

## **Bench Marks Foundation – Discussion Document**

### **Mining and Community Engagement Principles**

#### **Introduction**

The impact of a mine's activities spans decades if not centuries. South Africa is a very good example of how mines have influenced the economic, environmental and social aspects of our country. Even though mining has placed South Africa on the global economic map, the reality is that often the profits are kept in the hands of a few (first with families like the Oppenheims and now with junior BEE players), the environmental damage is hidden or the responsibility denied, and the fabric of society destroyed as communities are uprooted, workers poorly paid, and health and safety risks to the workers and communities increased.

It is clear that the impacts (both good and bad) of mining begin before a mine is even established and does not disappear with the closure of a mine. The Bench Marks Foundation believes that the mining sector must engage with the communities in which they operate from the inception of a mine to the closure of a mine. It is no longer sufficient to have contact with communities, in close proximity to the mine, only during the Environmental Impact Assessment (EIA) stage or when companies try to gain publicity from philanthropic corporate social investment events.

The research conducted by Bench Marks over the past year provides a guide of what mining companies can do to enhance community engagement. We suggest that mining companies follow the principles listed below during the various stages of mining.

#### **The Inception Stage**

The establishment of the mine can be the most important stage of developing a meaningful relationship between a mining company and the affected communities. It is during this phase that companies have the opportunity to level the playing field and to create a good understanding of the processes and challenges ahead. However, it is this stage that most companies seem to take for granted.

It is imperative that community engagement, during inception, is enhanced on the following issues:

- The relocation of people,
- Environmental Impact Assessments
- Social Impact Assessments
- Economic Impact Assessments
- The lack of adequate information on the mining activity,
- Confusion between various government departments

#### **The Mining Stage**

Once a mine begins its operations there is no or very little community engagement, except during corporate social responsibility (CSR) programmes which companies often undertake as good public relations activities. They often consider communities as irritants and do not see communities as partners but rather as an obstacle. Companies are then only concerned with the minerals and metals being mined. There is a lack of information and action on the cumulative impacts on the environment, economic and social aspects of communities. If mining companies engage with communities throughout the life of a mine, these problems could be dealt with sooner.

As mentioned previously, if companies engaged with communities in a meaningful way in the inception phase there would be less "obstacles" during the mining stage. Mines can no longer ignore the fact that community engagement is a must on the following issues:

- Waste, emissions and pollution
- Loss of agricultural land and subsequent livelihoods

- Lack of access to water resources
- Health and safety of workers and communities
- Labour practices – living out allowances and contract workers
- Corporate social responsibility

### **The Closure Stage**

When a mine closes down, there is very little consideration for the well-being of the communities in close proximity to the mines. Workers are dismissed, environmental damages are 'covered' up, and communities abandoned.

Mining companies profit at the expense of people's blood and sweat and the ethical thing to do is to reduce the impacts of closure on the communities. Some of the issues that must be discussed with communities when a mine closes down include:

- Job losses
- Health
- Pollution
- Continuing CSR

### **Principles of Engagement**

Bench Marks Foundation believes that our study called the "Policy Gap" opens up opportunities for a new way of doing business that demonstrates to communities, investors and government that mining can play a significant role in addressing our legacy of apartheid and the building of sustainable communities.

There is a window of opportunity for the mines surveyed to become world leaders in sustainable development by addressing social, economic and environmental impacts that lead to the empowerment and building of sustainable communities throughout the life span of a mine.

The Bench Marks Foundation proposes the following main issues to develop useful, honest and a meaningful engagement between communities and mining companies:

- **Defining 'communities'** – For a meaningful engagement it is imperative to establish who makes up the 'community'. Mining companies, together with elected leaders from the affected areas, must develop a register of community people. Some of the conflicts arise because of the belief that communities are homogenous groups. The diversity of community interests must be taken into account and include women, youth, miners, informal settlements, religious and local businesses etc.

The relationships with the various stakeholders in an affected area must be developed at the inception stage of a mining activity and should be considered as long- term investments. Such engagement could result in a level of trust that would foster continuing and sustainable engagement between stakeholders and mining companies.

- **Prior Informed Consent** – before the set up of a mine, mining companies must communicate simply and honestly what the true impact of the mine will be on the economic, environmental and social aspects of society. There must be adequate compensation based on mineral value by the mining companies to the communities for the use of their land and resources.
- **Relocation of Communities** – (this is linked to the first point) – Adequate information must be given to communities on the impact the move will have on their livelihoods and access to land and water. The compensation provided must better reflect the actual cost of the land and relocation. Heritage and cultural sites must be respected and protected.

A very important point that must be considered is that communities should not be forced to relocate and if they are relocated, communities must be better off and not worse off after relocation.

- **Impact Assessments** – Environmental, social and economic impact assessments must be conducted to reflect on all the impacts from a mine. These assessments must not be mere formalities but must assist communities, mining companies, and government to resolve major concerns and to create monitoring and evaluation structures with all relevant stakeholders. It is not adequate to hold public participation meetings with only half truths and technical information.

There are a number of mining costs that result from mining processes and some of these costs are externalised onto communities, workers, local government and the broader environment. The impact assessments must consider the full cost of the mining activity including – water, air and waste pollution, living out allowance, health and safety, spread of HIV/AIDS, loss of agricultural land, and the growth of informal settlements are but a few examples.

- **Government responsibility** – There must be a clear demarcation of roles between the DME and DEAT on who adjudicates over EIAs. Government officials serving on mining company boards could result in a conflict of interest with government pushing mining above the interests of the community. Provincial and local government must put people first and protect their constitutional rights above those of the economic incentives of mines.
- **Working conditions** – Mining companies must re-assess their labour policies. Migrant labour and the living out allowance have an impact on informal communities. It contributes to the spread of HIV/AIDS and impacts on worker safety and the externalisation of labour costs. The continuation of labour policies such as subcontracting denies workers adequate protection. Through engagement, more inclusive social and labour plans must be developed that involve communities and that addresses community needs and wants
- **Health** – Mining companies must accept that mining activities disrupts communities in terms of health and psychological well-being. There is an increase in health problems such as silicosis, alcoholism, TB and HIV/AIDS in communities in close proximity to mining operations.
- **Environmental monitoring and evaluation** – The reality of mining activities is that they work with substances that are harmful to the environment. There must be a mechanism to ensure the safety of water, land and air. Mining companies must monitor the waste emissions and pollution from the mining activity. In cases of dangerous impacts such as acid mine drainage, air pollution, river pollution and denial of access to water sources, mining companies must be held accountable to control the problem and in situations where communities are denied access to water, alternative sources must be supplied by the company.
- **Corporate Social Responsibility (CSR)** – Although CSR has been done to improve the public face of a company, there have been areas where the work done has been beneficial to the communities. Mining companies must report on all aspects of its activities such as – pollution of underground water, perforation of dykes – and not just what is good press. Effective CSR can only be done if mining companies embrace the interests of communities affected by their operations.
- **Direct Community Involvement** – The Section 21 companies that are established by the mines serve to divide communities as they are then viewed as tools to enhance the mining companies. Representative community structures should be established and become the point of contact with mines.

In addition, it can be argued that the Section 21 Companies are in conflict with the Communal Land Rights Act (2004) and the Communal Property Associations Act (1996). According to these Acts, communities could gain control over their land by setting up a land administration committee or a communal property association to manage and administer communal land on behalf of the community.