a countermovement that challenged global market liberalism enjoyed by Mimoso, Unki and Zimplats as far as LCD is concerned. The community worked to influence policies and laws at local level but such would likely have a bearing on the global mining frameworks. The target mining companies are governed by their international laws and policies hence the community activists’ efforts in a small way were aimed at challenging such at local level. By advocating for local procurement and employment, activists impinged on market liberalism which the mining companies enjoyed. Thus, one would argue that indeed, this was a countermovement to market liberalism at local level. Below is an image of some protesters who conveyed their messages to the officials of the mining companies who attended the Mining Indaba in Cape Town. Clearly this shows that what happens at community level influences the international movement around mining processes hence a case of double movement.

**Figure 8.5: Protest against Global Mining Companies in Cape Town**



**From Left:** Delegates Leaving Mining Indaba in Cape Town passing through protesters and the then AMI Coordinator at ZELA

**Sources:** <https://www.timeslive.co.za/sunday-times/business/2018-02-08-let-the-community-decide-demands-the-alternative-mining-indaba/>, Retrieved 20/09/18 and ZELA AMI Documentary, 2017

#### **8.14 Discussion on Community Activism**

Activism around LCD was mainly led by CBOs in the targeted areas. Community activism in the case of the Mhondoro-Ngezi, Zvishavane and Shurugwi could be viewed from various angles. The study established that the activism may include social movements that are meant to promote participatory democracy at grassroots levels. A more limited definition of community activism will, thus, focus on grassroots actions taken by the local people on a specific matter. However, the general emerging issues were that this form of activism is connected to public intervention meant to raise consciousness on social and economic issues that affect the people.

From this study, it emerged that community activism can actually range from individual actions in a given locality, region to the world efforts by groups of people or organisations. The main aim is to influence some change that has a direct or indirect bearing on social and economic lives of inhabitants. The local activists in this study were challenging the established economic power of the MNCs from a grassroots level. It was clear from the study that the local people need support from the national, regional and global actors who hold the same beliefs. The support can be moral, financial or technical. Thus, a local movement becomes linked to global actions.

### **8.15 Conclusion**

The chapter has discussed the community activism that characterised the platinum mining sector in Zimbabwe. The advocacy issues, dynamics, challenges and opportunities for the activists were examined. The discussion on the AMI concept helped in the analysis of the strategies and achievements of the community activists. The major issue emerging is the policy and legislative frameworks that needed to be reformed to support the advocacy work of the activists. Thus, the recommendations from the many AMIs and events attended by the researcher reiterated the need for specific laws and policies to regulate LCD and CSR programmes. The role of CBOs in local activism proved to be more effective supported by national and international CSOs. The local efforts became part of the global movements on mining issues. The next chapter is a presentation of finding plus the proposed LCD.

## **CHAPTER 9: FINDINGS AND PROPOSED LCD-CSR MODEL**

### **9.1 Introduction**

The chapter summarises the key research findings of the study and their implications on the “double movement” theory and community-based activism on mining issues. It looks at the broad research questions and assesses the extent to which they were addressed in the study particularly with regards to the role of activists. In this chapter, the researcher also proposes a model that can be applied with regards to LCD and CSR programmes in the mining sector which one feels contributes towards the effectiveness of community activism. The researcher further examines the strengths and possible limitations of the model and how they can be addressed. The proposed model demonstrates the conceptual linkages that exist among key mining stakeholders and it calls for rethinking of CSR in light of LCD issues in the mining sector with a strengthened role of the state.

### **9.2 The Main Research Findings**

- a) What exactly constitutes “local content” in the platinum mining sector and how is this viewed by the Zimbabwean government, platinum mining companies and the platinum mining communities of Zvishavane, Shurugwi and Mhondoro-Ngezi?

The study has established the need for the GoZ to revisit the CSR initiatives in its efforts to fulfil the LCD matters in the mining sector in Zimbabwe. It was noted that “local content” is related to CSR in terms of its impact on the communities although the rationale of the two concepts remain different. The researcher found out that the concept of LCD is one of the most discussed subjects in the relevant academic work reviewed on the mining sector. The notion is understood and applied differently within different and often contested strategies for economic development but clearly demonstrating some elements of the CSR in its practical application as empirically noted in the study areas. The debate on LCD was generally shaped by the realisation that there is a fundamental challenge with the structure of resource rich economies where there was the externalisation of benefits to foreign jurisdictions against the environmental, social and physical costs felt by host communities. The same arguments were being pushed with regards the CSR programmes in the mining communities following the weakening of the state’s role in the sector.

It was found out that LCD involves the host government's initiatives to ensure that the MNCs retain some proceeds in the host country and communities. This can be done through regulating the expenditure of the mining proceeds. It was learnt that this could be mainly done by guaranteeing that mining companies employ an agreed percentage of their labour force from the local communities and host countries. In the same vein, CSR initiatives involve social benefits that can be felt by host communities if regulated in terms of ensuring that the local stakeholders are involved in the decision-making processes at implementation level. Moreover, LCD can also be ensured through increasing local procurement for some of the mine's critical materials. Partnerships with local suppliers would build the capacity of the local entrepreneurs. The third aspect on local content was the issue of skills and technological transfer to the local people whom the study did not interrogate further as it was indicated that it would only focus on the first two aspects. Mining companies should ensure that the expertise that is hired from other countries is transferred to the local people within some agreed timeframes. Yet, this study noted that local capacities could also be employed when fulfilling CSR programmes in the host communities.

Through participant observation and key informant interviewees, the study established that there were varying perspectives regarding LCD in the platinum sector among the key stakeholders. The mining communities showed that for them, LCD was more of a social justice issue where they felt obliged to benefit from their local resources through mainly employment creation and enterprise development. In as much as the issue had become so technical from the perspectives of other stakeholders, the communities viewed it purely from social and economic development. On this matter, it was seemingly difficult for host communities to distinguish LCD from CSR programmes spearheaded by mining projects. The definitions offered by community activists during engagement meetings observed clearly linked LCD to CSR in terms of their social benefits to the host communities. However, it all pointed towards the need for ensuring the full enjoyment of social and economic rights by the local community members.

On their part, the mining companies viewed LCD more from an economic perspective than social. The review of their annual reports as well as their strategy documents on their websites confirmed that procuring locally was being cost effective for the companies. LCD thus became part of the business strategies that was incorporated in the strategic planning processes at their headquarters. However, from another angle, the companies fulfilled LCD issues in order to buy their acceptance by the local communities which is a social and political consideration. They

would want to avoid conflicts with local communities which could ultimately have affected their reputation hence the business perception. This perspective was mainly revealed by the companies' public relations offices during the events observed by the researcher. In such a situation, social, political and economic factors affected the adoption of LCD. This is not very different from the CSR rationale where conflicts can be avoided through adoption of other non-mining activities that are beneficial to the host communities through clear consultation mechanisms.

The government proved to be interested in the economic benefits where the taxes and other related dues were paid for it to get revenue needed to run the country. It was therefore reluctant to craft specific policies and laws to regulate CSR and LCD programmes in the mining sector fearing the resistance by mining companies that would certainly affect investment drive and seriously reduce taxes received for national development. While efforts were made to put in place some supporting instruments in the form of policies and laws, the GoZ took long to finalise the processes.

There are different taxonomies with regards to LCD initiatives. Annexure G presents the available categories and the specific measurable indicators that can be adopted by a given country. It also gives some examples where the measurements have been tested. The issue of qualitative and quantitative measurements is critical as it allows for benchmarks in the monitoring and evaluation of LCD.

- b) How effective is community-based activism in influencing LCD in Zimbabwe within the context of market liberalism?

The effectiveness of any type of activism will always be proportionate to the number of people who directly and indirectly participate in it at various levels. Activism around LCD's effectiveness could be assessed based on the numbers involved, their demands and outcomes. The researcher noted that the number of activists continued to grow mainly in the AMI movement, however, in terms of the community numbers, it was not possible to ascertain. The first AMI in Cape Town in 2012 was attended by only 40 people, according to the available reports reviewed. However, as of 2018, the numbers had grown to as high as 200 per district AMI, 300 for a provincial AMI, 400 for a national AMI in Zimbabwe alone, and over 600 at international level. In the case of district, provincial and national AMIs, the numbers included activists from other communities, but the study areas contributed the majority (from the Great Dyke) as observed by the researcher.

It was noted that during engagement meetings and at the AMIs, a small number of activists from the study areas dominated the discussions while the rest remained passive participants. The researcher saw this elitism that developed among activists as compromising the accountability framework for activism. The “elite” activists no longer accounted for their actions to the communities. Indeed, they represented the communities in terms of pushing for the LCD, but they lacked accountability when it came to reporting to communities as well as giving other activists the opportunity to fully and actively participate. The researcher also noted that only such activists would have received full and comprehensive training from ZELA in terms of advocacy on LCD and other mining matters as well as on mobilisation of their communities for action.

The available legal and policy frameworks were not specific with regards to LCD. Moreover, the GoZ was taking time to finalise the key policy and legal instruments in the mining sector. Some of these instruments had the potential to increase economic benefits to the host communities through LCD, particularly the draft minerals policy that was yet reviewed. The reluctance by government, in this regard, weakened the community activism around LCD as activists did not have any supporting legal and policy frameworks to benchmark their advocacy work against. It can be said that this allowed the private sector to dictate the pace in the implementation of LCD programmes.

In this study, the researcher further noted that the activists relied mainly on the support received from national CSOs as well as international donors. It was clear that such support would normally influence local activism and dilute the latter’s agenda. The messages put across by the local activists on LCD were shaped by ZELA while claimed to have been generated by the communities. One participant had this to say:

ZELA told us that the most important thing is to question why Mimosa is pumping in millions into soccer when we need jobs for our children. ZELA also emphasised to us that all other things are not as important as the environment that we need to fight for. Thus, we will do as advised by our trainers who enlightened us on these matters. Otherwise, we believe in what they have taught us. We will stick to their demands that they said we should convey to the mining company..... (Zvishavane Community Member, Interview, 2 June 2017).

The above quotation shows how the local communities had been influenced by ZELA in their demands around mining issues. This almost affected the ownership of the activism. It would have been expected that the activists would share what they believed in rather than emphasising what ZELA thought about the issues.



It was found out that over the years, the GoZ had been allowing the mining companies to enjoy the effects of liberalised economy and this had serious negative impacts on the host communities. This was the first movement as suggested by Karl Polanyi where market liberalism dominated the mining sector with the state's role being limited. However, the "double movement" is resembled by the activism that emerged around LCD in the target areas. The researcher found out too that, for the countermovement to be sustained and be effective, there is need for a revived role of the state. Furthermore, the role of the state needed also to be felt in the area of CSR through regulations that touched on the role of the stakeholders in the decision-making process. In this case, the state remained "captured" by the private sector hence was reluctant to speedily fulfil the policy and legal expectations of the people despite having initiated the processes, leaving the community activism weakened.

It can be argued that the local activism was indeed part of the global activism in mining issues facilitated by national and international CSOs. Activists rose to counter the effects of market liberalism that was being supported by the government at the expense of the host communities' interests and this was aided by CSO efforts (building the capacity of community activists through training, technical and financial support). The role of the CSOs linked the community efforts to the national, regional and global advocacy on LCD issues in the mining sector.

The study established that the activism had varying dynamics. It was made up of individual activists who expected to get employment or connections for supplying commodities at the mines; CBOs which brought together community efforts; CSOs mainly ZELA and its partners, traditional leaders, individual councillors and legislatures as well as local authorities as institutions. However, the tendency by activists to participate in collective efforts instead of individual push was clear, yet the objectives of each group appeared to be different from that of the others. This manifested itself in the way the community activists reacted to the partnerships initiated between some local suppliers and the mining companies. Generally, it was noted that the existence of various groups pushing for single issues in the mining sector explains why the community activism on LCD struggled to come up with one strong ideology for a common social and economic order in the mining sector.

The researcher also noted that the AMIs as engagement platforms were now being utilised for different purposes by some stakeholders (activists, academics, researchers, government officials and traditional leaders). The researcher was told that, at the beginning, it had been agreed that AMIs should not belong to anyone. One presenter at an AMI argued that "it

belonged to everyone, but it belonged to no one yet something without an owner can be hijacked...” (Anonymous presenter, AMI, Bulawayo, 11 October 2018). The AMIs became a platform for various stakeholders to engage on mining issues. It can be argued that while LCD was one of the major areas of advocacy, the movement became interested in more other issues like CSR. The AMIs became a formidable form of activism with varying stakeholders. The platform raised the mining issues to global concerns.

One interesting development that was noted during the study was an attempt by the private sector to “capture” the activism by sponsoring AMIs and CBOs. This was shared by one of the CSOs Director at an AMI in Zvishavane. He said that:

One of the mining companies’ official approached me and proposed the idea of the private sector sponsoring the AMI from district to national level. The official further argued that this would release financial pressures from the CSOs. Surely, this was going to weaken our efforts. AMIs is a safe space for us to discuss all the issues that affect us in the sector. By allowing the private sector to make it happen, then we would have lost it. (An anonymous CSO Director, AMI Break Away Session, 31 May 2016).

The same Director further argued that there were some CSOs that had been convinced by some mining companies to abandon the activism for what the companies would call “constructive engagement on LCD and CSR matters”. One AMI founding official indicated that, indeed, from the beginning, it was clear that the private sector was going to try and influence the process. He argued that:

We agreed when we started in 2012 that if the private sector attempts to sponsor this platform, we should still utilise it for discussing our grievances and convey them to all stakeholders. It is not about sponsorship, but it is about our messages. We just needed to be vigilant. Our people need jobs in the mines, we need to protect our environment and surely sponsorship should not divert our attention. Let us keep our eyes on the ball.... (said an Economic Justice Network Official while giving the background to AMIs, 28 September 2016, Bulawayo).

Community activism was not being effective in influencing LCD programmes in Zimbabwe mainly because there were no frameworks that supported their efforts. While the activists raised critical issues in their messages during the engagement meetings, they had nothing to measure their progress against. The state did not legally support activists’ efforts. However, the activists were always called to offer input into the draft laws and policies crafted although these did not become operational during the expected times. The activists themselves also lacked some accountability frameworks in terms of their work. The activists who participated in this study were slowly losing hope with regards influencing key policies in the sector.

- c) To what extent are local mining communities in Zimbabwe participate in the platinum mining value chain and with what challenges and gender dimensions?

The study found out that there were various strategies employed by the platinum mining companies to fulfil LCD programmes which included partnerships with local suppliers and engagement of host communities. It was noted that LCD was part of business decision-making processes as it affects both the business and social relations among key mining stakeholders.

The researcher found out that the capacity of local suppliers was low thus, it needed the support of the private sector through partnerships to scale that up for them to meet the high demands and standards expected of them by the mining companies. However, while the private sector was given prominence in terms of building the capacity of local players, in a way, that would continue to weaken the role of the state. The key informant interviews also indicated at times that lack of capacity on the part of local suppliers was given as an excuse by mining companies when they considered importing some of the key commodities from outside the country.

The question of really ownership of local businesses that entered into partnerships with mining companies remained unanswered. Some study participants felt that local suppliers were being owned by an unknown hand who could actually be some personnel in the mines. This was, however, not confirmed since data was not available in that regard.

The gender dimension to the local supply chain was interrogated and it was established that women now had got the capacity to run their own companies. The two examples cited in the case of Zimplats showed the capacity of women to participate in the value chain. It was further found out that the mining companies also targeted the women for partnership building processes. This was further confirmed at Unki and Mimosa where women groups were also targeted for service provision at the mines. However, their male counterparts felt that the strategies were discriminatory against the males and this had the potential of dividing community activists along gender lines.

The researcher further found that instead of Zimbabwe emphasising the ownership issue through the indigenisation frameworks, more attention should be on ensuring that local people participate in the mineral value chain. This is because most of the mining proceeds seemed to:

be channelled towards procurement more than shareholding. Thus, the government efforts should target policy and legal frameworks that guarantee the active participation of local suppliers, an initiative that will likely guarantee that proceeds from the sector will remain in Zimbabwe through local spending ... (ZELA Programme Officer, Interview, 10 November 2016).

The issue of employment in the platinum mining companies was never resolved as local communities held that they were not benefiting in this regard. The researcher found out that lack of transparency in the recruitment process led to the emergence of activism around the issue. In some cases, the situation deteriorated into demonstrations. The role of traditional leaders in the recruitment exercise also complicated activism. It was suspected that some traditional leaders sided with the rest of the community members but, in some cases, they were accused of corruption in the selection of potential employees. Such behaviours by the traditional leaders weakened activism as shown in the Shurugwi case.

One other finding was the issue of entrepreneur activists. The local suppliers became part of the community activists on LCD. It was noted that the mining companies responded by entering into partnerships with local suppliers. The local suppliers were very active during engagement meetings observed. However, it was observed that those entrepreneurs who would have been selected for partnerships tended to speak highly of the mining companies prompting the researcher and other participants to think that they were being used for public relations by the mining companies. In some cases, other activists who had not been selected verbally exchanged with those in partnership with the mining companies. This weakened the activism as such divisions were clear among activists.

In the process of pushing for participation in the platinum value chain, local suppliers emerged as activists. The mining companies responded by targeting mainly women suppliers but further relegating other potential suppliers who had been concerned by their non-involvement with the mines.

- d) How can the implementation of local content policies and laws be monitored by local community activists and their impact measured? What are the lessons from other countries?

The examples cited from Botswana, Nigeria and other countries showed that, for activism to be effective in the promotion of LCD, there is a need for policy and legal frameworks which are clear with measurable indicators on which activists would benchmark their work. However, CSOs, CBOs and their regional and global networks, with financial support from other non-state actors, can contribute to LCD through building capacity of local suppliers, monitoring and evaluation of companies' mining activities (statistics on employment, procurement and so on), mobilisation of local suppliers as well as alerting local communities and mining communities with regards to each one's expectations from the mining projects. The study found

out that engagement among key stakeholders allows for smooth monitoring of LCD programmes. However, for it to be effective, there is a need for a more formalised and scheduled engagement frameworks among stakeholders. The regulatory role of the state is critical in the process. The state can also assist by ensuring that regional and international instruments that it committed itself to have been domesticated and appreciated by local activists and other key stakeholders.

Confirming Garvey and Newell's (2005) argument, it was found out that the government's political will to influence LCD in the mining given sector can be seen through the nature of policy and laws in place. Its regulatory role is critical as a facilitative factor for the community-based activism to realise its objectives which include trickle down effects of mining to host communities. This shows the role that the state or government can play for effectiveness of community-based approaches for corporate accountability and LCD matters. State policies and legal frameworks protect and promote comparative rights and responsibilities of firms and communities.

The study participants also highlighted the need for the state role to be reflected in institutional arrangements where specific units or departments can be established to monitor mining activities with special interests on issues like LCD. This will allow activists to interact with the state through influencing monitoring efforts at that level.

- e) What model can be developed to articulate the linkages between community activism and local content development in Zimbabwe?

The study used a modified model of Karl Polanyi's "double movement" theory to explain the community activism around LCD in the mining sector. Basically, it was argued that, after the GoZ failed to support the efforts of community activists through crafting specific LCD regulations, the latter rose to counter the effects of market liberalism. The activism that followed manifested in various forms including engagement meetings among stakeholders, protests and AMIs, among others. Furthermore, activism was targeted at the promotion of LCD; yet, issues of CSR were also emerging. The activism therefore could not be effective to influence both programmes. Linkages between the LCR and CSR call for the programmes to be simultaneously addressed through specific regulatory frameworks in the mining sector in Zimbabwe where the role of the state, especially with regards to decision-making, ought to be strengthened.

The study therefore proposes a model that links LCD, CSR and community activism in the mining sector. It was found out that for legal and policy efficiency and effectiveness, the GoZ needed to develop laws and policies that simultaneously address LCD and CSR issues instead of separating them. The concepts showed that they are technically and practically linked when it comes to the mining sector in terms of the need to involve the host communities in decision making particularly at the implementation level. They thus need to be dealt with simultaneously for administrative and regulatory purposes. It should be noted that such an arrangement should not be construed to mean that CSR loses its voluntary nature. It will make it easier for other stakeholders like mining communities to monitor and evaluate the progress in that regard. The LCD-CSR Model explains that the policy and legal regulatory framework on LCD should encompass CSR implementation issues being informed by some regional and global progressive mining initiatives like the AMV. The communities are critical for engagement purposes on LCD programmes. The failure by the community activists to influence LCD calls for one to revisit Polanyi's "double movement" theory. Polanyi had attempted to explain activism against market liberalism elsewhere but the researcher noted the theory's failure to fully do the same in the case of the current study areas, The following subsection of the research highlights some of the limitations of the "double movement" noted. The section does not reject the theory as the researcher appreciates its usefulness to a greater extent. However, for the theory to fully apply to the current case studies, some gaps should have been filled first.

## **9.2. Reconsideration of "Double Movement" in Light of Zimbabwe's Activism**

The literature reviewed for this study has shown that generally there is an emergence of strong social movements against the effects of a liberalised market economy across the world. The movement is more coordinated and organised around many players with common interests. Livien (2007) had this to say on the movements:

Many of these "new social movements" (Omvedt 1993; Buechler 1995; Buechler 2000), far from emerging from the traditional Marxist proletariat, represent heterogeneous social and economic groups. They share not equivalent relationships to the means of production but variegated negative experiences with the manifold effects of market liberalization. In this sense, these new anti-systemic movements are closer to Polanyi's (2001) concept of a protective "countermovement" against the "satanic mill" of the self-regulating market than to the Marxist concept of a revolutionary class.

In the 1970s onwards, the relationship between the state and the market became characterised by neoliberalism which generally meant the transfer of the domains of social life from the former to the latter. The markets were deregulated while public institutions became privatised.

The state virtually withdrew from controlling the public utilities, social provisions and natural resources. The market now controlled the humanity and natural resources which is not natural according to Polanyi (1944). It was noted that in the case of the current study; the issue of coordination and organisation on the part of the movements against the effects of liberalism were not all that smooth and unquestionable.

The developments meant that the farmers in the mining areas, the local authorities, traditional leaders and individual small scale business players found their livelihoods under serious threat from the mining activists, without the state protection. For instance, as seen in the earlier chapters of the study, the farmers mobilised against displacements (in Shurugwi) and encroachment into their grazing lands (in Mhondongori). The environmentalists resisted the ecological degradation as in Mhondoro-Ngezi. The traditional leaders and local authorities contested their loss of political control as the mining companies dealt directly with the central government in terms of mining contracting and proceeds. The national CSOs felt obliged to coordinate and build capacity of the local people in the mining areas, of course with the intention of pushing their own agenda in the process. At a later stage, another class of activists emerged demanding participation in the platinum value chain as labourers and suppliers of some key items in the mining process. This situation can therefore be explained through the “double movement”. However, it can be argued that Polanyi did not do much to interrogate the role of the CSOs whose ideologies, structural, financial and instrumental power influenced the agenda of the community activists.

Clearly, this development suits well in Polanyi’s conceptualisation of the countermovements against the effects of a liberalised economy. The response is not just against economic developments but to social, cultural and ecological changed relationships (Levien, 2007). This also explains why the community activists demanded different issues from the mining companies and the state. It can be noted that, in the study areas, some activists were interested in employment, some in supplying key items to the mines, others still called for the private sector to procure locally, yet others were only interested in CSR issues. In that regard, the movements became varied and spontaneous but one calling for state intervention. However, in the explanation by Polanyi, there was no emphasis on such varied reactions from various players although the issue of disjointed approach is clear in his theory.

Levien (2007) holds that Polanyi’s “double movement” theory needs serious amendments for it to be useful. He argues that:

Perhaps where Polanyi falls most glaringly short is in showing how a countermovement is organized and constructed. Polanyi's analysis of "The Great Transformation" is plagued by an overly organic conception of society which, as Burawoy (2003) notes, fails to appreciate the Gramscian insight that civil society is both a site of capitalist hegemony as well as a potential terrain of resistance. Challenging the "self-regulating" market will not be some spontaneous, mechanical, and consensual reaction of "society" to the onslaught of the market, as Polanyi maintains. Counter-hegemony must be organized in the "trenches" (Gramsci, 1971:506).

The above quotation is interesting for the findings of the current study. It was noted that some of the national CSOs that participated in this study were accused by some activists as having been too close to the private sector thereby compromising their activism. Yet, the same organisations were crucial in offering moral, technical, legal and, in most cases, financial support to the locally based activists.

The question of levels of countermovements solidarity is also critical in this discussion. The researcher noted that in the case of the study areas, activism solidarity manifested itself at various levels. Basically, the researcher observed that this solidarity was received at very local grassroots level, national and then regional and at international levels. At local level, the CBOs led the activism while at national level the national CSOs helped technically, financial and legally. The regional and international solidarity was facilitated by some donor (funding partners as they now prefer to be called that way). In the discussion in the preceding chapter, the concept of AMIs seemed to reflect all these levels of solidarity as the CBOs, CSOs and also some regional activists attended the AMIs events. Polanyi yet argues that the countermovement is made up of many, disjointed and fragmented responses to effects of market liberalism at all levels. The researcher argues that while the study found that, though the issue of dispersed reactions manifested itself among the many and varied activists in the platinum communities, this did not work and was not effective in influencing LCD. This means that contrary to Polanyi's imagining of countermovements, there is strong need for an organised and well-coordinated movement at all the said levels if the activism is to achieve its goals.

It was clearly noted that while activists had some common interests with regards to the desire to promote LCD variously by the mining companies, there was no coordinated solidarity among the activists. For instance, the activist entrepreneurs were not concerned about the number of people employed by the three mines. Theirs was the need for opportunities to supply some critical items at the mines. Similarly, some activists were concerned about the level of procurement facilitated by the mining companies and the state while others advocated for



policy and legislative changes. Furthermore, some stakeholders like the traditional leaders, were worried about the loss of power in determining mining processes in their areas of jurisdiction. It can thus be argued that lack of some coordinated solidarity weakened the activism around LCD. There is a clear need for political work on mobilisation; yet, Polanyi just assumed that solidarity was enough for achieving results. The researcher holds that this politically charged mobilisation can also only be effective with legislative and policy support. Solidarity among key activists needs to be strengthened by the intervention of the state.

Polanyi managed to identify his agents as all the interest groups that may be opposed to market liberalism in various ways. However, he failed to tell his audience how best these can be effectively organised and mobilised for a single objective in a given geographical and sectoral area. Diversity and differences in experiences are key in a movement but one thinks that a single rallying point can be strengthened with a legal or policy base facilitated by the state. Block (2008) notes that Polanyi regarded the capitalists and the workers as representing the major actors in the liberalised economy and in the protective countermovement respectively. However, Polanyi also acknowledges the reactions from other players like the landed class, intellectuals, government officials and other groups with no shared identities.

It was also noted that the activists within the study areas were not even accountable to their community colleagues in a more formal and predictable manner. The activism leaders emerged as another unique class with some unpredictable movements in terms of contributing to the community cause. The activists who led the engagement processes normally became so active that the researcher noted that they were no longer giving regular updates to their community members. Polanyi's theory does not also attempt to provide solutions on the best ways to organise different opposition groups for effectiveness. He insists that the major player is society, yet that "society" or community in one's language, is made up of different classes of people pursuing seemingly the same objectives but in reality varied issues that however may be traced back to LCD in its various forms in the case of the study areas. Polanyi's theory has thus been criticised for its over emphasis on economy-society tension at the expense of other key issues. Fraser (2012) recommended for the replacement of the "double movement" by "triple movement" which involves many other movements for freedom like feminism, anti-imperialism, among others. Such a movement will not limit the direction of the struggle towards protecting society from the economy.

The study noted that some national CSOs which assisted the CBOs in the struggle for LCD and other related mining matters also fell in the Polanyi trap where they regarded activists as a single class of people fighting for a single issue. In this way, the researcher holds that they missed the point as the community members who gathered for the AMIs from different areas called for equally different issues peculiar to their geographical areas. However, it was clear that a national policy or law would have greater chances of centrally addressing some of the issues. The proposed model below therefore attempts to address some of the limitations noted in Polanyi's explanation of reaction to market liberalism.

Polanyi undermines the role of the state as a barrier to the countermovement itself. The current study found out that, in some cases, the state acts to suppress the role of the activists. A clear example is when the police broke the demonstrations organised by the activists against the Unki's strategies of employment of locals in Shurugwi. The local draconian law (POSA) was applied and some key activists were arrested. This showed that the success or failure of any form of activism is hinged on the nature of the government of the day. Under an authoritarian rule, the role of the state will likely lead to the opposite of what Polanyi regarded as the expected result.

### **9.3 “Double Movement” can still help**

The issue of community activism around policy and legal frameworks in the platinum mining sector in Zimbabwe can be explained using Polanyi's (1944) “double movement” theory. In developing the theory, Polanyi, argues that the Marxist class analysis that is limited to the conflict between the workers and employees at the point of production is problematic (Block, 2008, Polanyi, 1944). This is too narrow and economistic as the struggles being fought by the various stakeholders within the mining sector, for instance, are also political. There is a need to also look at the greater political initiatives that support economic programmes when dealing with LCD issues in the mining sector. In this case, Polanyi (1944) would appear to be biased towards mercantilism where the focus should be on the individual country's interest at the expense of detrimental international trade that, at times, works against the interest of the local people. Priority is thus given towards politics at the expense of economics and, hence, arguing for protectionism. By politics, in this case, the current researcher refers to policies that can come in form of regulations, restrictions or laws passed by governments to fulfil the social and economic needs of the local society.

The community activists who participated in the current study accused the GoZ for bias towards the economic interests of platinum mining companies as well as global interests in an attempt to fulfil some regional and international trade commitments. The perennial suspension of the 15% export tax on raw platinum was cited as clear evidence that the government is not pushing the MNCs to promote value addition and beneficiation locally. As indicated earlier on, the 15% export tax for raw platinum was suspended for over four years at the time of writing this thesis. The community activists were therefore challenging the government to craft specific laws and policies that would ensure that there is creation of employment and enterprise development for local communities. It was argued by the activists that the current framework was not specific and does not spell out clear measurable LCD indicators.

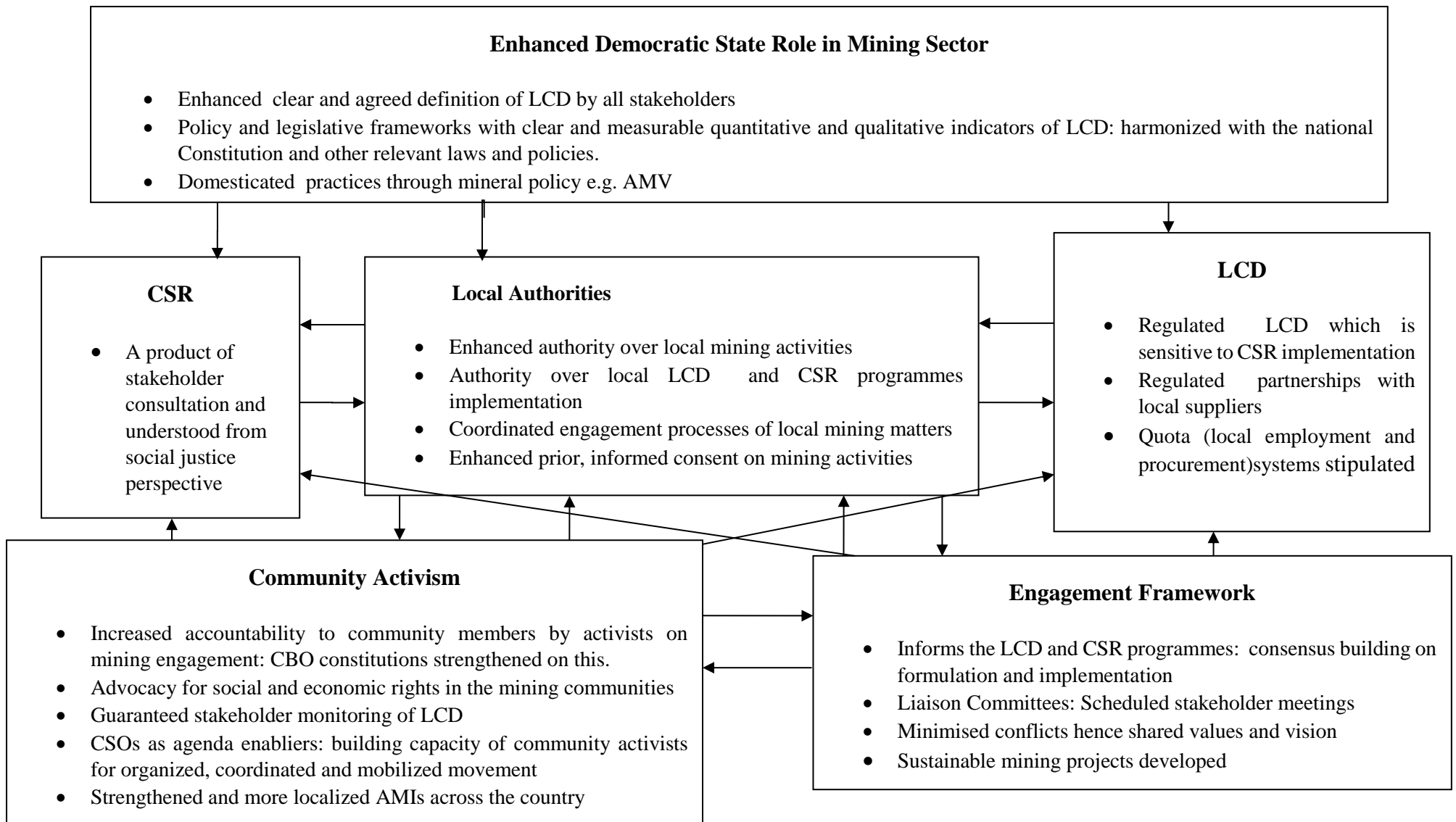
While, Zimplats, Mimosa and Unki, the biggest platinum miners in Zimbabwe, were (are) enjoying the liberalised trade regime supported by the WTO and other global and regional initiatives, the local communities were (are) not enjoying the benefits from their platinum. Indeed, in Polanyi's view, the companies had been enjoying the first movement of the free trade without any restriction imposed by the host states, yet, the platinum mining communities were now countering that movement, hence the "double movement theory". This puts the government in a dilemma. The government needed to attract FDI, but at the same time, it needed political survival which can only be guaranteed by fulfilling the demands of the electorate. Polanyi argues that the market cannot and should not be allowed to exist independently of the government actions (Block, 2008, Polanyi, 1944). He further argues that, even when the official ideology is *laissez-faire*, the state is always involved in the management of the economy. For Block (2008:3) that is what Polanyi meant by his dictum, "*laissez-faire was planned*". The government, therefore, ought to be involved in terms of developing policies and laws to guide economics (demand and supply) in the interests of society.

Platinum mining communities were piling pressure on the government to create an enabling policy and legal environment that allowed them to benefit from their resources. This pressure illustrates society will not always be totally helpless in the face of the threats by market liberalism (Polanyi, 1944; Sparsam *et al.*, 2014). The communities in the study areas of Zvishavane, Mhondoro-Ngezi and Shurugwi were calling for the intervention of the state in the area of LCD, which clearly is evidence of the "double movement" at work. State action is always needed to produce and maintain economic and social order since self-regulating markets cannot be the base for that order (Block, 2008).

Any policy or legal intervention by Zimbabwe regarding LCD issues in the platinum sector is bound to be influenced by the country's international trade commitments. The state has yet to react to the social and economic needs of its people. This is in line with Polanyi's reconceptualisation of social struggles. He provides a more holistic account of social conflicts (as opposed to that of Marx, which is more class-deterministic), when he argues that struggles within particular polities are influenced largely by that country's position within the global arena (Block, 2008). In addressing LCD matters, Zimbabwe needs to be sensitive to WTO and GATT, among other regional and global commitments it has made. Tilting the mining policies and laws too far in favour of the international commitments may make either the domestic economy suffer, or anger the local electorate, hence leading to loss of political power. At the same time, tilting it too far in the direction of pleasing the electorate may also scare away potential investors. This is the complex terrain that politicians in Zimbabwe have to negotiate. The previous GoZ of President Mugabe was criticised by the study participants for scaring away potential investors through its IEE policies of 51% versus 49%. However, the new government of President Mnangagwa reviewed the laws but the policies still applied to the platinum and diamond sectors.

The study established that the main actors trying to influence government policies and laws in their direction. These actors include platinum mining companies (pushing for more liberalised frameworks that allow them to access global markets in terms of labour and mining equipment) and the rest who advocated for a more protected economy, including mining communities, CSOs, CBOs, traditional leaders, local suppliers, local authorities, academics and some mine workers. Market liberalism by nature provokes a social response from the people according to Akturk (2002). Owsley (2012:5) agrees that Polanyi argues that, due to its destructive impact on society, market economy "sparks spontaneous societal responses seeking to protect society".

**Figure 9.1: Proposed LCD-CSR Model in Zimbabwe**



#### **9.4 Explaining the Model**

Zimbabwe committed itself to the principles of AMV and other general best practices in the mining sector. The AMV encompasses critical components that address LCD issues. By domesticating the vision through a specific mineral policy, Zimbabwe would have enhanced LCD programmes in the sector. This will also allow for a clear and agreed definition of LCD by all key stakeholders. The policy and legal frameworks will simultaneously address CSR and LCD issues with clear quantitative and qualitative indicators. This does not however undermine the original conceptualisation of CSR as a voluntary initiative. The regulated part will be the formulation and implementation which should involve local stakeholders.

The model addresses the linkages that exist among the policy and legal frameworks, CSR and LCD. The role of the community activists and the government is also elaborated in the model. It shows how the government is central in the process as it is responsible for crafting and enforcement of the regulations while the activists will monitor progress in implementation. It is indicated that a separate monitoring department has to be in place to ensure compliance to the regulations. The department will also be responsible for the operationalisation of the model itself.

The model further shows the partnerships between local and international players in the mining sector. There is a quota system and implementation is informed by wide consultations among the mining companies, government and local communities. This way, the relationships among the key stakeholders will be improved as local communities will also be assured of active participation in the platinum value chain. The arrangement will allow some predictability in terms of partnerships between the private sector and the local players.

The model suggests that the community activists are key players in the fulfilment of LCD and, by extension, the CSR. This is a critical stakeholder that ensures compliance with set quantitative and qualitative measurable indicators that will be in the laws and policies. The role of CBOs emerged from the study as being more effective with support from the national CSOs as enablers in activism. In this model, the policy and legal frameworks recognise the CBOs' role in the sector. Through some technical capacity building and solidarity received from national and global CSOs, CBOs will be able to offer meaningful advice to both government and private sector regarding the mining sector. However, the model emphasises the need for activists to be more accountable to their community membership whom they represent. This could be strengthened by ensuring that constitutions of the local CBOs are clear in terms of

accountability channels. Prioritisation of LCD and CSR programmes will be guided by advice from the CBOs who know the needs of local communities better than other stakeholders.

The model postulates that the engagement processes be informed by policy and legal frameworks and this will ensure that there is an accountability mechanism for each player. This also ensures that every stakeholder contributes to the formulation of LCD and CSR programmes. Issues of free, prior and informed consent and consensus building are thus ensured through known engagement platforms that are supported by the policy and legal frameworks. Shared value and vision will ensure progress in the mining sector. In the diagram, it is shown that community activism and engagement frameworks will inform each other.

## **9.5 Discussion**

The LCD-CSR model addresses the weakness noted in Carroll's pyramid where the latter's model does not address CSR as an element of business that is linked to LCD matters. Carroll focused mainly on ethical considerations which seem to overshadow all other considerations. The proposed model addresses these weaknesses by linking LCD and CSR. Carroll does not address the LCD component in any way. In the proposed model LCD and CSR have a strong economic element that is linked to social justice. The model is premised on the existence of a strong legal and policy framework that addresses the CSR (at least the implementation part) and LCD from both social justice and business perspective.

The model also fills the gap that was noted by Kaman (2015) where earlier scholars did not pay special attention to environmental matters, yet this is critical, particularly with regards to CSR issues in the mining sector. Polanyi had failed to adequately explain the possibility of the existence of different objectives pursued by activists in a single geographical area. The proposed model addresses that where each group of activists is expected to be considered in the policy and legal framework. This will also address the issue of organisation and mobilisation of the activists along specific areas of interests which Polanyi did not adequately link to his explanation. Polanyi (1944) had limited himself to what he called "society" without further disaggregating the possible various elements of that. The proposed model clearly specifies the various players who can be major actors in a countermovement. These include individual activists, CBOs, local authorities, local commodity suppliers and CSOs who can act as enablers in the movement. For Polanyi, the major players had only been limited to the capitalists (market liberalism) and workers (double movement).

The LCD-CSR model resonates well with Nalband and Kelabi (2014)'s universal model of CSR as the authors hold that the business operates in an environment that affects the effectiveness of the CSR programmes. In any given society, the local values and beliefs will always affect the CSR and in the same manner, the LCD is affected. The model proposed in this study, will simultaneously address CSR in light of the LCD. Through active contribution of citizens in the mining value chain and engagement processes, the private sector will respect the values of the host communities.

Some could say the weakness of the proposed model is that the role of the mining companies is not well elaborated on the diagram above despite the fact that engagement processes bring all the key stakeholders together. However, the role of the companies is evident in the implementation of CSR and LCD programmes. Furthermore, the model seems to address the Zimbabwean situation and may not be readily applicable to societies where capitalism is the main ideology. In such cases, the private will not feel obliged to share its profits with the host communities in a more formalised and regulated way. However, the researcher argues that, where the government is not responsive to the community needs, there will be a double movement. The communities will rise against the government demanding that there be supporting frameworks to strengthen their advocacy work.

While the researcher noted some linkages among the CSR, LCD and CSOTs in Zimbabwe, the model does not include the latter as it is still under experiment in the country. The other limitation of the model could be that it did not engage in greater detail the debate with regards the voluntarism of CSR within an implementation regulated framework. However, it can still be maintained that CSR can be regulated by way of ensuring that any proposed programme allows full consultation of the host communities.

## **9.6 Conclusion**

This chapter discussed the major findings of the study. It examined the limitations noted within the “double movement” that needed attention in the proposed model. It was noted that Polanyi had completely failed to acknowledge the differences in the class composition of the countermovements, yet, for him “society” was enough description of the players. The study found out that any countermovement against the effects of a liberalised economy is made up of different classes of activists pursuing equally different matters which may however be linked. Another striking gap in the “double movement” is where Polanyi failed to advise on



how best the various social movements can be organised around specific issues for effectiveness.

The proposed model is therefore meant to address some of the noted gaps as its study's contribution to knowledge. The operationalisation of the model in Zimbabwe will ensure that there is a shared vision in the mining sector by stakeholders. The stakeholders' perspectives on LCD will be aligned to the aspiration of the local people in the host country. The model generally promotes the spirit of engagement among stakeholders. The government's ability to craft laws and policies that address the CSR and LCD issues will also empower the communities to monitor compliance by the private sector. Operationalisation of the model also means domestication of the AMV through policy and legal reforms in the sector. The major contribution of the model is the combination of CSR and LCD within the country's laws and policies. The study contributes to the debate on the feasibility of having CSR as a voluntary initiative which can still be regulated within the LCD frameworks. The last chapter presents the conclusion of this study and recommendations elicited from the findings.

## **CHAPTER 10: CONCLUSION AND RECOMMENDATIONS**

### **10.1 Introduction**

The aim of the research has been to contribute towards an understanding of the interplay between LCD and community-based activism in the platinum sector in Zimbabwe. This chapter presents the major contributions of the study to knowledge on community activism and LCD. The epistemological value of the study is presented from different perspectives while the practical value is provided mainly from the policy and legal angles. The researcher's contribution to knowledge is a proposal for a model that links LCD, CSR and community activism to governance frameworks in the mining sector in Zimbabwe. It is also recommended that there is a need for specific local content policy and law in the mining sector in Zimbabwe with clear and measurable indicators that can be easily monitored and reported on by the key stakeholders. Further research is also suggested in this chapter on some specific related areas that were not adequately addressed within the scope of the current study.

### **10.2 Research Contribution**

In this section, the researcher focuses on the contributions of this study. The researcher looks at the theoretical, methodological and practical contributions of the study. Below are the major areas noted.

### **10.3 Conceptual Contributions**

Firstly, at a conceptual level, the researcher proposes an LCD-CSR model as diagrammatically presented in the preceding chapter. It shows the key variables in Zimbabwe's mining sector linking LCD, CSR, politics (policies and laws), community activism and engagement processes. The study also contributes to the conceptual understanding of the CSR in the mining sector from the perspective of both social justice and business angles. The researcher examined the existing CSR models developed by other scholars and attempted to fill some gaps that were identified, particularly the failure by previous studies to deliberately link its implementation to LCD. For instance, the researcher argues that CSR is not only an ethical but socio-economic justice issue that is linked to business through LCD. The researcher therefore calls for rethinking of CSR in light of the LCD in the mining sector. However, the researcher is not challenging the voluntarism character of CSR but holds that its implementation can be regulated and monitored in the LCD framework.

Chapters 4, 5, 6 and 7 contributed to the understanding of LCD, CSR and their practical linkages in terms of applications. The researcher argues that while CSR remains a voluntary programme and LCD a regulated initiative, the two can be simultaneously addressed in a single policy or law. The mining companies may retain their discretion in terms of determining the resources to be channelled towards CSR but the communities can also contribute to its implementation through supplying key commodities and labour. The case for LCD was put forward and it was noted that countries can fully benefit from their natural resources by regulating the programmes. However, the study argues that LCD and CSR programmes can only be effective if all stakeholders are involved and specific legal and policy frameworks are put in place hence the proposed conceptual framework.

#### **10.4 Application of the “Double Movement” Theory**

The researcher managed to pick some gaps that exist within the “double movement” theory as expounded by Polanyi (1944) thereby complementing the earlier work of Block (2008), Livien (2007) and others who contributed to the discussions. The empirical findings and theory contribute to one’s appreciation of the link between community activism and LCD in Zimbabwe. The findings of the case studies suggest that institutionalisation of the community engagement processes in the mining sector supported by policy and legal frameworks is likely to create an environment where key stakeholders establish a more shared mining vision. The institutionalisation ought to be hinged on scheduled engagement processes that are conditioned by a given policy and legal framework. The likelihood that LCD would be adopted in an all-inclusive framework that is sensitive to CSR programmes is guaranteed if the host country has got specific policies and laws in that regard.

Although work has been done in the area of community activism and LCD, the current study attempted at linking the two with reference to Zimbabwe’s platinum mining communities. The researcher also linked the activism to the implementation of CSR programmes within the LCD framework. He examined the dynamics within the community activism in the study areas focusing on LCD in the platinum sector, yet the literature reviewed had not looked at that specific area. The study revealed that, indeed, there are various classes of activists in the mining communities; pushing for seemingly the same objectives but, in practice, they will be pursuing different agendas. This was looked at from the “double movement” perspective and it allowed the researcher to highlight some gaps within the theory.

In the study, the researcher argues that community activists' efforts to establish a formidable movement against the effects of neoliberalism in Zimbabwe within the mining sector, can be viewed in Polanyian eyes as a contemporary countermovement against the importation of labour and other critical mining inputs. The "double movement" theory helps in explaining how the mining community movements emerged from various players with equally different relationships within the mining sector. The study also notes that while the theory is important in that regard, it fails to offer adequate explanations as to how the movements against importation of mining inputs including labour, are constructed. Polanyi further fails to give attention to the possible challenges that the activists are likely to face in countering the effects of neoliberalism as they manifest in the mining sector. The proposed model in this study proffers suggestions on how obstacles that activists may encounter could be dealt with through deliberate formulation of specific laws and policies that facilitate official engagement process. However, Polanyi does not discuss this.

The researcher also contributes solutions to the inherent fragmentation of community activism. It was confirmed that there will always be challenges in ensuring that there is a more coordinated approach in dealing with many single-issue or locally-oriented movements (Levien, 2007) but this study argues that the AMIs in Zimbabwe offers a near more comprehensive national and even regional platform built from local movements. The growth in numbers of delegates to the AMIs signifies the existence of the much needed commitment by community activists to their movements. The platform allows each group of activists to have their specific issues discussed. These include environmental, employment, enterprise development and policy and legislative matters that affect the mining sector.

The role played by the national CSOs and the donor partners also needs to be acknowledged. Even though the CSOs like ZELA treated the demands or grievances of various community groups as similar, the AMIs gave each interest group the opportunity to push its issues through the platform. In Polanyi's discussion, the role of CSOs is not given prominence, particularly in organising and mobilisation of different potential constituency members. The current study notes the role of national CSOs in facilitating the growth of the movements. However, the interviews made with the community members showed that there was a need for accountability on the part of the community leaders who directly interact with ZELA. The researcher noted that the community leaders did their best in ensuring that there is a shared ideology among the many activists by organising them into CBOs which officially made the engagement with

mining companies easier. Nevertheless, the CBOs' constitutions were not made in such a way that the leaders gave regular and more coordinated feedback on engagement processes hence the concern on accountability by community members.

Chapters 3 and 9 specifically contributed the understanding of the “double movement” from Polanyi's perspective and its practical application to the current study. The researcher engaged the theory and debated on its application to the case of Zimbabwe, that is, beyond Europe.

### **10.5 Alternative Mining Indaba (AMI) as Countermovement**

The researcher noted that there was no available academic work that examined the development, growth and achievements of the AMI as a form of activism in the mining sector in Zimbabwe at the time of writing the thesis. The current study therefore contributes to the academic discourse on community activism through a deliberate study of the AMI as it contributes to the community activism around LCD in the platinum sector in Zimbabwe. It is argued that, while the AMI activism is taking place at much localised (though with some regional and national element) level, the platform is contributing to the global movements against the effects of market liberalism. The researcher argues in this study that an AMI is an example of community-based activism that manifests some unique dynamism. It was noted that the AMI was initiated first at regional level, implemented at national level, then provincial and finally district (community) level. Yet, at all the levels, the emphasis remains on community identity of the platform. The regional and national CSOs are glued onto the work of community activists who include ordinary citizens, policy makers and development workers. The AMIs, as an activism, bring together various activists with different agendas in the mining sector. The researcher however argues that many of the issues raised at the AMIs contribute in one way or the other to the discourse on LCD.

The researcher argues that indeed AMIs are a clear case of countermovement in the mining sector in Zimbabwe. The AMI was initiated to directly counter an international initiative (the Mining Indaba) where forces of market liberalism were manifesting. Big capitalistic MNCs met annually in Cape Town, South Africa, to deliberate on strategies meant to maximise profits from the mining sector without involving the host mining communities themselves. The current study therefore contributes to the academic debate on the forms and effectiveness of the AMI initiative as part of community activism. Chapter 8 of the study argues that AMIs are a new form of community activism in Zimbabwe contributing to LCD discussions from various

angles. It traces the origins, growth and effectiveness of the platform as activism in the mining sector.

### **10.6 Methodological Contributions**

The major methodological contribution of the current study is the combination and application of three different research methods, that is, participant observation, key informant interviews and documentary search. The researcher's positionality in the current study allowed him to develop some research strategies that ensured objectivity when one is studying an issue where he or she has been part of. The researcher managed to combine the three methods cited above and this proved to be a workable strategy. The experience gained through the application of the multi-case study research strategy may also be useful for other studies beyond the current research areas. Chapter two of the study directly contributes to the study through an elaboration of the various methodological issues that affect the thesis.

Furthermore, a methodological contribution of a study is hinged on the appropriateness of the application of some theories and concepts developed and utilised in other contexts. The applicability of the "double movement", which was developed in a different setting and tested in Zimbabwe, is also a contribution of note in the academic field. This allowed the researcher to contribute to the theory by locating some gaps that could not be explained by Polanyi himself when he applied the theory in his own area of study.

### **10.7 Practical Implications and Recommendations**

The proposed model deepens one's understanding of the mining sector in Zimbabwe particularly the governing frameworks. It pitches the host mining communities as critical players in the sector with regards to LCD matters. There is a need for specific policy and legal framework with clear measurable indicators on LCD in the mining sector. The frameworks should be as a result of wide consultation where all stakeholders including the mining communities will contribute. This shows that politics is critical in the regulation of social and economic mining issues. Political will to craft favourable policies and laws comes to the fore in the study. A deliberate policy and legislative intervention by the state could prepare society's institutional setting for monitoring and evaluating progress by mining companies. The researcher argues that withdrawal of the economy from humanity is a political process. Therefore, one offers evidence to policy makers on various LCD policy design alternatives and their possible results.

Through this study, one demonstrates that Zimbabwe was in the process of reforming its mining legislations as well as development of the minerals policy. What has however emerged from the study of Nigeria and Botswana scenarios is that, the ideal situation is to first develop the policy and subsequently enact the relevant laws. The laws become the implementing tools of the policy. In Zimbabwe, priority seems to be given towards the legislation at the expense of the draft minerals policy which is now long overdue. In Nigeria, for instance, the policy actions started long back and became operational in 2006 and the specific law on content issues was only finalised and passed in 2010. Furthermore, one would argue that there is a need to develop a specific LCD law covering the major mineral resources including platinum instead of just incorporating elements of content matters in the broad minerals policy.

### **10.8 Limitation of the Study**

The study focuses on LCD and community-based activists in Zimbabwe's platinum sector with special attention to three specific mining communities. It does not carry out comparative analyses with other non-platinum mining communities which could have brought in the full sectoral activism. However, examples from other countries' legislative and policy frameworks allow this study to share lessons from the other non-platinum sectors. The study did not focus much on the plight of workers who are a key element of the activism in the sector. The researcher, however, interviewed some workers from the three mining companies studied to have their view with regards to the topic under discussion. Furthermore, the study did not pay attention to the conflict between farmers and the mining companies in the study area which could have also strengthened one's discussion on the gaps in the mines legislations governing the mining sector. However, the researcher captured the aspirations of farmers with regards to the early activism in the study areas which was mainly around the issue of displacement and grazing lands before more specific issues like LCD and CSR emerged.

### **10.9 Conclusion**

This chapter summarises the key areas of contribution by the study. These include theoretical, methodological and practical contributions to knowledge at various levels. Some specific recommendations are also offered, particularly with regards the practical matters emerging from the study. The major limitations of the study are also elaborated with some mitigation measures being shared too. Finally, the study suggested recommendations for further research in the grey areas beyond the scope of this topic.

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Two Committee Members, Turf Resource Conversation Trust, 29 September 2016.

## **Annex A: Guiding Questions for the Specific Stakeholders**

### **Questions to Government Departments/Officials (Central and Local Government): To be asked during ZELA and ZIMCODD Meetings during sessions and informal interviews**

1. What is the Government strategy on local content development in the mining sector in Zimbabwe? Any plans to craft specific local content policy and law in the platinum sector?
2. What is the Government policy on Corporate Social Responsibility in the mining sector? How have the platinum mining companies been faring in this regard?
3. To what extent do you think the country's Indigenization and Economic Empowerment Act address the local content requirements in the platinum mining sector?
4. Does the government listen to the concerns of local communities with regard to local content development in the platinum mining sector? At what platforms are communities engaged by the government?

### **Questions to Platinum Mining Companies (including corporate' representative institutions): To be asked during ZELA and ZIMCODD Meetings during sessions and informal interviews**

1. What is your understanding of local content development within the platinum mining sector? What is your policy with regards to local content development in Zimbabwe?
2. What is your company's policy on corporate social responsibilities? Share your record on this with regard to the platinum mining communities you work in.
3. Would you share your experiences with the country's Indigenization and Economic Empowerment Act?
4. What is the company's policy on employment? How many employees are from the local communities you work in?
5. Procurement policy of the company? Any partnership with local enterprises and with what challenges and opportunities? How has the company reacted?
6. Does the company have platforms to engage the local communities on employment and procurement issues? What is the general relationship of the company and the local

community? To what extent has the company addressed communities' concern with regards to employment, procurement and local enterprises development policies?

**Questions to Local communities (including other non-state actors in communities):  
Through interviews**

1. What is your understanding of local content development with regards to platinum mining in your area?
2. Do you know the difference between social corporate responsibility and local content development?
3. What has the platinum mining company been doing to fulfill social corporate responsibility in your community?
4. Is the mining company employing its workers from the community or not? If not, how has the community reacted to this and with what results?
5. Where does the mining company buy its mining equipment and other consumables? Are there any community members who supply goods (food items and non-food items) to the mine? Are they facing any challenges in their business?
6. Have you ever organized meetings with the mining management to air out your concerns? What was the result of the engagement? Besides meetings, have you used any other means (demonstrations, petitions, etc) for conveying your concerns to the mine, parliament or government? What was the result?
7. Are there any community-based or national organizations you work with? What has been the major assistance rendered by the organizations?
8. Do your local Legislature, Chief or Councilor been involved in your meetings with the mine officials?
9. As activists, what have been your challenges, capacity and opportunities? What are your recommendations for strengthening the community's efforts in fighting for local content development in the platinum mining sector?
10. What do you think the government and the mining company should do to improve the community's welfare?

### **Key Informant Interviewees Contacted**

<b>Key Informants</b>	<b>Original Target</b>	<b>Frequency and Comments</b>
Chiefs	6	6 (two from each target area) were interviewed. The researcher also interacted with the same chiefs at various engagement meetings that he observed in the communities and also during AMIs.
Councillors	3	3 (one from each host ward to the mining companies) were interviewed. There was also an ongoing interaction at community meetings and AMIs.
ZELA Officials	2	3 were interviewed and the Programmes Officers and the Executive Director, Programmes Director and other Programme Officers also presented papers at various observed events like AMIs and workshops and their papers were utilised.
CSOs	3	1 CSO Director from Marange was interviewed



		1 CSO Regional Programme Officer was interviewed Her organisation initiated the AMI concept and supported it financially and technically for over nine years by the time of writing this report.
CEOs :Rural District Councils	3	1 CEO for Zvishavane was interviewed. However, the CEOs for all the three study areas presented various papers on LCD at various AMIs and summer schools for four years. The one from Mhondoro-Ngezi also presented on LCD at a ZIMCODD workshop in Harare in 2016.
CEOs: CSOTs	At least one	2 (from Zvishavane and Mhondoro-Ngezi) were interviewed.
Ministry of Mines	1	<ul style="list-style-type: none"> <li>• The Minister presented a paper on LCD at a ZELA organized workshop in 2017 in Harare.</li> <li>• Deputy Minister of Mines presented paper on LCD and other related issues at the 2015 national AMI in Bulawayo.</li> <li>• 1 Official was interviewed.A Principal Director in the Ministry of Mines presented a</li> </ul>

paper on LCD related issues at the national AMI in on 28 September 2016 in Bulawayo and was interviewed.

Ministry of SMEs

1

- 2 papers were presented on LCD, diversification and linkages by the Legal Advisor to the Ministry on 28 June and 4 July 2017 in Mutare and Gweru respectively at the AMIs. The researcher shared a panel with the Official at both cases where the former was validating some of his research sections.

CBOs Representatives

3

- 6 (2 from each target area) were interviewed. There was also an ongoing interaction with the three community leaders for three years during AMIs and other engagement meetings at community level.
- 1 from Mutare based CBOs focusing on diamond issues for comparison purposes was interviewed

Local Suppliers	9	<ul style="list-style-type: none"> <li>• 1 from Mhondoro-Ngezi. Focus was on gender dimension was interviewed.</li> <li>• 1 from Chakari in Mashonaland West was interviewed</li> <li>• 2 from Shurugwi were interviewed.</li> <li>• 2 from Zvishavane were interviewed.</li> </ul>
Mining Companies	3	<ul style="list-style-type: none"> <li>• 1 Public Relations Officer was interviewed. Efforts were made in vain to interview two others. They continued to promise to allow the researcher to interview them but never fulfilled that.</li> <li>• Public Relations Officer for Zimplats presented two papers on LCD and CSR at a ZELA summer school and another one at a ZELA workshop focusing on LCD. She also attended one of the observed AMI in Bulawayo where she made relevant</li> </ul>

contributions during a break away session on LCD.

- 3 Mining company workers were interviewed (including a Human Resources Personnel for one of the companies)
- Unsolicited data was received from an anonymous Board Member for Zimplats in an informal discussion after the Researcher had identified himself as a student of mining issues.

Community Members 15

- 3 in Zvishavane were interviewed.
- 3 in Shurugwi were interviewed.
- 3 in Mhondoro-Ngezi were interviewed.

Legislatures 3

- The legislature for Zvishavane Ngezi was interacted with on 10 different platforms where he represented the Parliamentary Committee on Mines. He presented on Mines and Minerals Bill (2016) 4 times, on LCD 5

times and once as a panelist on CSR. At two occasions the researcher shared a panel with him. He was also interviewed.

- Three different Chairpersons for the same Committee presented papers on Mines and Minerals Bill (2016) updates at three different occasions observed by the researcher. Note that the Committee had three different Chairpersons in the life span of the 7<sup>th</sup> Parliamentary Session

**Source:** Author's Diaries

**Annex B: Observational Schedule**

**Name of Observer:**..... (Name of Researcher/Assistant)

**Study Actor Observed:**..... (Community Activist/Platinum Company/Government)

**Date of Session Observed:** ..... (Date/Day/Year)

**Details of Event/Session Observed:**..... (Community Engagement meeting/CSO/CBO meeting/Demonstration etc. Participation-numbers/quality of contributions etc.)

<b>Guiding Questions (Areas of focus to be reviewed)</b>	<b>Observation Comments</b>
<ul style="list-style-type: none"> <li>• Understanding of local content development with regards to platinum mining value chain.</li> </ul>	
<ul style="list-style-type: none"> <li>• Knowledge about the difference between social corporate responsibility and local content development.</li> </ul>	
<ul style="list-style-type: none"> <li>• Record of the platinum mining companies in fulfillment of social corporate responsibility in respective communities</li> </ul>	
<ul style="list-style-type: none"> <li>• Understanding of Indigenization and Economic Empowerment Act and attitude of the study actors to the law.</li> </ul>	

<ul style="list-style-type: none"> <li>• Employment of locals by platinum mining company and community reacts.</li> </ul>	
<ul style="list-style-type: none"> <li>• Local procurement by platinum mining companies. Supplies by community members to the mines.</li> <li>• Challenges faced by local suppliers in the platinum value chain.</li> </ul>	
<ul style="list-style-type: none"> <li>• Record of community engagement meetings</li> <li>• Results of the engagement meeting.</li> <li>• Other community actions :( demonstrations, petitions, etc.) for conveying community concerns to the mine, parliament or government.</li> <li>• Results of the actions.</li> </ul>	
<ul style="list-style-type: none"> <li>• Collaborations and assistance fromcommunity-based or national organizations.</li> <li>• Level of assistance rendered by the organizations.</li> </ul>	
<ul style="list-style-type: none"> <li>• Involvement of local Legislature, Chief or Councilor community meetings with the mine officials.</li> </ul>	
<ul style="list-style-type: none"> <li>• Challenges, capacities and opportunities forcommunity activists.</li> <li>• Recommendations for strengthening the community’s efforts in fighting for local content development in the platinum mining sector.</li> </ul>	

- Legislative and policy reforms for improvement of the community's welfare.
- Community expectations from government and platinum mining companies.

Any other comments

.....

### Critical Events Observed

Event Attended	Frequency	Place/Comments
District AMIs	2	Penalonga and Gwanda
Provincial AMIs	8	Mutare x 3, Zvishavane x 1, Shurugwi x1, Gweru x 1, Bulawayo x 2
National AMIs	4	Bulawayo
International AMIs	1	Cape Town
Relevant Workshops organised by ZELA	14	Harare, Mutare, Bulawayo, Zvishavane, Shurugwi, Mhondoro-Ngezi
Engagement Meetings	13	13 major meetings were attended when the researcher was in the communities in Mhondoro-Ngezi, Zvishavane and Shurugwi. The researcher was part of most of the community activities that were conducted by the key stakeholders



		on the invitation of the research assistants. The researcher stayed in the communities for an estimated three week period cumulative period in each of the study areas over over two years (2015 and 2016). However, the research assistants were always on the ground following and reporting on relevant events.
Summer School on Natural Resources Governance	1	Harare, organised by ZELA
Seminars	2	Australian Embassy, Netherlands Embassy
Parliamentary Portfolio Committee Public Hearing on Mines and Minerals Bill (2016)	1	Harare
Programmes Meetings	Ongoing Process	Harare

**Source:** Author's Diary and Observation Schedules

## **Annex C: Informed Consent-English Version**

1376/A Murombomunhu Street

Dzivaresekwa 3

Harare

To whom it may concern

Date: 16/06/16

Dear Sir/Madam

My name is Tinashe Gumbo, a PhD student in the School of Built Environment and Development Studies at University of KwaZulu Natal (Student Number: 214 582 448). My contact details are:

- Telephone Number: +263-4-776830/1
- Mobile Number: +263-773218860/715303245
- Email: [tinashegumbo@gmail.com](mailto:tinashegumbo@gmail.com)
- Residential Address: 7 Gamanyuchi Street, Msasa Park, Harare, Zimbabwe

My Supervisor is Professor Oliver Mtapuri whose contact details are:

- School of Built Environment and Development Studies
- Email: [mtapurio@ukzn.ac.za](mailto:mtapurio@ukzn.ac.za)
- Tel number: 031 260 1031

You are being invited to consider participating in an academic study that involves research on the role of local communities in influencing policy on local content development in the platinum mining sector in Zimbabwe. The aim and purpose of this research is to understand how the local

communities are affected by the platinum mining companies and how they have reacted. Focus will be on employment creation, enterprise development, and local procurement by companies and skills development as a result of community activism. The study is expected to enroll sixty participants in Shurugwi Ward 19 and surrounding areas, Zvishavane-Mhondongori Community and Mhondoro-Ngezi (20 from each community). It will involve the following procedures: attending community and ZELA and ZIMCODD meetings, formal and informal interviews, and regular information sharing with researcher on relevant local activities. The duration of your participation if you choose to enroll and remain in the study is expected to be five months from now (August 2016-January2017). The study is funded by me for academic purposes.

The study may involve the following possible risks and/or discomforts: sharing of personal information which may remind you of your past sad experiences (if you have such) with regards to conflicts with mining companies, retrenchments, loss of business and missed opportunities among other experiences you may have experienced before in relation to mining company activities. Effort will be made to seek professional counseling where necessary in case of an unfortunate situation. We hope that the study will create the following benefits: as a long and indirect benefit to you, your community will benefit from employment creation, enterprise development, skills development and local procurement by mining companies, after publication and sharing of the dissertation and subsequent advocacy efforts by stakeholders on the matters recommended by the study. There are no direct and immediate benefits for you. You are free to participate in this study through voluntary information sharing, giving regular updates to researchers, linking researchers with other key informants and potential gatekeepers or by merely participating in ZELA and ZIMCODD activities as you have been doing before the study.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number\_\_\_\_\_).

In the event of any problems or concerns/questions, you may contact me or my supervisor, at the above contact details given or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

Humanities and Social Sciences Research Ethics Administration

Research Office, Howard Campus

KwaZulu-Natal, South Africa

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Your participation in this research is voluntary and you may withdraw at any point without incurring any penalty or loss of benefit to which you are normally entitled. If you decide to withdraw from participation there will be no major consequence to you personally. In that case, you will be requested to put it in writing to me or over the phone or any other communication means convenient to both of us. You will be terminated from the research if you politicize the study, disrupt others from participating, or have moved out of the communities under study to an unreachable destination by the researcher during the study period.

You will be communicating regularly with me giving relevant update so I will reimburse your communication costs incurred at the rate of not more than a dollar per week during the course of the study. Some refreshments will be offered during interviews.

Your name will be anonymised and high level of confidentiality will be exercised. During report back meetings, no specific names will be used. Audio recordings from the interviews will be permanently erased after three years. Documents gathered during the research and interview scripts will be shredded after three years. During the three years, they will be kept in a locked filing cabinet. Any existing electronic versions will be stored on a password protected computer and erased after three years.

-----  
CONSENT

I ..... have been informed about the study entitled **Community-based Activism and Local Content Development: The Case of Platinum Mining Communities in Zimbabwe** by .....

I understand the purpose and procedures of the study.

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

I have been educated about provision of counselling in case of an unfortunate uneasiness caused by the study.

If I have any further questions on the study I have been advised to contact following:

- Telephone Number: +263-4-776830/1
- Mobile Number: +263-773218860/715303245
- Email: [tinashgumbo@gmail.com](mailto:tinashgumbo@gmail.com)
- Residential Address: 7 Gamanyuchi Street, Msasa Park, Harare, Zimbabwe

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact the project leader Professor Oliver Mutapuri at:

- School of Built Environment and Development Studies
- Email: [mtapurio@ukzn.ac.za](mailto:mtapurio@ukzn.ac.za)
- Tel number: 031 260 1031

or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

Humanities and Social Sciences Research Ethics Administration

Research Office, Howard Campus

KwaZulu-Natal, South Africa

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Additional consent:

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

Video-record my interview / focus group discussion YES / NO

Use of my photographs for research purposes YES / NO

---

**Signature of Participant**

---

**Date**

---

**Signature of Witness**

---

**Date**

**(Where applicable)**

---

**Signature of Translator**

---

**Date**

**(Where applicable)**

## Annex D: Gate keepers' Letters



Date: 30 May 2016

To whom it may concern

Tinashe Gumbo is a PhD student (Student Number: 214 582 448) in the School of Built Environment and Development Studies and formally requests permission to interview staff in your institution and community members you work with in Zvishavane, Shurugwi and Mhondoro-Ngezi and use the data collected and the data produced by your institution. He would like to use this data for his PhD dissertation entitled: **Community Based Activism and Local Content Development: the Case of Platinum Mining Communities in Zimbabwe**. The dissertation will fully acknowledge Zimbabwe Coalition on Debt and Development (ZIMCODD) and will be shared with your institution and its membership if requested.

Thank you and Kind regards

Professor Oliver Mutapuri  
Supervisor  
School of Built Environment and Development Studies  
Email: [mtapurio@ukzn.ac.za](mailto:mtapurio@ukzn.ac.za)  
Tel number: 031 260 1031

Permission to use data Granted by:

Name: PATRICIA KASIAMHURU

Signature: P. Kasiamhuru

Date: 15-06-16

Executive Director  
Zimbabwe Coalition on Debt and Development

ZIMBABWE COALITION ON DEBT  
AND DEVELOPMENT  
226 SAMORA MACHEL AVENUE  
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P.O. BOX 8640, HARARE  
TEL/FAX 776830/776831/776832  
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Website: [www.zimcodd.org.zw](http://www.zimcodd.org.zw)



Date: 30 May 2016

To whom it may concern

Tinashe Gumbo is a PhD student (Student Number: 214 582 448) in the School of Built Environment and Development Studies and formally requests permission to interview staff in your institution and community members you work with in Zvishavane, Shurugwi and Mhondoro-Ngezi and use the data collected as well as the data produced by your institution. He would like to use this data for his PhD dissertation entitled: **"Community Based Activism and Local Content Development: the Case of Platinum Mining Communities in Zimbabwe"**. The dissertation will fully acknowledge Zimbabwe Environmental Law Association (ZELA) and will be shared with your institution and its partners if requested.

Thank you and Kind regards

Professor Oliver Mutapuri  
Supervisor  
School of Built Environment and Development Studies  
Email: [mtapurio@ukzn.ac.za](mailto:mtapurio@ukzn.ac.za)  
Tel number: 031 260 1031

Permission to use data Granted by:

Name: M. Sibanda

Signature: [Signature]

Date: 30/05/2016

[Signature]  
Executive Director  
Zimbabwe Environmental Law Association





## Annex E: Ethical Clearance



15 August 2016

Mr Tinashe Gumbo 214582448  
School of Built Environment and Development Studies  
Howard Colleg Campus

Dear Mr Gumbo

Protocol reference number: HSS/1168/016D

Project Title: Community based activism and local content development: The case of Platinum Mining Communities in Zimbabwe

### Full Approval – Expedited Application

In response to your application received 28 July 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

**PLEASE NOTE:** Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....  
Dr Shenuka Singh (Chair)  
Humanities & Social Sciences Research Ethics Committee

/pm

Cc Supervisor: Professor Oliver Mutapuri & Professor Patrick Bond  
Cc Academic Leader Research: Professor Oliver Mutapuri  
Cc School Administrator: Ms Nolundi Mzolo

---

Humanities & Social Sciences Research Ethics Committee

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## Annex F: Epistemological Value of the Current Study

Area of Focus	Author	Year	Comments
<b>3.10.1. Community-based Activism</b>	Flood	2015	The author discusses the academic work that can contribute to activism in various ways. This work did not however refer to activism in Zimbabwe's platinum sector as well as community-based activism.
	Puigmal	2015	Power dynamics within community activism and how this is linked to knowledge development. This is mainly a theoretical work with little reference to practical research.
	Oliver and Rothman	1999	Local mobilisations are linked to national and global economics, politics and social movements taking advantage of local democratic contexts (enabling political environment). The work focused much on mobilisation, yet, there is also a need to put that in the broader social engagements context.
	Levien and Paret	2012	Struggles cannot be explained by classical Marxist traditions since they are no longer driven by the proletariat. The literature was mainly on dismissing Marx's focus on the urban proletariat. The issue of community-based activism did not receive much attention in that work.

	Horowitz	2011	Relevance of the international scale to local struggles i.e. international forces working against grassroots efforts. While this literature was almost directly linked to the current study, no reference was made to the LCD issues in the mining sector.
	Mac Queen <i>et al.</i> ,	2001	Discussions on the definition of “community”- based on locus, sharing, joint action and social ties. Indeed this literature assists the current study with regards the various perspectives on community. It particularly helped in confirming the significance of the study’s choice of a multi-case study approach.
	Spence and Stephenson	2009	Defines “community” based on space. The definition also helped the current study in the examination of activism in the target areas.
	MacMillan and Chavis	1986	Define “community” based on what they call social bonding and behavioural rootedness. By focusing on three case studies, the current study also benefited a lot from this work.
	Hillery (1955) in Pretty <i>et al.</i> ,	2006	Documentation of ninety four definitions of “community”. The literature helped in the appreciation of the various perspectives that exist with regards the geographical identities of activists and the issues they will be advocating for.

	Mackenzie and Dalby	2003	Local resistance to multinational corporations involved in construction. The literature is complemented by the current study that challenges global market liberalism from a more localised approach.
	Morris and Mueller	2014	Present a framework for analysing the construction of collective identity in social movements. The issue of identity of activists and their issues in the current study is critical as three cases are involved.
	Tattersall	n.d.	The author argues for a model that allows for the definition and evaluation of community unionism.
	Martin (n.d.) in Gary	2007	Definition and various forms of activism discussed. The literature helped in locating the current study's focus on specific forms of activism that was related to the target communities.
	Kirsch	2007	Examination of the risks caused on local people's politics and political struggles by approaches of counter-globalisation.
	Van Baar	2013	Professionalization of activism and development of knowledge in social movements. Indeed, the current study also argues that in the process of activism, activists will be creating knowledge.

	Teo and Loosemore	2011	There is need for the movement to be structurally supported to guarantee its continuity. The current study goes further to show the significance of financial, technical and moral support that is needed by CBOs from established national, regional and global CSOs.
	Block	2016	On building solidarity and social economy which is inspired by Karl Polanyi's arguments. Importance of multi-national level movements.
	Coban	2004	Activists' advocacy-their philosophies, actors themselves, their demands, strategies, targets and tactics.
	Horowitz	2011	Writes about different activists- NGOs, CBOs, CSOs, defining them and their capacities.
	Odysseos	2004	Relationships between the "local" and "global" civil society.
	Garvey and Newell	2005	Community, corporate and state related factors which affect the effectiveness of local strategies for CSR.
	Koka and Prescott	2002	Strategic alliances as social capital.
	Giugni <i>etal.</i> ,	1999	Contemporary movements-comparison of outcomes of movements.

<b>3.10.2. Local Content Development</b>	Odumosu-Ayanu	2014	Proposal for a contract that allows engagement among all the key stakeholders in business.
	Tordo <i>et al.</i> ,	2013	Historical development of LCD etc. The literature offers the theoretical description of LCD.
	Grossman	1981	Given as the first academic work on LCD. The current study suggests a model that encompasses CSR and LCD in the mining sector.
	Adedeji <i>et al.</i> ,	2016	Definition of LCD with special reference to Nigeria's local firms' participation extractive value chain. Focus is on oil and gas with no reference to other minerals like platinum. However, lessons from Nigeria inform the current study on LCD.
	Ramdoo	2012	Emphasis on Local content "requirements" in discussion of local content issues
	Khama	2012	Various issues on LCD covered.
	Savaourey etal	n.d.	Local content "provisions" for host countries' legal framework with a lot of examples from other countries.
	Moyo and Mabhena	2014	Proposals on strategies to harness mineral resources for community empowerment. Discusses the Zimbabwe's IEE laws andpolicies

	Bill and Melinda Gates Foundation and Africa Development Group	2015	Utility of local suppliers-beneficial to companies but the local suppliers faced with capacity challenges.
	Nwapi	2016	Outline and analysis of policy perspectives and options that East African countries may consider to maximise the potential gains of local content policy. The regional focus is the only major different with the current study.
	Magelah	2014	Analysis of Uganda's legal and policy regime on LCD for recommendations for improvements. This is directly linked to the current study but more from lessons drawn angle.
	Sigam and Garcia	2012	Impacts of local content polices are context specific. The literature offers a more theoretical approach to LCD issues.
	Nelson and Agrawal	2008	Discussion on Community-based natural resources management in Sub Saharan Africa: patronage or participation?

	Kuntze and Moerenhout	2013	On the conditions which determine the economic feasibility of local content requirements. The literature focuses on local content requirement while the current study covers local LCD.
	FARO Grupo	2015	Documentation of the experiences of many African and Latin American countries with LCD. This is directly linked to the current study where the only difference is on the regional focus and the minerals dealt with.
	Warmer	2011	Questions whether LCD promotes protectionism or competitiveness of local industries. The literature informs the current study on possible governing frameworks in the mining sector.
	Capps	2015	Discussion of the challenges faced by the platinum sector in South Africa in relation to labour, collapse of global demand of the resource. Focus was on labour for people employed at the mines. There is no emphasis on communities with regards employment matters.
<b>3.10.3. Corporate Social Responsibility</b>	Rudd and Rudd	n.d.	CSR is considered as business ethics and as a sub set of the general ethics. No linkages were made with LCD which is the gap the current study fills.
	Garvey and Newell	2005	Role of private sector in development and CSR. No discussions were made with regards to private sector-community engagement on CSR programmes.



	Wushe	2014	Discussion on Corporate Community Engagement focusing on the mining sector in Zimbabwe- how the engagement is understood by different stakeholders. LCD was not linked to that perspective in the literature.
	Lund-Thomsen	2005	Makes a distinction between CSR and Corporate Accountability initiatives. While the current study touches on that, it further discusses the various models developed to explain CSR. The study highlights some of the weaknesses of the available models hence the development of a new one that links CSR to LCD initiatives.
	Trebeck	2009	Examination of relationship between CSR and social sustainability. The sustainability discussion is not linked to LCD initiatives.
	Boerzel <i>etal.</i> ,	2012	Argument that limited statehood affects CSR. No mention of LCD programmes is made in the literature.
	Broomhill	2007	CSR definitions discussions. The current study appreciates the varying definitions and discusses the previous models developed on CSR and their weaknesses.
	Crowtherand Aras	2008	Discussions on CSR. The literature does not link CSR to LCD issues.
	Kercher	2007	CSR definitions discussions. The literature does not link CSR to LCD.

<b>3.10.4. Market Liberalism</b>	Levien and Paret	2012	Market liberalism has been incorporated into the international institutions like WTO, IMF, WB. The literature does not discuss this in light of community-based activism on LCD.
	Garvey and Newell	2005	Mining sector and investment laws have been liberalised. The literature does not discuss the liberalisation debate to LCD.
	Polanyi-Levitt and Seccareccia	2016	Discussions on free labour where investors are not obliged to employ locally. Market liberalism opens the market to every potential employee. Mining projects are capital intensive hence less potential employees. However, there is no discussion on LCD and community activism.
	Karl Polanyi	1944	Discussions on the destructive nature of market liberalism hence the emergence of double movement to correct the situation. The current study utilises the double movement theory to explain the community activism on LCD. Karl Polanyi was writing with special reference to the developments of the nineteenth century.
	Wall	2010	Discussions on Karl Polanyi's thoughts around market liberalism, society. Nothing is said about LCD and community activism.
	Block	2016	Discussions on market liberalism based on Karl Polanyi's ideas. The discussion does not focus on LCD.

**Source:** Compiled by the Author

**Annex G: Taxonomy of Local Content Requirements and Application in Selected Countries**

Types of Policies	Types of Measures	Examples of Measures	Examples of Countries Applying such measures
Quantitative Requirements	Quotas Based on Numbers and Values	Number of local people employed	<p>Angola: 70% labour to be locals.</p> <p>Nigeria: locals in junior and intermediate posts.</p> <p>Kazakhstan: 95% minimum target for locals.</p>
		Certain categories of procurement reserved for locals	<p>Angola: For logistics and catering.</p> <p>South Africa: Procurement targets around black economic empowerment,:40% on local procurement expenditure, 50% on local consumable goods, and 70% on local services.</p> <p>Nigeria: 100% to local service firms.</p>

		Specific content target for certain products	Nigeria: The laws provide for categories of activities (floating products; storage and offloading vessels; steel plates) to be procured locally.
		Technological transfer	Norway: At least 50% of research should be for technology in collaboration with local players.
		Percentage of local procurement spending going to local companies	Indonesia: At least 35% of services for contracts > US\$100,000 spending to be given to locals

		Local suppliers to benefit from percentage preferential price	Kazakhstan: Procuring entities to reduce price of bids by 20% for local suppliers.
		State participation to obtain licenses	Brazil: At least 50% for onshore projects; 51% for offshore in shallow water; 37% for deep water projects.
<b>Types of Policies</b>	<b>Types of Measures</b>	<b>Examples of Measures</b>	<b>Examples of Countries Applying such measures</b>
Qualitative requirements	Reporting and justification	Companies must report and justify hiring foreign labour or sourcing inputs from abroad	Angola: An “Angolanisation” plan to be submitted to Ministry of petroleum annually on how to achieve the targets.  Zambia: Plans to be submitted indicating estimates of staff requirements (local and expatriates), in terms of capacity building among others.

			<p>South Africa: Annual reports through a scorecard local content, employment, and company ownership to historically disadvantaged groups submitted.</p> <p>Nigeria: Laws require the firms to submit annual knowledge transfer plans; succession plan on how to “Nigerianise” such positions within a four-year period.</p>
	Information sharing	Companies must advertise vacancies or publish tenders and procurement opportunities	<p>Brazil: Database set up to facilitate business linkages.</p> <p>Chile: Information sharing, suppliers’ registration and certification.</p>
	Capability and knowledge development	Companies to train local staff or train and certify local suppliers	<p>Norway: Upgrading capabilities of local services suppliers and industrial clusters.</p> <p>Brazil and Chile: Creation of suppliers’ development programme for SMEs; partnership with foreign firms to promote local suppliers.</p>

			Mozambique: Development of local knowledge needed, through employment and technical training, with preference for locals people affected by the mining projects.
	R&D contribution and transfer of technology	Companies commit to transfer technology to local firms  Companies required to carry out some levels of Rand D	Brazil: Licensing determined by R and D contribution and technological transfer; partnership with foreign firms to foster technological transfer.  Norway: Collaborations with foreigners to transfer technology, acquire skills, and conduct RandD.
	Preferential treatment	Companies must hire local staff or source inputs locally if available on a competitive basis	Mozambique (petroleum), Brazil, Norway: Require the foreigners offer preference to local.  Zambia: Preferences sought for local players, no targets fixed.  Nigeria: Preference for local suppliers in tendering process, if they have capacity and provided value of bids < 10% of lowest bidder.

**Source:** Constructed from Data from Jojarth (2015), in Ramdoo (2015:7)

## Annex H: Botswana's LCD Frameworks

LCD Issue	Available Framework
Rights and Applications	<ul style="list-style-type: none"> <li>• Botswana's Mines and Mineral Act of 1999 only allows citizens to be granted permits. Any mergers are evaluated based on their potential to promote empowerment of the local businesses (Competition Act of 2009, Article 59:2).</li> </ul>
Employment	<ul style="list-style-type: none"> <li>• Local people should be employed and trained where necessary.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Priority to be given to local products. Linkages between foreign and local products to be promoted. Capacity of local suppliers should be planned for.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• There is the National Economic Diversification Council (NEDC) to give strategic direction on LCD implementation. It is housed in the Ministry of Trade and Industry. It reports directly to the Cabinet Committee on the Economy and Employment (CCEE). The Minister can terminate a permit once the holder ceases to be a Botswana citizen or has entered into an arrangement with a foreigner. The EDD engaged the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) and requires the BOCCIM to keep a database showing all critical data about the sector (Article 6.5: vi).</li> </ul>
Monitoring and Enforcement	<ul style="list-style-type: none"> <li>• Quarterly reports with quantifiable outcomes are produced.</li> </ul>



**Source:** Constructed with data from: MacDonald, (n.d.), Botswana Mines and Minerals Act, 1999, Botswana Competitive Act, 2009 and the Botswana's EDD, 2011-2016

## Annex I: Nigeria's LCD Frameworks in the Oil and Gas Industry

LCD Issues	Available Frameworks
Rights applications	<ul style="list-style-type: none"> <li>• Compliance and promotion of Nigerian content development are the key factor for awarding of permit to exploit oil and gas. Preference is given to local entrepreneurs. 50% of the equipment to be used should be owned by local subsidiaries.</li> <li>• A Nigerian Content Plan is submitted to the Board showing compliance to the Industry Content Development Act, when applying permits.</li> </ul>
Plans	<ul style="list-style-type: none"> <li>• Other specific plans on research and development, technological transfer among others need to be submitted. The plans should also guarantee that services like financial and legal should be locally procured.</li> </ul>
Training and Employment	<ul style="list-style-type: none"> <li>• Employment and Training Plans should be submitted. Efforts should be made to provide the necessary skills to the locals, including succession plans. Locals should understudy the incumbent for a maximum period of four years. Only 5% management positions are to be filled by expatriates.</li> </ul>
Procuring goods and services	<ul style="list-style-type: none"> <li>• Preference is given to all qualified local companies. The Board should be notified of all purchase orders above US\$1, 000,000. An assessment will be made before the contract is granted.</li> </ul>

Technology transfer	<ul style="list-style-type: none"> <li>• Technological transfer plans have to be submitted and joint ventures between foreign operators and local players need to be encouraged complemented by the research and development plan shared.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• A Nigeria Content Development and Monitoring Board was established. It offers implements the relevant laws, and monitors compliance (Akindelano, n.d) and it replaced the NCD (Okafor and Aniche, 2014).</li> </ul>
Monitoring and enforcement	<ul style="list-style-type: none"> <li>• Annual are submitted on LCD (Nigerian Content Performance Reports) to the Board. The Nigerian Content Consultative Forum (NCCF) by the Board in terms of Article 57 provides a platform for information and experience sharing on the sector.</li> </ul>

**Source:** Constructed using data mainly from MacDonald, (n.d.), Akindelano (n.d.), Okafor and Aniche (2014) and the Nigeria Oil and Gas Industry Content Development Act, 2010.

