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CNRG

CENTRE FOR NATURAL RESOURCE GOVERNANCE

Centre for Natural Resource Governance (CNRG) is a non-governmental organization working to improve natural resources governance in Zimbabwe.

Communities, Companies and Conflict, Centre for Natural Resource Governance, Zimbabwe

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ACRONYMS

CSOT	-	Community Share Ownership Scheme
OPEC	-	Organisation of Petroleum Exporting Countries
SADC	-	Southern African Development Community

INTRODUCTION AND BACKGROUND

Mining projects are often established on land which is already occupied and used by people who depend on farming, ranching, fishing and artisanal mining for their livelihoods. The establishment of a mining project will therefore cause changes in the environment, economy and society of these people. These changes can either be positive or negative. Positive changes are associated with enhanced welfare of the society through responsible mining that is socially and environmentally sensitive. Meanwhile, negative changes are associated irresponsible mining that diminishes the welfare of host communities through environmental degradation, destruction of the means of livelihoods and other social costs.

The establishment of a mining project raises the hopes and expectations of host communities. Mining projects come with the promise of development in the form of job creation, infrastructure improvements such as roads and improved service delivery. Yet hope is deferred as mining companies claim they want to recoup capital expenses and eventually the hope fades away as companies declare losses, retrench staff and shuts down once the mineral is depleted. It is left to the community to ponder means of reclaiming its amputated environment, with no financial resources to assist them.

The host communities are found having to contemplate whether the arrival of a mine investment will improve or deteriorate community welfare and to what extent. Foretelling the magnitude and nature of these changes is hard enough for everyone and more so for rural dwellers who usually have no access to critical information such as mining contracts, mine plans, environmental impact assessments and community development plans.

The government and mining companies often lack full disclosure of information and engaging communities on the negative impacts. Without full disclosure, communities often end up with expectations that far exceed what the miners are capable of providing. Host communities often find themselves having to face the reality of environmental degradation, interruption of livelihoods and cultural invasion with little return by way of benefits. This situation leads to conflicts between communities and mining companies.

Company-community conflict can also arise because change is experienced differently by different stakeholders and can be inequitable or incompatible with community members' values and interests (Davis & Franks, 2014).

Conflicts within the natural resource sector have attracted greater attention and scrutiny from scholars, governments and non-governmental organizations in recent times. The impacts of mining companies on the surrounding community and the distribution of the costs and benefits of resource development and community involvement in decision making influence the nature of company-community relations. Paying attention to these dynamics is the focus of natural resource governance.[1]

On the global scale, many scholars are asking critical questions on whether or not mining promotes development. This debate is inconclusive. In a widely cited study of the impact of natural resources on economic performance, Jeffrey Sachs and Andrew Warner (1995) found that a "surprising feature of modern economic growth is that economies with abundant natural resources have tended to grow slower than economies without substantial natural resources". This is mainly because most countries endowed with vast natural resources also suffer from serious governance deficits. Consequently mining affected communities often experience poverty known as the paradox of plenty. This is also corroborated by Mailey (2015) who concluded that 'for the vast majority of resource-rich African states, oil and mineral wealth has not translated into improved living conditions for citizens but contributed to growing disparity, corruption, and repression.'

Due to the competing interests of government, mining companies and host communities, mining has inevitably created conflicts which manifests through both direct and structural violence, also defined by Johan Galtung (1969) as social injustice. Galtung argues that 'if people are starving when this is objectively avoidable, then violence is committed'. Host mining communities have raised the challenge of paying the cost of mining and not sharing the benefits. Berman et al (2014) also observed that mining activity increases conflicts at the local level and then spreads violence across territory and time by enhancing the financial capacities of fighting groups.

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[1] The IUCN-World Conservation Unit defines natural resource governance as 'the complex set of ***norms, institutions and processes*** that determine how ***power and responsibilities are exercised, how decisions are taken and how citizens participate*** in the management of resources'.

In Zimbabwe mining shows 'resource curse' tendencies: the negative relationship between resource abundance and development. The Inter-American Bank has also argued that the richer a country is in natural resources, the slower it will develop and the greater its internal inequalities will be. The 2008 mining boom coincided with declining overall economic performance and worsening inequality.[2] The mineral boom failed to change the welfare of mining communities as evidenced by rising poverty, land and water grabbing, pollution and direct violence in mining communities. To be sure, the multi-billion diamond mines in Marange, have left thousands of internally displaced citizens whose future remain uncertain as the mining companies failed to fully compensate communities for the loss of properties and means of livelihoods. Direct violence, including deaths, permanent disabilities and rape have been perpetrated on the communities under operation 'Hakudzokwi' or 'You will not return'.[3]

RESEARCH PROBLEM AND RATIONALE

According to the Chamber of Mines, the mining sector grew by 35% in the period 2009 to 2013 and its contribution to the Gross Domestic Product increased from 4% to 16.9% during the same period. Mining is the leading foreign direct investment earner and now accounts for more than 50% of foreign currency inflows. Gross revenues and fiscal revenues from the sector are projected to increase by 63% and 87%, respectively, to US$4.8 billion and US$729 million by 2018 (Sibanda, 2013). Nevertheless, these impressive statistics are not reflected in the mining communities that bear the brunt of mining activities. On the contrary, most mining communities are lagging behind in terms of development indicators such access to health, education, clean water, and electricity and food security. With mineral commodity prices on a steady decline, most mining companies will be recording losses in the coming years. This is likely to affect corporate social responsibility commitments as mining Companies battle to remain in business. Addressing the 2015 Zimbabwe Alternative Mining Indaba, Deputy Mines Minister Fred Moyo bemoaned that the mining sector was in deep crisis as mineral prices were falling thereby affecting the viability of the sector.

[2] Although there are other factors that have been proffered to explain economic decline including political instability, policy inconsistencies, corruption, and violation of property rights and collapse of the rule of law.
[3] Government military operation conducted in autonum of 2008 targeted at informal diamond miners in Marange.

Notably also the paradoxical growth of the mining sector has contributed towards poor agricultural performance and worsened the vulnerability of rural communities. The Mines and Minerals act takes precedence over the Communal lands Act, allowing miners to expropriate land belonging to rural communities as soon as minerals are discovered. Mining has therefore bred landlessness and poor communal agricultural performance. The lack of government support to communal farmers has not helped the situation. Mining communities continue to experience the paradox of plenty, also known as the resource curse, as mining profits never find their way back into the host communities. Thus apart from paying heavily for the cost of mining, communities do not share the promised benefits of mining.

This research study contributes knowledge on the role and influence of mining in community development. It does so by examining the relationship between mining companies and host communities through a cost benefit analysis.

OBJECTIVES OF THE STUDY

1	To analyze the relationship between companies in the extractive sector, communities and local and national government departments and agencies.
2	To assess how issues of environmental protection, safe-working conditions, compensation, land acquisition and resettlement, socio-environmental sustainability and benefit sharing are dealt with in Zimbabwe.
3	To compare Zimbabwe's approach to mining community development with other models in the region and across the globe.
4	To make policy recommendations on how communities can be protected from negative impacts of mining and benefit more from mining activities.

METHODOLOGY

The study employed the critical social science model and case study method. Case studies chosen included Renco, Zimplats, Bikita and DTZ-Ozgeo mines. Data collection methods included a combination of in-depth interviews, observations and focus group discussions. Secondary data sources were used to support and triangulate findings. Purposeful judgemental sampling was applied to identify respondents for interviews and participants in focus group discussions. Interviews were carried out with community members, community leaders, mine employees, local authority heads, officials from relevant government agencies and departments and workers' union leaders.

RESEARCH QUESTIONS

1	**What is your assessment of the alignment of social responsibility projects in line with the needs of the communities?**
2	To what extent have Community Share Ownership Trusts influenced development in your community?
3	What are the sources and nature of the conflicts between mining companies, communities and government departments?
4	What are the impacts (positive/ negative) of mining companies' operations on communities and the environment?

RESEARCH PROCESS

1	**Inception meetings with mine company executives, local government and community leaders.**
2	Desk review of relevant documents sourced from the stakeholders and other independent sources.
3	Key informant interviews with mine department heads, government officials and community leaders.
4	Focus Group Discussions (FGDs)
5	Validation meetings with stakeholders involved in the study

ETHICAL CONSIDERATIONS

1	Participants will remain anonymous.
2	Participants will be asked for their consent and fully informed of the purpose and expected output of the study.
3	Participants will be free to not answer questions or leave if they are not comfortable anymore.
4	Relevant authorization to conduct the study will be sought.

LITERATURE REVIEW

This section seeks to engage with relevant literature available on mining, development and conflicts. A number of concepts discussed and applied in this study include: the resource curse, resource based conflicts, ruling political party and local dynamics, poverty and inequality, corruption, environmental, economic, social and cultural rights, mining project impact assessments, community development.

THE RESOURCE CURSE

The Resource Curse, also known as the 'paradox of plenty,' is the confounding phenomena where nations with abundant natural resources experience lower economic growth and poor development indicators than those nations with far less natural resources. The term was coined by Richard Auty in 1993 to describe how countries rich in natural resources were unable to use their wealth to boost their economies and how, counterintuitively, these countries had lower economic growth than countries without an abundance of natural resources (Auty, 1993). A study by Sachs and Warner in 1995 shows evidence of the negative relationship between natural resource abundance and economic growth (Sachs & Warner, 1995).

There are three arguments as to what exactly causes the resource curse. The first argument is that the competitiveness of other sectors of the economy decline as the real exchange rate appreciates due to the inflow of resource revenues, a phenomenon known as Dutch Disease.[4] The second argument is that global commodity prices are volatile and hence revenues will be volatile which negatively affects government planning. Finally, trade theories which show that primary commodities fetch far less prices in relation to manufactured goods, resulting in countries specialising in primary commodity exports experiencing deteriorating terms of trade.

The lack of causality in explanation of the resource curse by the three arguments has led to the emergence of a fourth argument. It is argued that weak, ineffectual, unstable or corrupt institutions compounded by government mismanagement of resources are the main causes of the resource curse (Resource Curse, n.d.). This argument has made a significant contribution towards an understanding of natural resource governance focusing on the links between natural resources and poverty, democracy, good governance and transparency (Green & Otto, 2014).

A good example of the resource curse can be seen in petroleum producing countries. From 1965 to 1998 the gross national product per capita growth in OPEC countries decreased on average by 1.3% while in the rest of the developing world, the growth was on average 2.2%.

RESOURCE-BASED CONFLICT

Conflict refers to some form of friction, disagreement or discord arising within a group when the beliefs or actions of one or more members of the group are either resisted by or unacceptable to one or more members of another group. In the mining sector, the benefits of mining activities are usually enjoyed further away from the mining location while the negative impacts of mining become more pronounced as you get closer to the mining location. This is the basis of resource-based conflicts: communities face livelihood loss, environmental degradation and cultural invasion alone while receiving little or nothing in return. Workers suffer poor working conditions and low remuneration while mining executives award themselves hefty salary packages. Governments receive meagre royalties while most of the profits of mining are invested off-shore. Meanwhile, value addition, that is raw minerals being processed into much more valuable products, is done in developed countries.

[4] The term was coined by 'The Economist' in 1977 to describe the decline of the manufacturing sector in the Netherlands after the discovery of a large natural gas field in 1959.

In their work on the "Greed vs. Grievance" debate, Paul Collier and Hoeffler showed that in the presence of natural resources it was important that local grievances be addressed in order to avoid violence (Collier & Hoeffler, 2004). Poverty and inequality are other elements that have strong linkages to violence in the context of resource wealth. Ross lists poverty among six structural risk factors for conflict in mineral-exporting states, citing studies that suggest that conflict is more likely to occur in poor countries than in richer ones (Ross, 2004). Other risk factors identified by Ross in his discussion on conflicts that most commonly arise from the uneven distribution of resource rents in society include terrain, peripheries, prior regional identity, political institutions and type of minerals.

Cayley Green and Lisa Otto (n.d) argue that the level of stability of the institutions in a country can be the make-or-break element in preventing conflict and where channels exist for dissatisfied groups to air their views and seek change in a peaceful manner, these groups are less likely to resort to political disobedience and violence to make their case known. Conversely, where governments have failed to implement policies and legislation, and to sustain good governance and institutions that would allow for growth, development and the avoidance of primary resource dependency, conflict is more likely to occur.

Yet when there is dissatisfaction, the repressive capacity of the state may play a decisive factor. For Zimbabwe, the marriage between the party and state, has subordinated state institutions to the political reproduction imperative of the party and ruling elite. For instance Operation Hakudzokwi in November 2008 while weeding out informal miners, also served the accumulation needs of the military, party elite and allied foreign investors.[5] On its part the operation resulted in the commitment of gross human rights abuses which left over 500 hundred artisanal miners dead and thousands severely injured. Hundreds of women were raped. The Marange community were also caught up in the conflict as some were rightly or wrongly accused of digging for diamonds or giving shelter to artisanal miners and dealers. This resulted in a significant number suffering various forms of abuse. The asymmetrical power balance between the state on one side and the artisanal miners, dealers and villagers on the other meant the conflict was easily contained through the disproportionate use of violence. Nevertheless the effects of the violence will be felt for many decades to come.

POLITICAL PARTY DYNAMICS

In 2012, the mining industry contributed 25.8% of GDP and 64 % (US$1.3 billion) of export revenues. This makes the industry a strategic instrument of economic and political power. As such, the granting of most mine concessions and the shareholder structures of most indigenized companies are shrouded in secrecy. This has led observers to smell the heavy involvement of political leaders in the mining sector. Public and personal interests are blurred in such a scenario where the same people entrusted to grant concessions and tax mining operations are shareholders in diamond mining companies.[6] In the state mining company, Zimbabwe Mining Development Corporation (ZMDC) senior management officials have been benefitting through excessive salary packages.[7] Heavy political involvement in the extractive sector limits competition resulting in fewer checks and balances in the industry compared to other more competitive sectors. The diamond sector is in fact an oligopoly where the nominal competitors have collaborated in trade mis-invoicing and transfer

[5] The first mining companies to receive concessions were Chinese companies, Anjin Investments and Sino Zimbabwe Development (Pvt) Ltd working in close collaboration with ZANU PF and military elite.

mispricing (Mukwakwami, 2013). Brazen and illegitimate wealth ecrretion in the extractive sectors increased political intransigency and lack of accountability and openness to reform.

The political economy of mining in Zimbabwe is summed up by Scoons (2015) who concluded that the mining sector is 'run by a combination of elite business people, always with good political connections, sanctioned groups (such as the well-connected Zimbabwe Women in Mining), and outsider investors with good political links, including a range of Chinese companies'.

PARLIAMENTARY OVERSIGHT

Whilst the Zimbabwean Constitution makes a clear provision of separation of powers between the executive, legislature and the judiciary, power is concentrated in the executive. Section 119 of the Constitution of Zimbabwe stipulates the role of Parliament as follows:

> *(*1) Parliament must protect this Constitution and promote democratic governance in Zimbabwe.
>
> (2) Parliament has power to ensure that the provisions of this Constitution are upheld and that the State and all institutions and agencies of government at every level act constitutionally and in the national interest.
>
> (3) For the purposes of subsection (2), all institutions and agencies of the State and government at every level are accountable to Parliament.

Nevertheless, the legislature has not been permitted to play its oversight role especially where the mining sector is concerned. The Parliamentary Portfolio Committee on Mines and Energy was denied the right to exercise its oversight role on Marange between 2010 and 2012. Below is an excerpt from the Committee's report on diamonds:

> The Committee conducted its first field visit, in 2009 where it went to Murowa Diamonds in Zvishavane, River Ranch in Beitbridge and Marange Resources in Chiadzwa. During that period government had not yet signed any joint venture agreement with any company to operate in Marange. After a number joint venture agreements were signed from the period 2010 onwards, the Committee was denied entry twice to conduct on-site enquiries. The Committee was only granted entry into Marange in 2012, two years later after the enquiry had begun…. The Committee failed to conduct a public hearing with the community living in Chiadzwa and was advised that it was inappropriate due to security reasons.

The committee also reported that some company and government officials lied under oath whilst giving evidence, adding that 'there seemed to be a lot of influence by the Ministry of Mines in discouraging these company officials from attending the Committee's hearings'. Apart from being denied access to Marange 'the Committee was constantly mobbed by security agents during the three day encampment in Mutare', added the report. The excessive executive interests to deny transparency in the extractive sector has led to claims that the executive including the highest office on the land indirectly benefitted through fronting companies. The Chrome report by the Parliamentary Portfolio Committee on Mines and Energy in in June 2013 corroborates evidence of corrupt issuing of licences to mining companies. Below are excerpts from the report

The Committee had an opportunity to meet seven Chinese companies operating in the country. The Committee was concerned that out of the seven companies, only one company was able to confirm that it had adequate documentation legalising its operations in the country. The rest of the companies were evasive on how they acquired legal authority to operate in the country. When the Committee made a field visit to one of the Chinese owned mines, Sanhei in Guruve, the workers complained of labour abuses, such as low pay and long working hours.

Mining communities

The Parliamentary Portfolio Committee on Mines and Energy had an opportunity to conduct two public hearings with the mining communities of Mapanzure in Zvishavane and Horseshoe in Guruve to assess the impact of chrome mining on their lives. The key issues that came out of the public hearings include:

(a)The mining companies did little in terms of real corporate social responsibility (CSR). CSR was ad hoc and was performed when a need arose in the community. The company provided assistance for example when a person is bitten by a snake or a pregnant woman is about to deliver and needs an ambulance. The communities' expectations on CSR were for bigger projects such as electrifying community institutions, rehabilitating roads and provision of educational materials in schools.

(b) The mining companies, had no respect for traditional authority, represented by the chiefs, because they began operating without consulting the chiefs and without getting an insight into the cultural values and practices of the area. At one time Chief Mapanzure ordered the miners to cease operations in his area of jurisdiction because the community was not benefiting. After negotiations, operations resumed but life of the community has not significantly improved.

(c) There were several conflicts between the miners and farmers over land. Some of the miners were taking over fertile agricultural land to mine chrome, hence creating food insecurity within the community.

(d) One person died from the Mapanzure community after falling into an unsecured open pit which had not been rehabilitated by Zimasco. Some of the open pits have not been rehabilitated for over 20 years. Both the Mapanzure and Guruve communities also complained that they had lost a lot of cattle which had fallen into the open pits and grazing land was slowing depleting as the miners continue to acquire more land for their operations.

(e)The community had a desire to be empowered through ownership of chrome claims, however they had inadequate information on how they could acquire these claims. At the same time the mining companies were not willing to share some of their claims with the communities.

Parliamentary effectiveness in Zimbabwe is also weakened by a high turnover of legislators during elections and the absence of a hand over take-over of parliamentary business from one committee to another. For instance the two reports produced by the 2009 - 2013 committee on mines and energy have not been taken up by the post 2013 Committee. Members of the current committee, including the Chairman told CNRG they had not seen the reports produced by the previous committee. There is also lack of capacity to tackle the governance issues in the sector as most of the legislators have not been trained on how to exercise their oversight role in the mining sector.

Parliamentary Portfolio Committee members from the ruling ZANU PF also fear to speak out against corruption for fear of repression. ZANU PF Parliamentary Portfolio Committee members told CNRG researchers that they can't speak out against corruption in the extractive sector as they risk being labelled Gamatox, a euphemism for those associated with expelled former Vice President Joyce Mujuru faction. The extractive sector is too sensitive as it involves very senior and powerful people in the ruling party and government. Others said this could be the reason why the current Chairman has completely ignored the reports produced by the previous committee. They said his predecessor, the late Chindori Chininga was perceived as a rebel, and hence he would not want to take up his reports for fear of being misconstrued as pushing Hon Chininga's agenda. Hon. Chindori Chininga died in a car accident two weeks after presenting the two reports in Parliament.

STRUCTURAL VIOLENCE

The conventional definition of violence implies physical harm inflicted on one person by another. In this paper we adopt the term structural or indirect violence. The term was coined by Johan Galtung in 1969. According to Galtung, when a war is fought there is direct violence since killing or hurting a person certainly puts his 'actual somatic realization' below his 'potential somatic realization.' He went further to argue that direct or personal violence is a type of violence where there is a visible actor who commits the violence. Galtung argues that structural violence is a type of violence 'that is built into the structure and shows up as unequal power and consequently as unequal life chances.'

Whilst there is little evidence of direct violence in most resource rich areas in Zimbabwe, there is evidence of deprivation, fear[8] and exclusion. Living conditions of most mining communities are contributing to low life expectancy for the community and a much better life expectancy for mine owners and executives who use their mining profits to access world class health institutions. Below are some of the selective case studies which underpin the widespread structural violence in Zimbabwe's extractive sector.

[8] . In all the communities visited during the course of this research, local people were initially afraid to open up to the CNRG team for fear of possible retribution.

HWANGE COLLIERY

Two massive economic activities sustain Hwange: coal mining and power generation. Hwange Thermal Power Station is the biggest power plant in Zimbabwe with a capacity of 920MW. The plant consumes about 107,000 cubic metres of water per day and 1750 tons of coal per hour. The coal is sourced from the colliery. According to the Union of Concerned Scientists, an average 500MW coal plant each year emits:

- 10,000 tons of sulphur dioxide. Sulphur oxides (SOx) are the main cause of acid rain, which damages forests, lakes and buildings.
- 10,200 tons of nitrogen oxide. Nitrogen oxides (NOx) are a major cause of smog, and also a cause of acid rain.
- 3.7 million tons of carbon dioxide. Carbon dioxide (CO2) is the main greenhouse gas, and is the leading cause of global warming.
- 500 tons of particulate emissions, or soot. Small particulates are a health hazard, causing lung damage. Particulates smaller than 10 microns are not regulated, but may soon be regulated.
- 220 tons of hydrocarbons. Fossil fuels are made of hydrocarbons; when they don't burn completely, they are released into the air. They are a cause of smog.
- 720 tons of carbon monoxide. Carbon monoxide (CO) is a poisonous gas and contributor to global warming.
- 125,000 tons of ash and 193,000 tons of sludge from the smokestack scrubber. A scrubber uses powdered limestone and water to remove pollution from the plant's exhaust. Instead of going into the air, the pollution goes into a landfill or into products like concrete and drywall. This ash and sludge consists of coal ash, limestone, and many pollutants, such as toxic metals like lead and mercury.

Below are some of the critical issues that were raised:

AIR POLLUTION

Hwange Colliery is a typical feature of structural violence. Upon entering Hwange the two CNRG researchers were welcomed by heavy smoke and pungent dust. Heavy plumes of smoke from the giant power plants could be seen billowing into the sky. Prevailing winds from the East blowing westwards across the colliery carries this dust to the Madumabise villages 1, 2 & 3 located on the western side of the colliery. During the meeting with community women, it was revealed that coal mining and processing was causing severe health problems to the community. It was said lung diseases and tuberculosis were perennial killer diseases in the area. The women said they do not know the full extent of the health impacts of the air they inhale from the colliery since they did not have money to visit medical practitioners. Hwange colliery has no free health delivery service to the community even though its operations are harmful to public health.

It was also noted that during the dry season there is a thick layer of black substance from the colliery over vegetation throughout the region. Livestock eat the contaminated vegetation which is causing diseases and death. Further, community members said of late there has been a high rate of livestock miscarriages in the area which they attribute to eating and drinking polluted vegetation and water. They said the declining livestock population is affecting their means of livelihood. Several women also complained of itching eyes due to coal dust.

WATER POLLUTION

Pollution of surface and underground water reserves was also cited as a major health problem for the Madumabisa community. The community noted that the coal dust emitted from the colliery is washed into open drinking water sources causing stomach problems. River and underground water has turned dark in colour, due to coal pollution.

CLIMATE CHANGE

The community members also complained of erratic, unpredictable rainfall patterns. They say annual rainfall totals have been declining over the years, thereby affecting food security. Although the community could not explain how coal mining and processing affects rainfall patterns, they strongly believed the colliery has contributed to the adverse climatic conditions prevailing in the area.

DTZ OZGEO

DTZ OZGEO is a joint venture between the Development Trust of Zimbabwe and a Russian company – All Russian Foreign Economic Association on Geological Prospecting (ECONEDRA). The company has been doing open cast alluvial gold mining along Mutare River since 2004. A former Board member, remarked 'from 2007 up to May 2010 about 4.5 kilometres area has been extracted using open cast mining methods.' The company has degraded Mutare River and expropriated agricultural land that sustained hundreds of families for several decades. Mutare River has virtually disappeared for a stretch of about 5km due to the constant shifting of the river course. At the peak of its operations DTZ OZGEO claimed to be employing 400 employees at its Penhalonga and Chimanimani mines. The company has since retrenched over 90% of its labour force following its forced closure by the Environmental management Agency in 2013. Interviews with some of the former employees revealed bad working conditions which included poor remuneration, violation of labour laws, workers going for months without being paid and unsafe working conditions.

The company did not build a single staff house in Penhalonga and Chimanimani nor did it help in service delivery such as provision of portable and safe drinking water, health and education. DTZ OZGEO was renting some of the properties left behind by Metallon Gold for its employees. Some of the employees were housed at the Forestry Industries Training Centre (FITC) just outside Mutare and in Imbeza area.

The company has been blamed for the deaths of more than 5 artisanal miners. The miners are believed to have been murdered by the company security guards after being caught panning for gold between 2011 and 2013. Community members told CNRG that the company allegedly bribed the Zimbabwe Republic Police to have the murder cases swept under the carpet.

DTZ OZGEO reflects the face of resource politics in Zimbabwe. Whilst the DTZ has five projects including the Greencroft Coffee Estate in Mutare, Nuanetsi Cattle range in Masvingo and a sugar project in Chiredzi, the company has of late concentrated more on mining in Penhalonga and Chimanimani. During a meeting with traditional leaders in Mutare in June 2011 President Mugabe admitted that ZANU PF owns DTZ company. The President also noted 'the party had not realised any revenues coming from them [the DTZ company],' citing lack of transparency in the company operations.

As first secretary of ZANU PF President Mugabe is responsible for appointing the board members of DTZ. Responding to traditional leaders concerns, especially from Chimanimani, that their communities were not getting any benefits from the mining operations of DTZ- Ozego in their area. President Mugabe told the meeting with traditional leaders that he had personally met with the company's leadership in December 2010 where he told them to be transparent:

> 'We have not realised any real revenue coming from them and they are saying they are having some difficulties…..I talked to some of the directors during our December People's Conference here in Mutare and I told them that they were remaining too much in isolation and it was time they become transparent……We will pursue the matter because we want to know what they are doing……We want our people, especially our children to benefit through this company,' said President Mugabe.

On the surface it appears government is upset with DTZ OZGEO operations but the fact that the company continued operating without full disclosure even after the President's remarks shows they have strong backing from the higher circles in the state. If government doesn't know what a mining company is doing the only logical thing to do is to stop the company from operating until mechanisms to monitor its operations are firmly in place. DTZ OZGEO was forced to temporarily shut down due to environmental concerns and not because of its lack of transparency. At a community meeting held by CNRG local artisanal miners complained of constant harassment by the police whilst some women complained of land grabbing by the company. Others raised concerns over desecration of graves by the company in its pursuit of gold. Graves of infants that were buried along the river banks (according to the local culture infants are buried along river banks) have disappeared.

Whilst the community feels that the closure of DTZ OZGEO was good for them as it stopped pollution, land grabbing and further destruction of the Mutare River, some very senior government officials are demanding that DTZ OZGEO reopens (Dapira, 2015). In 2015 Vice President Mphekezela Mphoko visited Penhalonga and vowed that he will ensure the company will be reopened. In June 2015 President Mugabe appointed a new 15 member board for DTZ which comprised of senior ZANU PF officials: Simon Khaya Moyo was appointed Chairman of the Board. All board members are political elites or are strongly connected to the ruling party.

A CULTURE OF FEAR

A culture of fear and terror is evident in resource rich communities. Residents are reluctant to discuss impacts of mining with strangers. Within communities there are political activists who monitor who goes in and out of the community.

GOVERNMENT HIDING BEHIND COMPANIES

Is it the duty of mining companies to develop communities? This question was raised by a company executive during the field interviews. The mining executive told CNRG that their company had an elaborate CSR program in addition to paying their statutory obligation to central government and local authorities. He noted that what was rather disturbing was that senior government officials were demanding bribes from them, thereby making the operating environment very difficult. He also told CNRG researchers that companies were forced to donate to national events such as Independence and Heroes day commemorations and the President's birthday celebrations. He went further to narrate how their company was forced to do some CSR projects in certain constituencies to prop up ruling party support. This, according to the mining executive, has resulted in companies slowing down on their planned CSR projects in order to remain in business.

Efforts to verify whether these companies were indeed honouring their statutory obligations to the fiscus and local authorities were fruitless as the Ministry of Mines, Ministry of Finance and Zimbabwe Revenue Authority declined to share this information.[9] Lack of access to information regarding the mining value chain is a critical factor inhibiting transparency and accountability in Zimbabwe's extractive sector. It also shows the strong ties between government and extractive industries and the exclusion of other stakeholders in the entire mining value chain. This culture of secrecy means communities and civil society cannot hold mining companies accountable as they do not know whether or not they were fulfilling their contractual and statutory obligations.

[9] Responses from ZIMRA (Annex 1) and Ministry of Finance (Annex 2) are appended to this report.

COMMUNITY EXPECTATIONS – HOPE DEFERRED

When a mineral resource is discovered, the expectations of the community are often very high. This is often because politicians rush to claim credit for bringing investment to the community and making inflated predictions of the impact. International mining companies compound this by issuing optimistic statements aimed at exciting investors which are leaked back to the communities by national newspapers. The grim reality however is that save for a few employment opportunities when mine development begins, very few benefits flow to the government or community for many years.

These expectations are further dampened if the political elite mismanage the resource revenues and fuel conflict when the communities realise that they have a lower standard of living than when the mine did not exist. While communities in Zimbabwe have historically been prioritized for employment by mines, the rise in mechanization of mines means mines increasingly require specialised workers with scarce skills sets and, thus, in the short term, at least, have to bring in workers from elsewhere in the country. The longer such a situation continues, the more likely it is to entrench the idea in the local communities that they have a minimal stake in the mining project. This results in discontentment which fuels dissatisfaction and resentment.

Government too has expectations which are often not met by resource revenues that are remitted by mining companies. After a decade long economic melt-down and under pressure to grow the economy, Zimbabwe's government has resorted to continually increasing royalties and mining taxes while demanding an equity stake through Indigenization regulations. Yet beneficiation which realises greater value remains in the hands of developed countries. The new economic blue-print, ZimASSET pins economic growth on local beneficiation of minerals. The government has been engaged in a protracted struggle with platinum-mining companies over the construction of a local refinery and it has recently gazetted legislation that makes the cutting and polishing of 10% of Zimbabwe's diamonds locally mandatory.

CORRUPTION

Corruption and the entanglement of the political elite in the mining industry is the hallmark of poor natural resource governance. The 2013 Transparency International Corruption Perceptions Index assigned Zimbabwe a score of 21 out of 100 points, where zero indicates a highly corrupt score and 100 indicates a clean score (Zimbabwe, n.d.). Of the 177 countries included in the index, Zimbabwe was ranked at number 157 making it the most corrupt nation in the SADC region. Further, the 2013 results of the Global Corruption Barometer also painted a grim picture. A total of 45% of respondents suggested that corruption in the public sector was a serious problem, while 48% deemed government responses to corruption to be either ineffective or very ineffective. A variety of institutions in the country were also perceived as corrupt: 74% cited public officials or civil servants were corrupt or very corrupt, while 58% cited the same of political parties.

ECONOMIC, SOCIAL AND ENVIRONMENTAL RIGHTS

Zimbabwe is one of 48 African States that are signatories to the United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR) which requires member States to recognize rights such as the right to health, to education, to participating in cultural life, and maintaining an adequate standard of living (including housing).[10]

[10] United Nations International Covenant on Social, Economic, and Cultural Rights, Adopted by General Assembly Resolution 2200 (XXI) of 16 December 1966, http://www.un-documents.net/icescr.htm.

The New Constitution

> Section 13 Part (3) and (4) of Zimbabwe's new constitution state that the State and all institutions and agencies of government at every level have an obligation to, "...protect and enhance the rights of the people, particularly women, to equal opportunities in development [and] the State must ensure that local communities benefit from the resources in their areas".[11]

Right to Culture

Zimbabwe's constitution states that "Every person has the right to participate in the cultural life of their choice".[12] The ICESCR Committee on Economic, Social, and Cultural Rights produced General Comment 21 in 2009 which states that the minimum core obligation of the ICESCR is to:

> "To allow and encourage the participation of persons belonging to minority groups, indigenous peoples or to other communities in the design and implementation of laws and policies that affect them. In particular, States parties should obtain their free and informed prior consent when the preservation of their cultural resources, especially those associated with their way of life and cultural expression, are at risk."[13]

Right to Adequate Housing

The new constitution, in Section 74, declares that "no person may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances". The United Nations "Basic Principles and Guidelines on Development-Based Evictions and Displacement" state that evictions in exceptional circumstances must be:

a) authorized by law;
b) carried out in accordance with international human rights law;
c) undertaken solely for the purpose of promoting the general welfare;
d) reasonable and proportional;
e) regulated so as to ensure full and fair compensation and rehabilitation; and
f) be carried out in accordance with the present guidelines.[14]

These requirements apply regardless of whether persons or groups hold title to their home or property under domestic law.[15] This clarifies the application of these guidelines to Zimbabwe where most minerals are found on Communal Land on which communities do not hold any title. Further, the guidelines state that "The right of affected persons, groups and communities to full and prior informed consent regarding relocation must be guaranteed" and call on States to "provide all necessary amenities, services and economic opportunities at the proposed site."[16] Although the guidelines note that States have the obligation to apply human rights, they also note that this does not absolve transnational and other corporations or international financial institutions of their responsibilities.[12]

Additionally, the 2001 United Nations "Guiding Principles on Internal Displacement" prohibit displacement of communities for large-scale development, except when there are "compelling or

[11] Constitution of Zimbabwe Amendment (No. 20) of 2013.
[12] Section 63.
[13] Committee on Economic, Social, and Cultural Rights, "General Comment No. 21: Right of Everyone To Take Part in Cultural Life," [E/C.12/GC/21] (December 21, 2009),
[14] United Nations, "Basic Principles and Guidelines on Development-based Evictions and Displacement," 13 and 21 (2007), http://www.ohchr.org/Documents/Issues/Housing/Guidelines_en.pdf.
[15] Ibid. 21.
[16] United Nations, "Basic Principles and Guidelines on Development-Based Evictions and Displacement," 56e

overriding" public interests. The guidelines call for certain guarantees when displacement occurs (in non-emergency situations), including:

- seeking the free and informed consent of those that will be displaced;
- informing communities about the reasons and procedures for displacement, as well as about compensation and relocation;
- Involving communities (especially women) in the planning and management of the relocation; and ensuring access to legal remedy.

The guidelines also note that "States are under a particular obligation to protect against the displacement of indigenous peoples, minorities, peasants, pastoralists, and other groups with a special dependency on and attachment to their lands."[17] In the event that a community is relocated, the community's rights to education, health care and food and water should be respected.

Labour Rights

Section 65 of the new constitution outlines the labour rights which include rights to safe working conditions, fair and reasonable wages, participation in trade union activities and collective job action (e.g. strikes and sit-ins), and the right of women to fully paid maternity leave.

Environmental Rights

> "Every person has the right to an environment that is not harmful to their health and to have the environment protected for the benefit of present and future generations"[18], states the new constitution.

The African Convention on the Conservation of Nature and Natural Resources requires parties to take measures to facilitate "active participation of the local communities in the processes of planning and management of natural resources upon which such communities depend with a view to creating local incentives for the conservation and sustainable use of such resources."[19]

MINES AND MINERALS ACT

Zimbabwe's 1961 Mines and Minerals Act (chapter 21:05) vests minerals in the President, and not in the people. The President has an obligation to fulfil the public good or hold the minerals in trust for the benefit of all citizens. Under the Act, Mining companies are given the legal power to acquire mineral rights over agricultural land and even in environmentally sensitive areas. What is more alarming is that in the event of acquisition of communal lands to pave way for mining it is the Rural District Council, not the actual victims, who must be compensated. Section 188(7) states that:

> Subsections (2) to (6) shall apply in respect of Communal Land as if all Communal Land within the area under the jurisdiction of any one rural district council were a holding and the rural district council were the owner thereof: Provided that any payments due in terms of subsection (2) in respect of such Communal Land shall be paid to the District Development Fund referred to in section 3 of the District Development Fund Act [Chapter 29:06].

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[17] United Nations, "Guiding Principles on Internal Displacement," Principle 6, 7, and 9 (2001) http://www.unhcr.org/43ce1cff2.html.

[18] Section 73.

[19] African Convention on the Conservation of Nature and Natural Resources, African Union, Adopted by the 2nd Ordinary Session of the Assembly of the Union, Articles 17.2 and 17.3 (2003), http://www.africaunion.org/root/au/Documents/Treaties/Text/nature%20and%20natural%20recesource.pdf.

The above provision is the main reason why mining companies are displacing villagers without compensating them. It is also the main reason why government is silent when communities are displaced by mining companies. In fact government has sometimes deployed the state security agents to enforce displacement of villagers as was the case of Marange.

THE COMMUNAL LANDS ACT

Whilst the Mines and Minerals Act empathizes the rights of miners, the Communal Lands Act ironically puts the record straight on the supremacy of mining over surface land rights. Under the Communal Land Act Chapter 20:04 all Communal Land is vested in the President. Thus only the President has the power to declare that a certain section of State Land is now Communal Land, and vice versa. In order to use Communal Land for agricultural or residential purposes one has to get 'consent' from the Rural District Council (RDC) in charge of the area. The RDC has to consider customary law relating to allocation, occupation and use of land and is required to consult and cooperate with traditional Chiefs appointed to preside over particular communities. Section 7 (2) of the Act further criminalises the occupation of communal land in the absence of lawful authority. The crime is punishable by up to a year sentence or level six fine (or both).However, the RDCs are required to provide consent to people who have traditionally and continuously occupied the land. This however belies the stark reality that the Act undermines community rights and exposes communities to undignified eviction should the state decide to use the land for other purposes. Section 10 (2) of the Act states:

'Subject to this section, after consultation with any rural district council established for the area concerned, the Minister may set aside any land contained within Communal Land, other than land referred to in subsection (1), for any purpose whatsoever, including a purpose referred to in subsection (1), which he considers is in the interests of inhabitants of the area concerned or in the public interest or which he considers will promote the development of Communal Land generally or of the area concerned'.

It is essential to note that there is no provision for consultation of the affected communities' or their traditional leaders, even though they are authorised by the Rural District Councils to settle people on communal lands. Section 10(3) (b) is even more drastic. It empowers the minister to publish a statutory instrument

'ordering all persons, or such class of persons as the Minister may specify in the notice, who are occupying or using the land concerned, otherwise than by virtue of a right held in terms of the Mines and Minerals Act [Chapter 21:05], to depart permanently with all their property from the land concerned within such reasonable period as the Minister shall specify in the notice...'

Subsection 7 weighs in with a threat of imprisonment to those who will resist permanent eviction from their ancestral land:

'Any person who, without just cause, fails to depart permanently from any land in accordance with a statutory instrument published in terms of subsection (3) shall be guilty of an offence and liable to a fine not exceeding level six or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.'

The Act also empowers the Minister of Lands to set aside communal land for:

1. townships, villages, industrial areas and business centres

2. irrigation schemes

3. any other purpose which the Minister deems beneficial to the community

Regarding compensation over loss of agricultural land, the Act states that the affected persons shall, 'so far as is reasonable and practicable, be given a right to occupy or use alternative land', adding that 'if no alternative land is available and no agreement has been reached as to compensation, Parts V and VIII of the Land Acquisition Act [Chapter 20:10], shall apply, mutatis mutandis , in respect of such dispossession or diminution.' Whilst the law is firm and clear on the sort of punishment to be meted on those who refuse to vacate communal land when ordered to do so by the Minister, It is vague on where the evictees must go or who is responsible for their resettlement. Apart from asserting the right of the evictee to 'occupy or use alternative land' the law does not outline consequences for the evictors if they fail to avail alternative land.

Further, part V and VIII of the Land Acquisition Act (1992) referred to in the Communal lands Act as the ultimate solution to compensation disputes was designed to deal with 'agricultural land required for resettlement purpose' and not to communal land acquired from indigenous Zimbabweans for mining and developmental purposes. In fact the Act was designed to make it easier for government to acquire land from white commercial farmers for the purpose of resettling black Zimbabweans. It is also highly unlikely that rural Zimbabweans have the resources and information to approach the compensation committee to claim compensation. Additionally, due to the politics surrounding the land question from colonial times to date, villagers may not be courageous enough to mount legal challenges for fear of victimization. Even if they were to mount court challenges, the probability of winning is slim due to the bias and inadequacy of the Communal lands Act which vests communal land in the President and allows indigenous Zimbabweans only the right to 'occupy and use' the land without owning it.

MINING PROJECT IMPACT ASSESSMENTS

Traditionally, mining laws across the globe have required mines to carry out Environmental Impact Assessments (EIAs) in order to obtain a licence. EIAs analyse the environmental baseline of a project-affected area and determine potential impacts of the project on the area. The requirement to conduct Environmental Impact Assessments in Zimbabwe is affirmed under the Principle 17 of the Rio Declaration on Environment and Development, Article 5 of the Legal Principle for Environmental Protection and Sustainable Development adopted by the Experts Group on Environmental Law of the World Commission on Environment and Development. This is also reinforced under the 1987 Goals and Principle of Environmental Impact Assessment adopted by the UNEP Governing Council at its 14th session and commended to States for use as a basis for preparing appropriate national measures including legislation. This requirement in the context of trans-boundary impacts was also incorporated in the 1984 ECA Council Resolution on Environmental and Development in Africa.

However EIAs do not incorporate detailed analysis of impacts on communities and socio-economic issues. In Australia, for example the state of Queensland recently passed regulations requiring more extensive social baseline work and social impact management planning in advance of permit approvals. The regulations call for data to be gathered on categories such as community history and culture, income and cost of living, population, social infrastructure, workforce participation, employment and diversity profile, housing and accommodation, education and training, and transportation. This process is called Environmental and Social Impact Assessment (ESIA).

Australia is one of 31 member countries of the Organisation for Economic Co-operation and Development (OECD), a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD advocates for the introduction of sustainability impact assessments (SIAs). A SIA is an approach for exploring the combined economic, environmental and social impacts of a range of proposed policies, programmes, strategies and action plans within OECD member countries (OECD, 2013).

COMMUNITY DEVELOPMENT AGREEMENTS AND BEST PRACTICE

Most company-community understandings are informal and often verbal agreements. There is a growing argument for expanding and formalizing these agreements. Several countries are encouraging or requiring companies to negotiate such agreements, currently known as community development agreements (CDAs) in advance or as part of project development. Papua New Guinea, Mongolia and Nigeria each have a provision in their mining law requiring the mining license or contract holders to negotiate and enter into CDAs to facilitate the transfer of social and economic benefits to host communities.

CDAs can help define the relationship between mining companies and impacted communities, including the roles of local and national governments and non-governmental organizations. They often express a mining company's commitment to corporate social responsibility. CDAs vary in coverage but primarily focus on those issues most pertinent to impacted communities, including employment and economic development, land use, services, infrastructure and processes for bringing grievances. They may include company employment commitments, specific local infrastructure commitments, or specific social services.

The World Bank Mining CDA Resource Book (2012) identifies two main visions for a CDA;

1. Improving relationships among companies, companies, governments, civil society, and other stakeholders, and
2. Promoting sustainable and mutually rewarding benefits from mining projects, including pro-poor initiatives and other strategies which may go beyond the immediate scope.

This process seems to be most advanced in Australia and Canada where benchmark agreements were signed in the 1990s directly between mining companies and aboriginal groups, and continue to be negotiated today. The creation of a CDA can also flow from corporate response to significant conflict with local communities. When BHP Billiton acquired the Tintaya Copper Mine in 1996 in Peru, it ran into widespread community discontent related to the land acquisition process and unfavourable treatment of the local community when the mine was under state ownership. The Tintaya Dialogue Table was created to provide a forum for addressing these grievances and an agreement was finally reached with the five communities in 2004, covering issues of compensation and monitoring and establishing a community development fund (Revenue Watch, 2013).

FIGURE 1: A PERUVIAN WOMAN LOOKING AT THE TINTAYA OPEN PIT

Agreements negotiated with the Indigenous Peoples of Canada provide particularly good examples. The Benefits Impact Agreement between Diavik Diamond Mines Inc., Rio Tinto and five neighbouring aboriginal groups in Northwest Territories is illustrative. The agreement requires that contracts between the mining company and local groups within the operation area remain in force for the life of the mine. The Raglan agreement between the Inuit in Canada and the mining company is another example. It sets forth those goods and services which must be the subject of direct contract negotiations solely with an Inuit Enterprise. The contract identifies such work and services as air transport, catering and hotels, road maintenance, diamond drilling, ground transportation of supplies, trucking of concentrate, fuel transportation, environmental research monitoring and baseline studies and on-site preparation of explosives. In 2007 the United Nations General Assembly endorsed the UN Declaration on the Rights of Indigenous Peoples. Zimbabwe is a signatory to the declaration. Of particular interest is Article 32(2) which states that:

> 'States shall consult and cooperate in good faith with indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.'

While such international laws only govern the activities of countries and not of companies, these obligations mean governments cannot enter into mining contracts that contravene such international conventions. Zimbabwe is also signatory to the 1948 Universal Declaration of Human Rights, Agenda 21 adopted at the 1992 UN conference on Environment and Development, the International Labour Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work, the ILO Convention 169 which recognizes the right of indigenous peoples to participate through their traditional organizations in all government decisions affecting them, the 1981 African Charter on Human and People's Rights and the 2003 Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa.

FREE, PRIOR AND INFORMED CONSENT (FPIC) IN THE EXTRACTIVE SECTOR

Since 2009, the Economic Community of West African States (ECOWAS), African Commission on Human and Peoples' Rights (ACHPR), Pan-African Parliament, and Africa Mining Vision have all called on States to respect the FPIC of local communities that face potential impacts from mining, hydrocarbon development, or natural resource projects more broadly (Greenspan, 2014).

In May 2012, ACHPR issued a resolution calling on States to ensure local participation in decision making related to natural resource governance. The resolution specifies that States should take all necessary measures 'to ensure participation, including the free, prior and informed consent of communities.'[20] ACHPR notes concern over the 'disproportionate impact of human rights abuses upon the rural communities in Africa that continue to struggle to assert their customary rights of access and control of various resources, including land, minerals, forestry and fishing.' In this context, ACHPR introduces FPIC as a safeguard to counter risks associated with natural resource projects entailing elevated human rights risks.

The Africa Mining Vision report highlights challenges that involve ensuring local community and civil society input into mining decision making and refers to a 'new social contract for mining' that would balance local benefits with national poverty-alleviation efforts. The report notes emerging strategies including, for example, new legal instruments to facilitate local community participation; multi-stakeholder partnerships of government, private sector, and local communities; and efforts to

[20] African Commission on Human and Peoples' Rights, 224: Resolution on a Human Rights-Based Approach to Natural Resources Governance (May 2012), http://www.achpr.org/sessions/51st/resolutions/224/ .

promote 'public participation to secure consent for government and industry actions.'[21] Importantly, the framework describes public participation not just as consultation, information sharing, and dispute resolution but also as 'participatory decision making.'

In December 2011, the African Union Conference of Ministers responsible for mineral resources also adopted an action plan for implementing the Africa Mining Vision entitled 'Building a sustainable future for Africa's extractive industry: From vision to action.' Among its activities aiming to promote a well-governed and inclusive mining sector, the plan calls on States to 'develop instruments to domesticate the Protocol of Free Prior Informed Consent with respect to communities affected by mining.' National-level activities should also aim 'to strengthen the capacity of local governments, communities, CSOs and mining companies to make informed decisions on mining projects.'[22] This language makes clear to States that the standard for community inclusion in decision making has evolved beyond mere consultation to FPIC.

The World Bank Group first explored the issue of FPIC in its 2004 Extractive Industries Review (EIR), which examined whether extractive industries can be compatible with sustainable development and poverty reduction. In 2012 the International Finance Corporation (the private-sector lending arm of the World Bank Group) instituted an FPIC requirement when clients' projects stand to affect indigenous peoples under certain circumstances.[23] The IFC's policy on indigenous peoples applies to groups possessing four characteristics: self-identification (and recognition by others) as indigenous; collective attachment to land and natural resources; customary institutions separate from mainstream society or culture; and a distinct language or dialect.[24]

IFC plays an important role as a standard setter for companies and banks, including more than 70 Equator Principle Financial Institutions[25] that have also recognized the requirement for FPIC in their standards, known as the Equator Principles. These consist of voluntary standards for identifying and managing social and environmental risk in project financing.[26]

IFC standards also include requirements for clients when projects entail community resettlement. IFC's Performance Standard 5 requires that clients: avoid forced eviction; avoid or minimize displacement by exploring alternative project designs; avoid or minimize adverse impacts through compensation at replacement cost and transparency and community participation in resettlement activities; improve or restore livelihoods of displaced persons; and improve living conditions of physically displaced persons through the provision of adequate housing with security of tenure.[27]

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[21] African Union, "Africa Mining Vision," 11, 12 (February 2009), http://www.africaminingvision.org/amv_resources/AMV/Africa%20Mining%20Vision%20english.pdf .

[22] African Union Commission, African Development Bank, and United Nations Economic Commission for Africa, "Building a sustainable future for Africa's extractive industry: From vision to action," 25 (December 2011), www.africaminingvision.org.

[23] International Finance Corporation, "IFC Sustainability Framework," effective January 1, 2012, http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_site/IFC+Sustainability/Sustainability+Framework.

[24] See International Finance Corporation's Performance Standard 7 on Indigenous Peoples and accompanying guidance note available at: http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/Performance+Standards+and+Guidance+Notes+2012/.

[25] For a list of members see http://www.equator-principles.com/index.php/members-reporting/members-andreporting.

[26] Equator Principles, "The Equator Principles III" (2013), http://www.equator-principles.com/index.php/ep3.

[27] International Finance Corporation, "Performance Standard 5: Land Acquisition and Involuntary Resettlement," (2012) http://www.ifc.org/wps/wcm/connect/3d82c70049a79073b82cfaa8c6a8312a/PS5_English_2012.pdf?MOD=AJPERES.

In order for consultations with communities to be meaningful, communities must have the option to give or withhold their consent for project development.

A 2010 study commissioned by oil company Talisman Energy Inc. that examined the benefits and challenges associated with implementing an FPIC policy found: ‘In light of global trends, it would be both timely and wise for Talisman to consider incorporating FPIC principles into its indigenous peoples or community policy’ (Lehr & Smith). Talisman subsequently adopted an FPIC policy.[28]

With regard to the mining sector, a 2011 study by researchers from Harvard Kennedy School and the University of Queensland found that a world-class mining project (with capital expenditure between $3 billion and $5 billion) stands to lose approximately $20 million per week in lost productivity as a result of production delays from social conflict (Davis & Franks, 2014). In Peru, mining giant Newmont reported that it lost approximately $2 million per day in the first few days alone after local protests paralyzed its Conga mining project (Reuters, 2012).

Much closer to home the protracted AMCU strike in South Africa has cost the platinum sector over R17 billion in lost revenue (Harvey, 2014). The striking mineworkers themselves have lost nearly R7.5 billion in wages. Ross Harvey believes that these are unlikely ever to be recovered, even if AMCU’s wage demands of R12500 for entry-level workers are realized within four years. Amplats (Anglo Platinum), the largest of the affected platinum companies, is now looking to sell its assets, and strong incentives exist for companies to mechanise by switching labour for capital. Either way, the likely restructuring after the strike will mean that many workers will lose their jobs.[38] Strikes have diverse impacts on the broader economy include gradual disinvestment by mining companies, which negatively impacts upstream and downstream sectors, along with a foregone consumption multiplier effect through wages not being cycled through the retail and services sectors.[38] It can be seen that conflict is a means through which environmental and social risks are translated into business costs.

[28] For more information on this policy, see http://www.talisman-energy.com/.

DISCUSSION OF RESULTS

Some interviewees from mining companies were reluctant to disclose information on their operations to CNRG, citing company protocols but DTZ OZGEO and Bikita Minerals availed themselves to the CNRG researchers for interviews. However, in some instances the information supplied by company officials was refuted and sometimes contradicted by community members interviewed. The research showed that there is deep animosity and suspicion between mining companies and surrounding communities. First there is a crisis of expectation emanating from the promises given by government when introducing a mining project to a community. The unfulfilled promises include jobs, infrastructure, agricultural support, improved health, education and recreational facilities. Consequently mining communities are in deep frustration with mining companies for failing to deliver community expectations yet mining companies blame the government for raising unrealistic expectations for political expediency. Some company officials told CNRG researchers that they feared refuting government promises.

Mining companies included in the sample had connections with senior ruling party politicians. For instance company executives at Bikita Minerals referred some of the most critical questions to a former cabinet minister who is the majority shareholder in the company. Meanwhile all board members of DTZ are senior ZANU PF officials who include current and former cabinet ministers. Interviewed respondents also cited the involvement of military officials in some of the mining companies. This was cited as a major cause for human rights abuses and poor labour relations by mining companies.

Poor labour relations and disregard of workers' rights has a negative impact on brands of most mining companies in Zimbabwe. Interviewed companies' officials generally agreed that bad publicity and poor relations with local communities can seriously affect the brand of a company's products. Some gave the example of a dip in profits by Lonmin after the 2012 massacre of 34 striking workers. When the report of the Marikana Commission of Inquiry implicated the Lonmin management in the massacre, Lonmin shares at the London Stock Exchange were down 3.4 percent by 0900 GMT after hitting a 3-1/2 month low earlier in the session and were among the worst performers in the FTSE-250 midcap index (Antonioli, 2015). The failure by civil society to use the "language of costs" was seen as a key obstacle to reaching two key audiences: senior management and shareholders. Business executives understand the language of profits and it is important for civil society to highlight how bad mining practices and poor relations can cost the company of millions of potential profits.

The research shows that the triggers of company-community, company-workers and company-government conflict are increasingly predictable, yet it is clear that not enough companies are using root cause analysis or similar processes to evaluate such incidents and learn the relevant lessons. Most companies already have in place systems and processes that can be utilized in identifying and preventing costs arising from conflict, which include impact assessments and operational-level grievance mechanisms.

The key decision makers in mining companies that is senior management often fail to find the necessary time to prevent and address the root causes of conflicts. Management fails to build sustainable relationships through engagement with local communities and their workers yet also conflict between Senior management and government arises when government realises it has conceded too much to mining companies and tries to renege on its initial agreement. These conflicts have played out on the beneficiation and Community Share Ownership Trust Schemes (CSOT).

TYPES OF COSTS THAT MAY BE EXPERIENCED BY EXTRACTIVE COMPANIES AS A RESULT OF CONFLICT WITH LOCAL COMMUNITIES	
Security	Payments to state forces or company security contractors Increased operational costs of security: fences, patrols, escorts, transport, alarm/leak monitoring systems, reduced mobility Increased security training and management: staff time, lost production, cost of programs
Project modification	Design modification costs: application, redesign, legal Additional works
Risk management	Insurance: higher premiums and coverage, risk rating, withdrawal of coverage Legal and conflict expertise: specialist training for staff, additional staff
Material damage	Damage or destruction to private property or infrastructure Damage or destruction to public property or infrastructure
Lost productivity	Operations discontinued: voluntary closure or enforced through injunction Temporary shutdown of operations Lost opportunity for future expansion and/or for new projects Disruption to production: temporary or indefinite delays, absenteeism Delays in deliveries/supplies Greater regulatory burden/scrutiny
Capital	Loss of value of property: full write-off, other depreciation, sale at a loss, theft Inability to repay debt or default on debt Difficulty raising new capital Share price instability/loss in value (within relevant time period)
Personnel	Staff time spent on risk and conflict management Costs of remediation: meetings, negotiations, mediators Hostage-taking: ransom payments, rescue operations, compensation Arrests of staff Injuries to staff and fatalities Low morale and stress-related effects Retention: higher salaries, compensation packages, bonuses Recruitment: advertising positions, screening, interviewing, induction training
Reputation	Higher expenditure on public relations: consultants, dissemination of information Competitive loss/disadvantage: impact on brand, investor confidence
Redress	Compensation (out of court payments); Fines Increased social and environmental obligations: health care, education and training, provision of other services, clean-up and remediation costs Costs of administrative proceedings or litigation: costs of proceedings themselves, judgment/ settlement costs.

WORKERS' WOES: THE TALE OF RENCO MINE

Renco is an underground gold mining operation run by Rio-Zim Limited in the district of Masvingo Province. Rio-Zim was incorporated on August 29, 1956 as Rio Tinto Southern Rhodesia Ltd. Rio-Zim separated from Rio Tinto plc in 2004 and became a wholly owned Zimbabwean company that produces gold, coal, toll, nickel and copper. The company is listed on the Zimbabwe Stock Exchange (ZSE) (About, n.d.).

Contrary to its vision, the company has a very poor corporate social responsibility record under current ownership. The company's website does not show a "Corporate Citizenship" banner as shown by the screen-shot dump below:

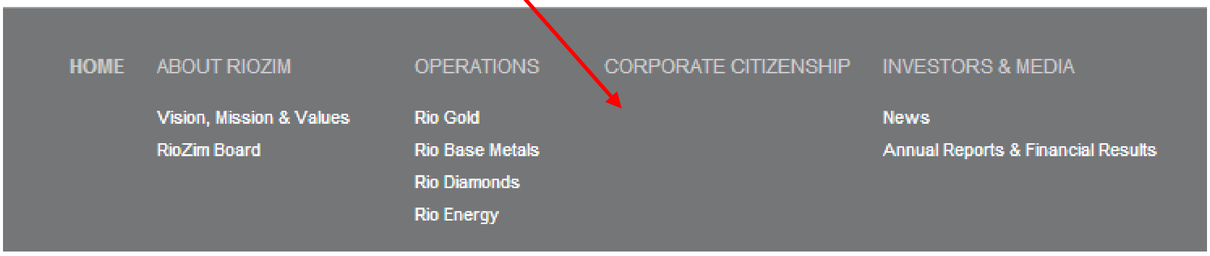

FIGURE 2: SCREEN-SHOT OF RIOZIM WEBSITE

COMPANY-GOVERNMENT CONFLICT

There exists conflict between the RioZim management and government officials even though they are all aligned with Zanu PF. The Masvingo South Member of Parliament at that time was accused of mobilizing the community to protest against Renco Mine as a ploy to take over the mine. He was taken to the High Court by the RioZim management led by then Group Managing Director, himself a Zanu PF member and former board member of the Zimbabwe Mining Development Corporation (ZMDC). The High Court ruled in the mine management's favour, effectively ordering the losers off the mine's premises. Appeals to the Supreme Court this order were unsuccessful. However one of the losing contestants been appointed by the community to help in negotiations with management given his employment history at Renco at a senior level (NewsDay, 2013).

COMPANY-COMMUNITY/WORKERS CONFLICT

On January 14th 2013 Renco Mine experienced the largest industrial action in its five decades long history. 800 wives of the mine's workers staged a demonstration and blockade which brought operations to a halt. The wives were bemoaning the low salaries and poor safety conditions at the mine. The women conducted a week long vigil which necessitated the mine's CEO and the Constituency's MP to come to address them. Renco Mine workers wives committee chair-person said that they were protesting on behalf of their husbands who could not strike out of fear of victimisation.

FIGURE 3: WORKERS' WIVES ENGAGING IN A DEMONSTRATION AT RENCO MINE (SOURCE: THE HERALD: 2013, JANUARY 16)

In April 2012 the Total Consumption Poverty Line (TCPL)[29] for an average of five persons per household stood at $539.00 (ZimSTAT, April 2012). Renco Mine's official payroll for April 2012 shows that of the mine's 1068 workers at the time, 971 earned a salary below the TCPL that is 91% of the mine's workers are wallowing poverty. To make matters worse, 731 workers (68%) were earning less than $250 with the lowest salary pegged at $187.98, a third of the TCPL.

FIGURE 4: SAFETY CLOTHING IN A DEPLORABLE STATE

In the focus group discussion, the women revealed that they had been backed by management to strike and block gold transportation. The management was bitter with the company's decision to withdraw their vehicle and schools fee benefits. Due to the week-long demonstration and blockade Renco Mine recorded a loss of $434 000 in January 2013.

Two days after the workers' wives began their demonstration, villagers from the surrounding community joined the protests, accusing the mine management of side-lining locals from employment, as well as polluting nearby streams with dangerous chemicals that led to the death of their cattle. In December 2010 nine beasts were poisoned by cyanide at the mine's discharge point which is located outside its perimeter fence. The Nyajena community is a pastoral community and their livelihoods depend on cattle. A company environment report from May 2013 highlights the poor waste discharge practices:

[29] This means that an average household required that much to purchase both food and non-food items for them not to be deemed poor.

'The location is currently discharging sewage treatment plant overflow into a nearby stream since the piping that channels the overflow to plantations, the stadium and dust suppression areas is damaged and currently non-functional. Funding of the project to resuscitate the system remains outstanding.'

FIGURE 5: RENCO MINE HAS ADMITTED TO POLLUTING THE STREAMS IN THE AREA

Corporate Social Responsibility

The company's corporate social responsibility is the mandate of the RioZim Foundation which was created on the 23rd of August 1974, by a notarial deed of donation and trust; with its administration vested in a board of trustees. In March, 1977, a further grant of one million shares in RioZim stock was made to the Foundation, bringing its shareholding to two million shares. Today the RioZim Foundation owns 6,003,579 shares or 11.25% (About, n.d.), making it the third largest shareholder in RioZim. Dividends from this block of shares provides an annual income to the RioZim Foundation which are meant to enable its trustees to engage in development projects for the benefit of the local people. Under previous ownership and administration (in the Rio-Tinto plc era) the Foundation created the Bulawayo technical school in 1975, built the Tugwane dam and irrigation scheme, and established a running partnership with Jairos Jiri Foundation.

The Foundation's CSR activities under the RioZim ownership have been questionable. The Foundation's new CEO, claimed, 'The resources are limited, but our hearts and minds are in the right place. We are launching a platform for partnerships.' This has seen the organization approach embassies and donor agencies for support. One observer believes that the dividends remitted to the Foundation have been mismanaged. She asks, 'From a close look at the share register, it would appear that management may not have an equity stake. But who controls the [11%] share of the RioZim foundation, a trust that was left by the previous owners RioTinto for the benefit of charity? It could be possible that management might have found a way to control the company through administration of the trust, which further taints their corporate governance profile of the company.'[30]

DTZ OZGEO: Patronage breeding Poverty

Investigations by CNRG reveal that corporate social responsibility projects by DTZ OZGEO are being hampered by ZANU PF politicians who demand bribes from the company from time to time, guaranteeing 'protection' in return. Close sources also said the company has been coerced to fund 'development projects' in certain districts towards elections by aspiring politicians. This has made it difficult for the company to carry out CSR projects in the community.

<u>1.4 Smuggling of Gold</u>

Zimbabweans working at the DTZ mine in Penhalonga raised allegations of massive smuggling of gold by the Russians:

> 'The Russians are just too secretive. What we know is that they get an average of 4kgs a day. We do not know where the gold is going. In April, 2011 they managed to fetch 8kgs a day and the managers went on to stop operations for a while as they went on holiday to celebrate their achievement. One of the managers went to Victoria Falls while others went to different resorts. They take turns to go on holiday, yet blacks are not even paid a cent as bonuses. We also want a share of the proceeds because we do the donkey work. If you complain, that will be the end of your stay at the company as the contracts are not renewed,' said the bitter employee, who called for further investigations by the Government and other shareholders.

However, company management refuted the allegations, saying all their operations are above board.

<u>Environmental Degradation</u>

Apart from the poverty that greets any visitor to Penhalonga, one of the major point of conflict between the company and the community is environmental degradation, especially along Mutare River. The river has been diverted from its normal course on several occasions resulting in the destruction of the river. The areas that were dug have been left open resulting in small dams of water in the area. These small dams of water have become a hazard to both people and livestock. The environment around the mine has been destroyed as trees are cut down and gullies are formed. This resulted in the Environmental Management Act moving in to force the closure of DTZ OZGEO operations in November 2013. Efforts by the company to resume operations had been unsuccessful as of September 2014. However DTZ OZGEO Director Ishmael Shillaev said they were reclaiming the land

[30] Evonia Muzondo, RioZim: A Beggar on a Pipe of Diamonds, the Independent, 29 September 2011.

they would have extracted gold, but the land will never have its original state. He said there is no mining operation that cannot affect the environment.

Environmental Degradation: The once beautiful Mutare River has now been reduced to a tunnel

Artisanal Mining

An estimated 500 000 people are into artisanal gold mining in Zimbabwe. Penhalonga, being a gold rich part of Zimbabwe is home to hundreds of artisanal miners. Artisanal miners claim they prospect for gold but as soon as they start digging some people, with links to politicians, quickly go to Mutare where they obtain mining permits to displace them. They are given two options, either to work for the new claim holder or to leave.

Consequently artisanal miners find themselves having to enter DTZ OZGEO premises to work on tailings as well as dig for gold along Mutare River. If caught they are severely beaten up. Artisanal miners claimed that a number of artisanal miners were brutally murdered by DTZ OZGEO security guards on allegations of poaching gold in the mine claims. They also argued that Police were bribed by the company to turn a blind eye to the atrocities even though the perpetrators were well known.

Artisanal miners also informed CNRG that they are always on the run due to criminalization of their work by the state. Law enforcement agents allegedly extort money from the artisanal miners. Those who fail to pay up are thrown into police cells and with no legal representation; a significant number has been condemned to prison. However the artisanal miners interviewed revealed to CNRG that they hoped that government will embrace them. Some of them said they became artisanal miners not by choice but by circumstances after losing employment due to economic challenges facing Zimbabwe since 2000. They told the researchers that they have families to feed hence they will not sit and wait to die when they can work with their hands to extract gold from the ground. They hoped to live in harmony with both DTZ OZGEO and law enforcement agents and are in support of the government intention to decriminalize and formalize their operations

BIKITA MINERALS: POVERTY IN THE MIDDLE OF PLENTY?

Bikita Minerals epitomizes everything that is wrong with Zimbabwe's Extractives sector. This ranges from secretive operations to poor social responsibility low contribution to the national fiscus, to lack of downstream value addition to poor labour conditions. There is also heavy political elite involvement. Bikita Minerals is among the leading lithium concentrate producers in the world and its lithium reserves are estimated at 23,000 tonnes (Jaskula, 2010). Other minor lithium deposits in Zimbabwe occur in the Insiza, Matobo, Mazoe, Mutoko, Harare, Mutare, Kamativi and Hwange districts (Cooper, 1964).

Bikita Minerals is closely linked to senior Zanu PF politicians. The second major shareholder of the mine is political heavy weight who reportedly holds 21% of the company's shares and has been involved both as a board member and chairman of the company for over 15 years.[31] The mine's shareholding structure is in line with the Indigenization and Empowerment Regulations. The 51% local ownership is outlined below:

Political heavyweight	21%
Bikita Community Trust	10%
Sovereign Trust Fund	10%
Workers	5%
Other	5%

The political elite has been accused of fronting for the white owners of the mine. These accusations have not come from independent observers but from his own Zanu PF party. In 2013 the then Indigenization Minister, Saviour Kasukuwere accused Bikita Minerals of reneging on its pledge to contribute funds into a Community Share Ownership Scheme.[32]

COMPANY-GOVERNMENT CONFLICT

According to the mine management, Bikita Minerals has been mining for 45 years and exports four products, namely: vitroflux, pollucite, petalite and spodumene concentrate. Spodumene is a lithium ore from which the high-value lithium carbonate used to make lithium-ion batteries is produced, while petalite is a lower-value lithium ore that is used in the production of glass and ceramics.

Locally, petalite is sold to Zimglass (Pvt) Ltd (glassmaking) and Willsgrove Pottery (Pvt) Ltd (tiles, cups, sinks and other ceramic products). Petalite and spodumene ore are also exported raw out of Zimbabwe to South Africa, Japan, Malaysia and The Netherlands, much to the government's contradiction with as ZimASSET value addition objectives. In 2013 Bikita Minerals exported 40 933.32 tonnes which generated revenues of US$7 609 703.32 at an average price of $180/tonne. In comparison lithium carbonate, lithium chloride and lithium fluoride fetch $6,600, $ 8,500 and $23,150 per tonne respectively (Ecceslestone, 2010).

[31] http://www.thezimmail.co.zw/2014/04/08/bikita-minerals-commissions-lithium-study/ . Accessed on 4 July 2014

[32] http://www.newsdzezimbabwe.co.uk/2013/05/five-firms-defy-kasukuwere-in-masvingo.html . Accessed on 5 July 2014

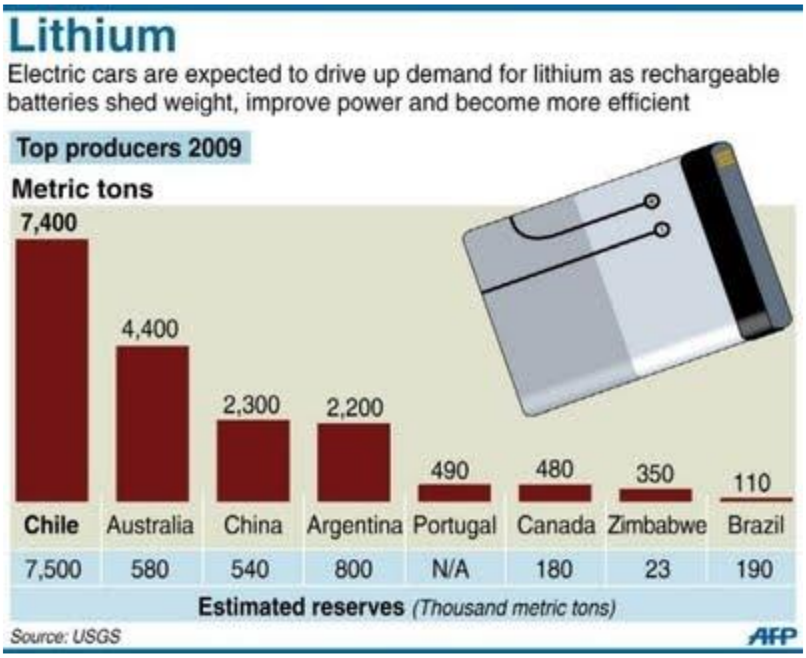

FIGURE 6: ZIMBABWE IS ONE OF THE WORLD'S TOP LITHIUM PRODUCERS

The mine management argues that it is not economically viable to beneficiate the lithium ores in Zimbabwe. One manager argued that beneficiating lithium in Zimbabwe is at the moment, just a dream as there are insufficient quantities of spodumene in sufficient quality to set up a local lithium carbonate plant. He added that he is unaware of any significant deposits of high grade spodumene in Zimbabwe.

One of the Directors in the Ministry of Mines, Valentine Vera believes it is *very* feasible to produce the lithium carbonate in Zimbabwe. A Zimbabwean researcher, Onias Sitando has carried out a study (Sitando, 2012) to investigate if Bikita Minerals' petalite can be beneficiated into lithium carbonate. The study is motivated by the fact that Zimbabwe is among the largest producers of lithium concentrate in the world while its neighbour South Africa is third largest producer of fluorspar and these vital resources are and can be used for production of raw materials for synthesis of many chemical products including lithium cobalt oxide and lithium hexafluorophosphate, important components of lithium-ion batteries. The study concluded that it is *very* feasible to produce high quality lithium carbonate, lithium chloride and lithium fluoride from the abundant petalite at Bikita Minerals.

COMMUNITY-COMPANY CONFLICT

At the Bikita Mine turnoff, along the Masvingo-Harare highway scores of men and women from the Marozva community jostle for the attention of passers-by as they try to sell them scouring powder. Bikita Minerals has given community members access to its dump-site where the community members collect the white, powdery by-product of lithium processing. Members of the community, both men and women expressed their gratitude for this livelihood option which has seen many of them managing to send their children to school and furnish their homes. The scouring powder is sold in different quantities, ranging from 3kg to as much as 150kg. A 3kg bag will fetch $0.50 while a 150kg bag fetches as much as $10. On average one person makes between $5 and $20 a day.

FIGURE 7: VILLAGERS SELLING SCOURING POWDER ON THE HIGHWAY

Community leaders however expressed their concern over the health effects caused by the dust from the dump-site. They have implored the company to provide community members with dust masks to no avail. The community leaders welcome the livelihood option for the community. The area has poorly equipped schools which have seen perennial dismal academic results. In all the years Bikita Minerals has been in operation it has not managed to build a single school. Traditional leaders also bemoan the fact that their ancestral burial site is within the mine's concession area and sited that the Chiefs preferred that the graves be protected. However the mine management has not heeded the call to fence the burial site and reports are that parts of it have already been desecrated in the mining process.

Discussions with members of the Bikita mining community in Marozva revealed that in late 2012, some members of the community who had once worked at the nearby Ebonite Mine discovered tantalite deposits under an unused section of Bikita Minerals' claim. This led to the artisanal mining of the tantalite by hundreds of villagers which grew into a mineral rush in early 2013 as buyers came from as far as Harare (the capital) to buy the tantalite. People from as far as Chiredzi also came to the area to take part in the artisanal mining. Bikita Minerals which had allegedly indicated an intention to have members of the community produce the tantalite and sell it to the company allegedly reneged and invited the police who raided the miners leading to the arrest of about 62 people.[33] Of these, twenty are languishing in prison having been sentenced to two years in jail each for mining illegally. Some members of the community are however still illegally mining for the tantalite at night.

At the time of the tantalite rush it is understood a mysterious company had already set up equipment to mine tantalite at the time of the mineral rush but disappeared soon after the police raids. A Zanu PF official, who hails from the area has launched the Bikita Community Mining Consortium which will see the community owning 25% of the shares. It is however understood that the mineral claims are registered under the official's name. Diamonds and emeralds have also been allegedly discovered in the area. The community is represented by chiefs who include Chief Mazungunye and Chief Marozva.

One villager stated, 'We have the Siya Dam in our backyard but we don't have any irrigation projects. Instead the water irrigates sugar cane in the Mkwasine Sugar Estates in the Lowveld.' Another villager added, 'Buses had stopped plying close to the villages because of the many dongas brought about by heavy rains. We walk over 12km to reach the nearest bus stop.' Bikita Minerals has failed to

[33] http://www.herald.co.zw/62-arrested-for-illegal-mining-in-bikita/

construct irrigation schemes or maintain roads for the community in its long history within the community.

ZIMPLATS: IS GOVERNMENT THE CULPRIT?

COMPANY – COMMUNITY CONFLICT

Discussions with the Mamina and Pondombiri community members revealed that Zimplats' Community Development projects have been largely concentrated in the immediate vicinity of the mines at Turf and Selous. The villagers pointed to the poor road networks and lack of any signage within the villages to show the company's presence. They allege the company has rarely employed youth from the two villages as most workers, including the unskilled and semi-skilled, have come from areas out of Mhondoro-Ngezi.

But investigations by CNRG showed that Zimplats has what can be considered best practice by Zimbabweans standards. ZIMPLATS has treats community social investment (CSI) and Community Share Ownership Trusts (CSOT) differently. The company has a separate CSI budget and carries out direct investment within the community guided by community priorities which came out of its own independent research, direct requests and the quarterly stakeholder forum. Zimplats has paid the CSOT the full $10m that it pledged. CSOT projects are determined and implemented by the CSOT board. Zimplats management says it has no influence over the use of CSOT funds apart from the participation of the company representative who sits on the board.

Throughout its research CNRG also discovered that mining communities expect and demand from companies what government should provide them? This is usually the work of manipulation by government officials and politicians who hide behind mining companies whom they accuse of not ploughing enough back into the communities. But the question is what if there were no minerals how were the communities going to survive anyway? Who was going to take responsibility for the development of these communities? During interviews community members demanded many things from mining companies which range from schools, roads, clinics, recreational facilities, scholarships etc. This would be most understandable where mining induced displacements have taken place, but in situations where communities have largely been able to continue with their way of life government is expected to continue with its role of facilitating development. Some of the respondents demanding development from mining companies are least affected, if affected at all, by the mining operations. Interestingly in the mining communities no single respondent complained that government was not doing enough to develop their area. This can be explained in two ways. Either they have completely lost hope in their government or they have been misled by government that the role of mining companies is to facilitate development.

However some villagers also accused Zimplats of paying bribes to relevant authorities to annex land without compensating the villagers. Such allegations could not be verified hence cannot be stated as fact. The main economic activities in the area are agriculture and rearing pigs. Villagers complained that Zimplats has put pressure on the area's water sources and affected the villages' irrigation systems. Another complaint was that villagers in Mamina, while 40km away from the mines could still feel the ground vibrations caused by the blasting of explosives at the mines. In the long run some of the houses may begin to crack. These claims need to be looked into so that affected families are compensated fairly.

COMPANY – GOVERNMENT CONFLICT

Officials responsible for community development at Zimplats' Selous offices cited the insincere motives of politicians and community leaders as the biggest hindrance in their community development efforts. It was reiterated by Zimplats' head of corporate affairs, who said a survey conducted by the mine indicated that the community was fed up with interference by the government.

> 'If Zimplats wants to carry out a project in the community it operates, say constructing a dam, it has to go through an MP, a councillor and senior politicians. The process is so difficult. The easiest way would be to directly engage the community themselves but this is not what the politicians expect from us,' she said.[34]

Zimplats has often clashed with the government. In 2013 the then Indigenisation Minister, Savior Kasukuwere threatened to cancel the mine's operating license after the company refused to avail funds to the CSOT before there was clarity on projects to be implemented and assurances of transparency. Zimplats injected the money eventually and it was mismanaged.

Zimplats' community investment programme mainly focuses on the areas of health, education and infrastructural development. To date Zimplats has spent $2 million[35] in infrastructural development projects in the Mhondoro-Ngezi and Chegutu districts which mainly include drilling boreholes under a partnership with the District Development Fund (DDF). Other notable infrastructure developments have been the Ngezi - Selous highway which cost $19 million (Chamber of Mines, 2012). The highway has promoted a public transport business and benefitted the general public, chrome miners, farmers and schools in the area. Zimplats has also provided a fibre optic line to Ngezi and switching equipment for Net One.

Another bone of contention between the company and the government has been the issue of beneficiation. Government has been driving for the setting up of a platinum refinery in Zimbabwe and threatened to revoke Zimplats' licence or ban exports of unprocessed platinum much to the company's chagrin as it claims that setting up a refinery is not feasible. It is difficult to ascertain who is right but the suspicion of transfer pricing has always kept Zimplats on the spot as the royalties and taxes in South Africa are much lower than in Zimbabwe.

CONCLUSION

Mining in Zimbabwe is ironically associated with poverty. The law itself takes away community rights to land and gives them to mining companies. The government has adopted an extractivist model of development whereby development is hinged upon extraction and export of minerals. The upscaling of mining activities vis a vis the absence of a strong mining law, institutional framework and political will to protect communities against displacements and other disadvantaged brought about by mining mean more communities are going to be condemned to new poverty in the coming years. This means more mining conflicts are lined up for Zimbabwe which may degenerate into violent conflicts.

Mining in Zimbabwe has become a political issue. Those mining are either politicians, senior military officials or linked to the country's ruling elites. This has abated corruption and eroded whatever existing regulatory frameworks that governed the mining sector. The militarization and politicization of the mining sector has further silenced community voices through violence and intimidation. This has also enabled the coming in of corrupt mining syndicates that are not accountable to the people and state institutions but to their patrons who receive bribes in exchange for 'protection'. The country

[34] She was speaking at Zimbabwe Environmental Lawyers' Association's indaba, "Creating space for community voices on mining"

[35] http://allafrica.com/stories/201207230820.html

needs to depoliticise and demilitarize the mining sector and ensure mining investors are selected on merit as opposed to political connections and corruption.

Below are the recommendations that can reduce the occurrence of mining conflicts:

- Zimbabwe needs a new, progressive and inclusive mining law that addresses its contemporary needs
- In framing the law government need to consult widely with all stakeholders who include communities, civil society and research institutions
- Adopt best practices from countries where mining has created wealth for the people and raised living standards (Botswana, Norway, Australia, and Canada).
- Include traditional leaders, community representatives, legislature, legal and mining experts when negotiating mining contracts
- Observe the principle of free, prior and informed consent of communities when making mining decisions
- Devolve the mining sector to ensure local authority have greater autonomy over their resources.
- Review the taxation system to ensure local authorities can charge taxes as they deem fit to facilitate local development
- Adopt a gender policy to ensure mining does not increase the vulnerability of women
- Review or repeal the Communal Lands Act and ensure does not supersede the surface land rights of rural people living on communal lands
- Empower rural Zimbabweans with title deeds to their land and safeguard them from land grabbing by mining companies

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