

## CHAPTER 5: Defining the Future of CSR and Community Contribution

Chapter four largely dealt with the study findings of the study in trying to establish the challenges causing lack of effectiveness of CSR by Renco Mine in Community Development in Nyajena. The chapter also presented a summary of the study findings and gave recommendations on the factors limiting the full realisation of community development through CSR interventions by the mine. It confirmed that CSR by mining companies has been seen as a move to give back to the communities they operate in by engaging in various CSR programmes and projects for community development. Since community development hinges on the participation of the local people through community engagement, the study aimed at investigating the reasons leading to CSR projects by the mine failing to realise full community development in Nyajena.

Multi-national companies are a potential source of funding that communities could use for development interventions. The study aimed at exploring the factors which multi-national companies' CSR interventions have not been able to realise full community development. In addition, it explored how CSR initiatives by Renco Mine have contributed to the current development in Nyajena. It was motivated by the need for mining companies to engage in sustainable development by moving away from philanthropy which eventually creates dependency. Emel *et al* (2012) argues that CSR projects by mining companies are intended to provide mine-proximate communities with some of the wealth and other benefits generated by mine development in their locales. However, much of the efforts that are labelled community development benefit the companies directly via infrastructure development and philanthropic interventions. The study revealed that if CSR projects are to be community development oriented then the local people should benefit directly from the mining venture.

The study also revealed that the failure for Nyajena communities to develop fully, economically and socially despite the presence of a multi-million-dollar company in its midst is not carried by the fact that the company is not contributing to development. The failure is mainly because the amount of CSR initiatives is not enough and they are done on the company's terms and conditions that is, when the company can do it. As indicated in the findings, the CSR practice is largely philanthropic hence it is about sustainable development. Community development has been conceptualised to refer to a series of processes that are aimed at changing the social and economic status of the community with the participation of community members.

From the respondents in the Focus Group Discussion, the study found out that participation in matters concerning them is not adequate and the projects that are decided on lack the community's input. This was due to lack of adequate communication with the community leaderships who are their main representative at the mine. The other factors established were lack of commitment by the company to CSR projects and philanthropy among others. The community leaders also expressed their dissatisfaction that the General Manager of the company and RioZim officials have not tried to meet with them save for their junior managers. These notions indicated that community engagement and therefore participation is lacking.

The study further revealed that most of the developmental initiatives in place or those that have been undertaken by the mine are not inclusive. For instance, the presence of an irrigation scheme in the area is a welcome project that has ensured food security but only to benefit a few. This has resulted in uneven development within the area of Nyajena. In this one area where Rupike Irrigation is, there has been progress as shown by the Agritex and Weather station offices and other strategic departments that have been established to cater for the irrigation venture. The 200 plots available mean that only 200 families are benefitting from the same. Participants indicated that if such initiatives were spread around the Nyajena Area then food security would be achieved. The same applies to health, education, water and sanitation, all the initiatives to attain these has largely benefitted a small population.

Generally, from the study findings it can be deduced that, to a lesser extent, community development through CSR interventions by Renco Mine has not been able to realise full development in Nyajena as evidenced by persistent underdevelopment of the area. Projects and programmes that the mine is engaged in are highly inadequate and philanthropic. They all seem to be window dressers and image boosters. Work in the actual communities is still lacking. In addition, the findings also revealed that the mine is financially constrained hence the quantity of projects remain stalled. However, after 32 years of operations in Nyajena, Renco Mine would have achieved more in community development. This is a clear indication that the mine has failed to take into cognisance the nature of rural communities which is riddled with poverty and therefore underdevelopment due to lack of developmental initiatives.

Above all, from the findings, the established factors remain hence the persistent underdevelopment. The other factor is that the community does not recognise that firstly it is the government that has the responsibility of developing their areas and that CSR by companies are complementary of government efforts. In

their view, the mine is there to fulfil all the needs. It also came into light that lack of a legal framework to guide CSR activities is a major drawback. Renco Mine has not got a CSR guide as a policy. However, this is an indication that the company will engage in such activities as and when it can. As a result, the company takes time to come up with beneficial projects that are sustainable in the long run. In addition, the study also revealed that lack of knowledge by the community leaders has resulted in manipulation into making decisions that do not benefit the communities. They seem to have largely agreed to philanthropic projects and become satisfied in those.

The study further revealed that the size of the community viz-a-viz the company is also one other obstacle faced by Renco Mine in formulating CSR projects for community development. Being the only big venture in an area with at least 60000 people, it has been hard to reach out to every corner of the community. Therefore, most projects that have been attainable have been fewer, thereby not benefitting most of the community. For example, the mine has only built one dam in Nyajena which benefits people from the surrounding villages.

There is an indication that Renco Mine implements programmes and projects according to its own survey and discretion. Leaving the company to implement voluntary CSR confirmed that the company holds much power over its community of operation. This has further weakened those tasked with representing the community. In addition, as indicated by the HRM, the company feel that development projects are the mandate of the government and that it is there to complement government efforts. This is mostly true as evidenced by the number of projects that have been engaged in over a period of 32 years. The area remains rural and poor as the CSR projects have failed to develop the community fully. Therefore, the assertion that voluntary, charity or philanthropic projects are highly not sustainable proves to be a true one.

Lack of legal framework for CSR activities is a major drawback to community development in Nyajena. Mining companies are not bound by any law to implement CSR activities in Zimbabwe. The CSOTs contained in the IEEA has not bound all companies. The study shows that Renco Mine's CSR initiatives are undertaken largely in response to moral rather than legal obligations. Maphosa (1997) argues that if there is no legal framework guiding CSR activities, matters for community development will always be placed in the periphery. Hence, as indicated in the findings, the mine has its own CSR policy through the RioZim Foundation. However, the Foundation has been slow to approve and implement the big projects that are developmental oriented. This is an indication that they do what they do at their own time because there is nothing binding them. The

study also established that lack of CSR guidelines by the company has resulted in the haphazard, selective and therefore poor implementation and monitoring procedures of projects.

Although most projects undertaken so far have brought measurable change to the community of Nyajena, the projects lack sustainability thereby impacting on community development. Thus, according to the findings, the company seems to be taking with one hand while giving with the other. Most CSR projects by the mine indicate that most of the work done has mainly been to benefit the mine's employees and their immediate families. Although the mine has slightly improved the socio-economic status of the area, most facilities and projects are within the vicinity of the mining area thereby serving more of its workers than the wider community. Health and education facilities are mostly within the mining area, those from the villages must walk long distances to reach schools, the clinic and the hospital. It is therefore about capital investment with an expected return. Keeping the community happy ensures the mine's guaranteed stay. The MRDC reiterated that the mine has a good relationship with the community of Nyajena. This is important as companies, particularly those operating in remote areas, need good relations with communities to maintain their social licence.

From the findings, CSR does not seem to be the solution for community development. The study results indicate that this community looks up to the mine for developmental purposes. However, this tendency has created a dependency syndrome whereby the community looks up to the mine to address all its developmental issues. This has in turn led to a hand-out dependency whereby the community does not look for other alternatives. Hence, it proves that CSR has not been a solution for community development in the Nyajena Area. Taking into cognisance the implementation of CSR by the Renco Mine, CSR has not supported community development as the CSR initiatives themselves are mostly philanthropic, that have also created dependency. This is proof that there is a fine line between CSR that creates dependency and that one that develops a community sustainably.

From the findings, the issue of sustainability is seen as a crucial area in community development in Nyajena by Renco Mine. The study results however, raised some doubts of the long-term sustainability of certain CSR initiatives. For instance, the removal of funding and support to the schools resulted in conditions being compromised. In addition, most of the locals are employed by the mine and have taken that as their primary source of livelihood hence, the heavy reliance on the mine. Most of the people are employed by the mine hence lack of continuity

might be threatened when the mines tenure comes to an end. This is considering that a mine's life span can abruptly come to an end.

The government should, in addition to Community Share Ownership Trust, formulate a regulatory legal framework that monitors CSR activities to ensure that CSR conforms to the requirements of the regulation and not just the voluntary activities. Government should participate fully in community development to continue with service provision when the mining operations cease. This ensures sustainability and enhancement of community development.

Renco Mine should improve on community engagement as it is a critical component of sustainable developmental projects that move away from dependency and philanthropy.

The wealth that is taken from the location and the value of CSR projects should be taken into consideration. In addition, community representatives ought to take part in monitoring the success and the impact of community development projects. Philanthropic contributions made directly to communities tend to contribute to less sustainable investments in social development projects that improve capacity of community members to help themselves.

RioZim Foundation should be more transparent and accountable in the planning and implementation of projects within the community. In addition, community members should be made aware of project formulation and implementation for them to fully embrace the ideas and projects as their own.

Community engagement and participation should be encouraged at all levels, that is, from planning to implementation of ideas. The number of community representatives need to be increased to include the ordinary community members and not just the community leadership, as this is tantamount to biased decisions. Failure has resulted in manipulation of community development processes by the company.

The mine officials, particularly those from RioZim Foundation should engage the community more by embarking on scheduled community visits to see for themselves the situation on the ground rather than relying on reports.

The study sought to establish the factors limiting the full realisation of community development through CSR interventions by mining companies. The study successfully came up with information that proved that despite CSR by mining companies, community development in the areas of operation remains low

because of philanthropic and unsustainable projects. The study confirmed that mining companies have various CSR initiatives for community development and that the community of Nyajena has benefitted from the company through the socio-economic development covering health, education, agriculture, employment, entrepreneurship, environmental management and infrastructural development among others. Most of the respondents concurred that the presence of the mine in their area has brought change. However, they still felt that community development has not been enhanced due to projects that are very general. In addition, the community leadership has been hood-winked into agreeing with decisions imposed on them and do not have the input of the greater community. The study also confirmed that mining officials preferred to work with community leaders only. However, there is a discrepancy as to whether the community issues are discussed, or they are just imposed on them due to lack of knowledge on CSR. The feeling is that over and above the village heads being representatives of the community, participation should be broadened as to include many community members from each village.

From the mining officials' interviews, it is evident that they feel that what they are doing is to the best of their ability as they cite limited funding, delay by the RioZim Foundation on approval of big projects. This is an indication that community development is not a top priority for the company because there are no pressures in doing so. They further agree that as far as community engagement is concerned, representation at village head level is adequate as they bring in issues from their respective community. The issue of gender is silent as all village heads are male. Therefore, there is lack of debate to this end. The issues raised in this study are generally the trend by all mining companies in Zimbabwe and Africa as a whole. The issues of philanthropy remain evident in most mining companies due to lack of legal frameworks for CSR.

Most participants accepted that the mine is a key driver of community development. In this respect, the community feels that the gold resources being siphoned out should be compensatory and ploughed back into the community. They need the mine to do much more for the community. For instance, in employment creation, the locals argue that the only job offers that have been availed by the mine to the locals is mostly for the unskilled while skilled jobs have been taken by those from other areas. This is despite having people who are qualified within the area. The general perception is that the mine is taking with the right while giving with the left.

A final observation was that the mine overstated the extent to which they have contributed to community development. They have quickly brushed off issues

such as environmental impact to say that they have successfully turned the negative impacts into positive ones. The study therefore concluded that the identified factors have largely contributed to lack of realisation of full community development through CSR interventions by mining companies. It is therefore arguable whether mining companies are in a better position to decide what is best for the community and to what extent they can deliver sustainable development in the long-term. Most mining companies feel that it is the role of the government to undertake projects for community development, thus leaving companies to engage in voluntary or philanthropic projects because they feel that the government must deal with the greater part of development. In turn such tendencies have resulted in poorly designed and implementation of projects that have largely created dependency.

The way CSR projects are implemented by Renco Mine strengthens the study conclusion that CSR projects by mining companies have failed to realise development in Nyajena. One way of doing that is moving away from philanthropy as it has short term impacts.