CORPORATE SOCIAL RESPONSIBILITY

MINING SECTORS OF SOUTH AFRICA, ZAMBIA AND NAMIBIA

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WHAT?

CSR involves a company going beyond its strict legal obligations to take into account the impact its business has on stakeholders other than its shareholders.

WHY?

The effects of business operations in the extractive industry shape people's livelihoods, cultures and social identities. As a result, higher expectations are placed on mining corporations to conduct their businesses responsibly and sustainably, distributing benefits to a broadening range of stakeholders.

1 INTEGRATED, SUSTAINABLE DECISION-MAKING

Combines social and economic development with the protection of the environment and furtherance of social well-being.

2 STAKEHOLDER ENGAGEMENT

Meaningful corporate engagement with stakeholders beyond their shareholders and incorporating their concerns into the corporation's decision-making process.

SCOPE?

Benefit-sharing is examined by looking at CSR in the extractive industries of three members of the SADC: South Africa, Zambia and Namibia.

4 CLUSTERS:

Four clusters of CSR indicators reflect benefit sharing trends from the different jurisdictions:

3 OWNERSHIP

State participation, local shareholding and community investment -examines various mechanisms that are employed to balance the distribution of financial benefits.

RATIONALE?

Corporate rectification of past wrongs is the quid pro quo for benefits reaped at the expense of groups or communities.

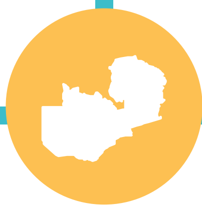
CSR is necessitated by the significant power wielded by mining companies. Corporate power left unchecked can lead to abuses. The economic power of mining corporations also often translates into political power, and thus the ability to influence state policies.

4 TRANSPARENCY /ACCOUNTABILITY

Corporations are increasingly expected to disclose information about their business practices and their compliance with legal obligations even if such disclosures do not cast them in a positive light.

LEGAL FRAMEWORK:

No primary legal frameworks dedicated solely to the regulation of CSR in Namibia, Zambia and South Africa. However, the mining industries are not self-regulated in any of the jurisdictions. CSR is often indirectly implemented as a result of the legal framework in relation to the licencing systems as well as through subscription to various international law mechanisms. These include the Kimberley Process, the Extractive Industries Transparency Initiative (EITI) and the African Mining Vision (AMV).



INSIGHTS

SOUTH AFRICA

South Africa has the most interventions in respect of CSR
Sustainability must be integrated into the decision-making process by mining companies
EIAs and detailed SLPs are imperative for the granting of rights
Reporting requirements create the possibility for compliance with CSR goals
Stakeholder engagement with interested and affected parties required
Rights can be cancelled/suspended where companies fail to comply with transparency and accountability requirements

ZAMBIA

Zambia has medium interventions in respect of CSR
The legal environment favours the awarding of rights to Zambian individuals and companies
Mining companies are under no legal obligation to consider sustainability issues within the context of CSR decision-making processes
Considerations of social issues voluntary
No particular provision to ensure transparency in the mining context, except in company law
Mining companies report annually on environmental aspects of their operations

NAMIBIA

Namibia has the least interventions in respect of CSR
Apart from voluntary commitments to sustainability in the uranium industry, there are no legal obligations to incorporate sustainability considerations into the decision-making process
No legal imperatives that further the goals of transparency or accountability
No reporting mechanisms are in place in respect of human rights, the environment and social goals