

# **Gordon Institute of Business Science**

University of Pretoria

## **Stakeholder engagement: exploring sources of conflict following implementation of agreed outcomes**

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria in partial fulfillment of the requirements for the degree of Masters in Business Administration.

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## **Abstract**

Conflicts between companies and communities are experienced regularly everywhere in the world hence the extensive use of Social Licence to Operate which is aiming at continuous acceptable practices of companies' activities by communities in which the companies are operating. Through effective community engagement between companies and communities, Social Licence to Operate is obtained and maintained. This is in support of stakeholder theory which provides direction on how companies' management could operate in relation to the stakeholder relationship and what those stakeholder needs are, in order to achieve business objectives. While significant research has been conducted to understand the sources of conflict between companies and communities, very little is understood about why these conflicts occur post community engagement, especially following the implementation of the agreed outcomes. This study explored the sources of conflicts between the companies and communities post the implementation of agreed community engagement outcomes.

A qualitative, exploratory study was conducted in order to gain new insights into the sources of conflicts between the companies and communities post the implementation of the agreed community engagement outcomes. The study also explored the understanding of the concept of a Social Licence to Operate. Semi-structured, in-depth interviews were undertaken with companies, communities and regulators, who had experienced and were involved with community engagements. Using purposive, convenience and snowball sampling, fourteen representatives from coal mining companies, communities and regulators that were involved in community engagement in coal mining were selected to be interviewed. The audio recordings of the interviews were transcribed and analysed through coding and thematic analysis using Microsoft Excel software.

The main findings of the study revealed that the sources of conflict between companies and communities post implementation of agreed community engagement outcomes include engaging for self-interests, not delivering on promises, and unclear local communities demarcations. These contributed to negative effects of community engagements such as community protests, business disruption, and communities fighting each other. The study suggested the implementation of the factors which could reduce or eliminate conflicts namely, proactive engagement, inclusive engagement, transparent engagement, and clear local communities demarcations. In addition, the Social Licence to

Operate (SLO) was viewed as interrelated with community engagement therefore, one cannot exist without the other.

**Keywords:** Stakeholders, Community, Stakeholder Engagement, Community Engagement, Conflicts and Social Licence to Operate.

## **Declaration**

I declare that this research is my own work. It is submitted in partial fulfillment of the requirement for the degree of Masters of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained authorization and consent to carry out this research.

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Molepane Daphney Tshehla

Date: 07 November 2018

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## **Chapter 1: Introduction to the research problem**

### **1.1 Introduction**

According to Freeman (2004) managers of organisations should consider the stakeholders' interests when taking business decisions. Stakeholder engagement is defined as the interested and affected parties' involvement process whereby their views are incorporated in the business decision making process (Jeffery, 2009). Whereas Social Licence to Operate (SLO) is defined in as continuous community acceptance of organisations to exist (Corvellec, 2007). Stakeholder engagement is widely used to obtain and maintain Social Licence to Operate. According to Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) attributes of effective community engagement in the Australian forest plantation industry include lack of collaboration within the industry, lack of community engagement skills, and lack trust between industry and stakeholders and inclusive stakeholders. Owen & Kemp (2013) cited that for the mining industry to regain confidence from the interested and affected parties, both internal and external environments need to be considered through the effective stakeholder engagement and collaboration.

Conflict is defined as the coexistence of determinations, interest and global opinions that are perceived and that cannot be achieved concurrently, ranging from minor friction to a complete breakdown or physical violence in exploring conflict management and corporate culture in extractive industry in Peru (Rees, Kemp, & Davis, 2012). Companies have had to experience production disruptions and delays in project implementation because of conflicts occurring between companies and communities. Anglo American Quellaveco copper project in Peru was delayed due to interested and affected parties objecting the development of the project (Pindeco, 2014) in Franks, Davis, Bebbington, Ali, Kemp & Scurrah, 2014). There is a Chinese proverb that says "tell me and I'll forget, show me and I may remember, involve me and I'll understand" (Original Source Unknown).

South Africa is no different, the country has been experiencing conflict between the companies and communities despite the presence of a South African legal framework. Republic of South Africa (2014) the National Environmental Management Act regulation calls for the public participation process to be undertaken on projects for the public, to raise their issues and concerns they wish to be addressed prior the implementation of the

project. Black Economic Empowerment (BEE) partners of Australia-listed Mineral Communities (MRC) was planning to mine heavy minerals along a stretch of the Wild Coast in South Africa but the community of Xolebeni is against the proposed mining (Van der Merwe, 2008). Raborife (2016) also reported that communities are complaining that the mining companies promise them employment and skills development during the permitting process, however during the operational phases those promises are not being fulfilled.

While significant research has been conducted into understanding the sources of conflicts between companies and communities, very little was understood about why conflict occurs post community engagement especially following the implementation of agreed outcomes. The aim of this research is to explore sources of conflict between the communities and mining companies following the implementation of stakeholder engagement outcomes.

This chapter begins with the introduction as outlined in this section, followed by research background, research problem, the significance and as well as the purpose of the research which emphasises the research contributions to both research and business. The scope of the research and the research report layout are also outlined in this chapter.

## **1.2 Research Background**

Lin, Li, & Bu (2015) indicated that Australian mining companies such as BHP Billiton recognises potential community-related challenges such as community protests or civil unrest which could delay the implementation of the projects and significantly impact production. It was realised that engagement with indigenous people and indirect economy are mostly significant and insightful (Lin, Li, & Bu, 2015). Communities in the vicinity of the mining areas are accusing local government of letting mining companies run the country and of failing to protect them from these mining companies (Raborife, 2016). Wonderfontein Community Association in Mpumalanga reported that both the mining companies and the local municipality make empty promises to the communities (Raborife, 2016).

Durban environmentalist and community voiced their opposing views to plans by Sasol and Eni companies to commence exploration activities for deep-sea gas and oil reserves (Buthelezi, 2018). Farmers in Eastern Cape, proving South Africa was successful to the South African Government not the grant franking permission to mining companies for the

exploration of shale gas, as they believe that environmental plans were not adequate to address any potential environmental impacts emanating from the shale gas exploration activities (Groenewald, 2017). However, the South African Minister of Minerals Resources is of an opinion that the fast-tracking of granting shale exploration and exploitation to mining companies will be beneficial to the country's economic growth (Omarajee, 2018).

Franks et al. (2014) cited that conflicts in mining companies are caused by environmental issues which include conflict over access to natural resources as well as little or no opportunities to community stakeholders. During feasibility and construction phase of the projects local community and civil society organisations find opportunities to arrange campaigns to influence decision making process taken by governments as well as organisations, and issues raised in the form of complaints and grievances, if not addressed, lead to physical protest (Franks et al., 2014). The proposed Xolobeni Mineral Sands projects in the Eastern Cape has not yet commenced, the community of Xolobeni escalated the matter to the South African High Court in April 2018 as the Department of Mineral Resources is failing to acknowledge communities' consent (Reynolds, 2018). In September 2018 the Minister of the Department of Mineral Resources was addressing the issue with the community of Xolobeni (Postman, 2018).

There is an evidence that conflicts between the communities and the companies occur post community engagement. The aim of this research is to explore sources of conflict between the communities and companies following the implementation of stakeholder engagement outcomes.

### **1.3 Research Problem and Purpose**

According to Phipps (2015) a project cost of \$100m was lost in one year due to a single conflict which resulted in project stoppage. It is crucial for organisations to study the sources of conflict between the companies and communities in order to reduce if not eliminate them. The study aims to explore sources of conflict between the communities and mining companies following the implementation of stakeholder engagement outcomes.

Knopjes (2017) reported that mining companies have both positive and negative impact which include environmental degradation and employment of the local communities. Mangwaza (2016) reported that the Richards Bay community is accusing the Richards Bay

Minerals (RBM) of not providing employment and equal opportunities and the mine had to suspend its operations. The Umgungundlovu community of Xolobeni in the Eastern Cape province in South Africa took both the Department of Mineral Resources and the Australian company Transworld Energy to court disputing the decision being considered by the Department of Mineral Resources to grant mining rights to enable the titanium-rich sand mining project without community consent (Chabalala, 2018).

The problem is misunderstanding of companies and communities in community engagement dialogue which could result in conflicts post implementation of agreed outcomes. The question is why these conflicts between the companies and communities occur. This research explores the sources of those conflicts.

African Rainbow Minerals (ARM) executive chairperson, Patrice Motsepe urged that South Africa to improve its global competitive position, community engagement must form part of the preparedness actions of the South African mining industry (Creamer, 2017). Knopjes (2017) further indicated that these challenges were experienced when community expectations are mismanaged leading to both seen and unforeseen costs to the mining company. Ndungane (2014) reported that most of community issues with mining companies lack the understanding of the public participation with regards to positive and negative impact from the mining companies. Ndungane (2014) further indicated that a proactive stakeholder engagement process with adequate monitoring programmes to evaluate the actions required could prevent conflict. However, organisations and government are failing to acknowledge that communities are their key stakeholders who should be involved in decision making for the engagement to be successful (Ndungane, 2014). The study explores the sources of conflicts between communities and companies post community engagement as well as the factors to be implemented in reducing if not eliminating the conflicts.

Wilburn & Wilburn (2011) highlighted that issuing of Social Licence to Operate by communities provide organisation social legitimacy, credibility and trust. However, the most important factor to ensure the sustainability the organisation is to continuously implement the conditions of the Social Licence to Operate, which include ongoing stakeholder engagement where information is exchanged, and issues raised are addressed (Wilburn & Wilburn, 2011). The study also explores the understanding of Social Licence to Operate by communities and companies.

The problem is the conflict between communities and companies occurring after community engagement causing financial implications to the organisations. The purpose of this research is to explore the sources of conflict between companies and communities post implementation of agreed community engagement outcomes with the aim of reducing if not eliminating those conflicts.

#### **1.4 Significance and Contributions of the Research**

Parmar, Freeman, Harrison, Wicks, de Colle & Prunell (2010) identified primary stakeholders' support as essential for the existence of the organisation and secondary stakeholders are those groups with no formal claim on the organisation. Moffat & Zhang (2014) cited that effective and balanced community engagement by mining companies as well as effective management of operation impact could yield to the obtaining and retaining of the licence to operate by the companies. It is therefore important that secondary stakeholders support in terms of communities through effective community engagement is emphasised in the organisation.

Crane & Matten (2015) defined Utilitarianism theory as “a theory which states that actions are morally right if it results in the greatest amount of good for the greatest amount of people affected by the action” (p85). The rationale of this stakeholder engagement research attempts to understand the sources of conflict between communities and the extractive companies within the context of South Africa beyond the monetary value loss by the companies but rather for the principles of utilitarianism.

The need for this research is to reduce if not to eliminate conflict between companies and communities arising after engagements. The study aims to contribute both to academic research and to the business environment as outlined below.

##### **1.4.1 Contributions to Research**

This research will contribute to academic research by providing new insight as to why conflict between communities and companies still occur post community engagements and what factors need to be implemented to reduce conflict. The stakeholder theory base suggested that attributes of effective community engagement in the forest plantation industry in Australia are collaboration within the industry, community engagement skills used during industry wide community engagement, trust between industry and

stakeholders, and inclusive stakeholders (Gordon, Schirmer, Lockwood, Vanclay & Hanson, 2013). Due to the lack of empirical investigation from the literature as to what the sources of conflict between mining companies and the communities in South Africa are, this then justifies this research which aims at exploring the sources of conflict between communities and mining companies in South Africa.

Although a number of studies have been conducted on the subject of various elements of stakeholder and community engagement in relation to factors causing conflict between communities and organisations, there is inadequate evidence detailing the sources of conflict post community engagement process, including post implementation of agreed outcomes. This study aims to provide a better understanding of the sources of conflict between the communities and mining companies post implementation of outcomes emanating from the stakeholder engagement process. The objective is to reduce if not eliminate conflict between the mining companies and the communities. The existing academic literature review has less information on stakeholder engagement in mining companies within the context of South Africa. This supports the need of the study to explore the sources of community conflicts with South African mining companies. This research will contribute to existing research from the mining industry in the South African context.

#### **1.4.2 Contributions to Business**

This research will contribute to research by providing key factors to be implemented by both mining companies and communities on community engagement to reduce if not to eliminate conflict between companies and communities. This could be beneficial to both organisations and communities in that it may result in less community protest and business disruption. It has been established that monetary value loss by a major world-class mining project with capital cost of between US\$3 to US\$5 billion equates to US\$20 million loss weekly in terms of Net Present Value (NPV) as a result of conflicts (Davis & Franks, 2014). Moffat & Zhang (2014) reported that effective and balanced community engagement by mining companies as well as effective management of operation impacts could yield to the obtaining and retaining of the licence to operate by the companies.

The concept of Social Licence to Operate was well explored from the above literature in mining, wind power, forestry and other industries in other countries and less in South

Africa. This research on stakeholder engagement explores sources of community conflict in the mining industry in the context of South Africa to support the notion of Social Licence to Operate. This research also facilitates the understanding of the Social Licence to Operate concept by both companies and communities.

Lin, Li, & Bu (2015) in exploring the relationship between corporate governance and community engagement in Australian mining companies suggested that mining companies should engage in community initiatives to gain legitimacy in addressing the communities' concerns, such as environmental pollution, resettlement of local communities and others. Parmar et al. (2010) identified primary stakeholders whose support is essential for the existence of the organisation and secondary stakeholder are those groups with no formal claim on the organisation.

The need for this research is to explore the sources of conflict between companies and communities arising post community engagement and providing key factors to be implemented by both mining companies and communities to reduce if not to eliminate conflict between companies and communities.

### **1.5 Scope of the Research**

Stakeholder engagement is applicable to all industries, both in public and private sectors globally. Moffat & Zhang (2014) indicated that effective community engagement and effective operational management by the managers could yield to mining companies in obtaining and maintaining Social Licence to Operate. This research also facilitates the understanding of what perceived decision standing is of the communities with regard to Social Licence to Operate.

Given limited time and financial resources, this study is only focusing on coal mining in Mpumalanga province in the South African context. This research focused on the stakeholder engagement between communities and mining industry in South Africa. Saunders, Lewis, & Thornhill (2016) emphasised that to gain new insight on the exploratory study both in-depth and semi-structured should be undertaken. The study focused on the representatives from both the communities and coal mining companies dealing with or exposed to community engagements, as they may be associated with frame of mind and perception of the conflict between mining companies and communities.

The study explores the sources of conflict between the mining companies and communities with the aim to reduce if not to eliminates conflicts.

## **1.6 Layout of the Research Report**

This document, the research report, begins with the introduction to the research problem discussed in Chapter One, this section. Chapter One outlines the background of the research, research problem, purpose of the research and the scope of the research. This chapter is informed by both academic and business literature. The outline of the theory and literature review is presented in Chapter Two which explores the current existing academic literature on the stakeholder engagement, Social Licence to Operate and the community engagement in the context of the extractive companies. Chapter Two also analyses the academic literature gaps existing which resulted in the development of the research questions which are discussed in Chapter Three.

Chapter Four outlines the research methodology and design selected by the researcher which clearly defines what research method was used and the justification of the research methodology and design, as well as limitations encountered by the researcher. Chapter Five presents the results of the study from the data collected using qualitative research method. Chapter Six discusses the results in relation to the literature presented in Chapter Two as well as research questions discussed in Chapter Three. Chapter Seven highlights the main research findings and recommendations for both business and communities as well as recommendations for future research.

## **Chapter 2: Theory and Literature Review**

### **2.1 Introduction**

Literature review includes the critical review, evaluation, argumentation, and discussion of the significant available literature related to the research topic to justify the research to be undertaken (Saunders & Lewis, 2012). Bryman & Bell (2011) cited that literature review is undertaken to enable the researcher to know what is already known or not known in the area of the chosen research, and that existing literature is used to initiate argument on the significance of the research and provide direction as to what needs to be researched further. The purpose of the literature review is for the researcher to understand what has been done before, what is known and what is not known about the existing studies for the researcher to build on the collective understanding (Boote & Beile, 2005).

This chapter begins with the discussion of the stakeholder theory and how it evolved over time, as well as examining the definition of stakeholder from a scholarly point of view. In doing so, it provides understanding of different stakeholders to be considered by management when making organisational decisions. The literature review also attempts to shed light on Social Licence to Operate by examining the definition thereof, as well as theoretical and empirical perspectives of community engagement and its interaction with Social Licence to Operate.

### **2.2 Stakeholder Definition and Stakeholder Theory**

Freeman & Reed (1983) identified two types of stakeholders, namely, the wide sense of and the narrow sense stakeholders as explained below. Parmar et al. (2010) & Clarkson (1995) identified two types of stakeholders, namely, primary stakeholders and secondary stakeholders which is explained below. Wide sense and secondary stakeholders are the same kind of the stakeholders which are the main focus in this research, as this research is aimed at communities. Wilburn & Wilburn (2011) also noted that identification and classification of stakeholders based on the stakeholder theory, stakeholder can be separated as those vested and non-vested. Frooman (1999) in evaluating the stakeholder influence strategies identified two types of stakeholders, namely strategic stakeholders and moral stakeholders. Claimant and Influencer stakeholders are identified as other types of stakeholders (Kaler, 2002).

The Wide Sense of Stakeholder and The Narrow Sense of Stakeholder - (Freeman & Reed, 1983). described the wide sense of stakeholders as those groups or individuals who can impact or be impacted by the company's performance, such as public interest groups. The narrow wide sense of stakeholders is described as those that groups or individual companies dependent on for their existence, such as shareholders (Freeman & Reed, 1983).

Primary and Secondary Stakeholders - Parmar et al. (2010) in reviewing of major uses and adaptation of stakeholder theory described primary stakeholders as stakeholders who their support and is essential for the existence of the organisation. Clarkson (1995) described primary stakeholders group as those whose continued participation guarantee the survival of the organisation as an ongoing concern. Primary stakeholders include shareholders, investors, employees and suppliers, governments and communities that provide infrastructure and markets, whose laws and regulations must be complied with (Clarkson, 1995). The secondary stakeholders are described as those groups with no formal claim on the organisation (Parmar et al., 2010). Clarkson (1995) described secondary stakeholders group as "those who influence or affect, or are influenced or affected by the corporation, but they are not engaged in the transactions with the corporation and are not essential for its survival" (p.107). The media and a variety of special interests group are considered as secondary stakeholders (Clarkson, 1995).

Vested and Non-Vested Stakeholders - Wilburn & Wilburn (2011) described vested stakeholders as those with power to enforce a decision in granting Social Licence to Operate and non-vested stakeholders as those can only influence the decision.

Strategic and Moral Stakeholders - Strategic stakeholders are those affecting the organisation therefore the stakeholder interest should be managed whereas moral stakeholders are those affected by the organisation therefore their interests should be balanced (Frooman, 1999).

Claimant and Influencer Stakeholders – Claimant stakeholders are those demanding some sort of amenity of a business whereas influencer stakeholders are those demanding only a capacity to influence the functioning of the organisation (Kaler, 2002).

Freeman (1984) developed the stakeholder theory from term stakeholder as he defined it as "any individual that "can be affect or is affected by the achievement of an organisation's

objectives” (p.46). Stakeholder theory focuses on two core aspects, namely; that the purpose of the company is to emphasise the integration of core stakeholders and the shared value generated by the management of the companies, and the second aspect focuses on management responsibilities toward the stakeholders (Freeman, 1994). Freeman (2004) in revisiting the stakeholder approach alluded that in the organisation the effects of the organisation’s activities on stakeholders as well as the potential effects on the organisation should always be considered regardless of the organisational strategy, as it is vitally important in understanding the stakeholder values, interest, behaviours and backgrounds, as this will be required to be balanced over time. Freeman, Wicks, & Parmar (2004) in revisiting stakeholder theory and the corporate objective suggest that “stakeholder theory starts with the assumption that values are necessary and explicitly a part of doing business”. Freeman et al. (2004) further stipulated that stakeholder theory is there to provide direction as how management of the companies could operate in relation to the stakeholder relationship and their needs to achieve business objectives. The authors further suggest that management should clearly define the operational way of doing business as well as clearly define the stakeholder types in order to achieve business objectives. Freeman (2004) alluded that “stakeholder is about organisation and an organisation is about stakeholder” (p.231).

Donaldson & Preston (1995) in stakeholder theory of corporation view the stakeholder theory vibrations as empirical, instrumental and normative theories types as described as follows: Descriptive stakeholder theory variation - deals with way in which the executives manage their organisations and their stakeholders; Instrumental stakeholder theory variation - stakeholder theory aspect which is about the connection between stakeholder management approaches and the organisational objectives results such as profit; and Normative stakeholder theory variation - focuses on giving direction to the organisation on the underlying values, moral and principles of doing the right thing in relation to stakeholders.

Mitchell, Agle, & Wood (1997) see a stakeholder theory as the theory which provides efforts to clearly asking questions as to which groups of stakeholders should management of the organisation gives their attention, and which should not be given attention in decision making of the organisation. Phillips, Freeman, & Wicks (2003) defined stakeholder theory as “a theory of organisational Management and ethics” (p.480). Phillips Freeman, & Wicks (2003) add to the definition of the stakeholder theory by emphasising

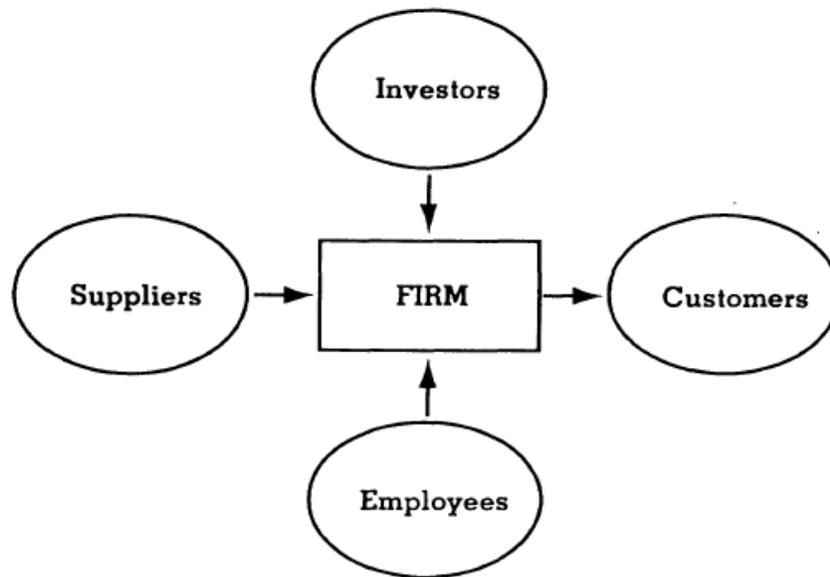
that moral and values are at the organisational management which is in support of the normative stakeholder theory defined by (Donaldson & Preston, 1995).

Parmar et al. (2010) in reviewing the major uses and adaptation of stakeholder theory view stakeholder theory as a revised concept created to provide information and actions from the integration of organisational issues, namely, the problem of understanding how value is created and traded, the problem of connecting ethics and capitalism and the problem of helping managers think about managing the two problems. Parmar et al. (2010) further suggested that understanding of the relationship between organisation and stakeholders, such as individual or a group who impact or are impacted by the business, have greater opportunity of addressing the above problems. Strand & Freeman (2013) highlighted that stakeholder theory entails ideas, expressions and metaphor collections related to a possible generation of stakeholder value by the company considering stakeholder interests. However, Nakao, Amano, Matsumura, Genba & Nakano, (2007); Mutti, Yakovleva, Vazquez-Brust & Di Marco, (2011) emphasised that the challenges faced by organisations in creating long-term social and economic benefits to all stakeholders is due to conflict interests between different stakeholder groups, as one group's benefits could happen at the expense of the other group.

According to Parmar et al. (2010) in assessment of the stakeholder theory: The State of the Art focusing on the origin of the term stakeholder indicated that the term stakeholder initially appeared in an internal memorandum at the Stanford Research Institute in 1963, with the aim to encounter the belief that shareholders are the only group to whom management need to be responsive. However, it was only in 1984 that Freeman (1984) defined stakeholders as "any group or individual who can affect or is affected by the achievement of organisation's objectives" (p.46) and thus Freeman (1984) developed the theory of stakeholder identification from term stakeholder. Clarkson (1995) defined stakeholders as "persons, groups that have or claim ownership, rights, interests in a corporation and its activities, past, present, or future" (p.106). Mitchell, Agle & Wood (1997) qualified actual and potential stakeholders as "persons, groups, neighbourhoods, organisations, institutions, societies, and even the natural environment" (p.854).

Donaldson & Preston (1995) differentiate the stakeholder conception of the organisation with a conventional input-output viewpoint by indicating that investors, employees and

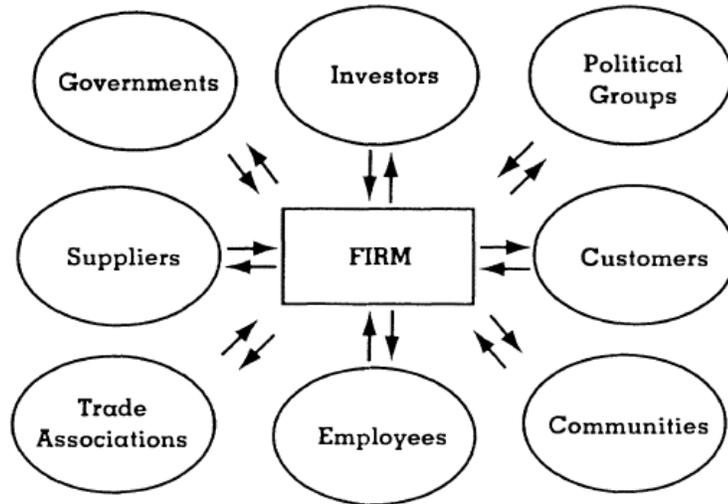
suppliers are contributing to inputs of the firm to be transformed into outputs which will benefit the customers as illustrated in Figure 1 below.



**Figure 1: Input-Output Model (Donaldson & Preston, 1995)**

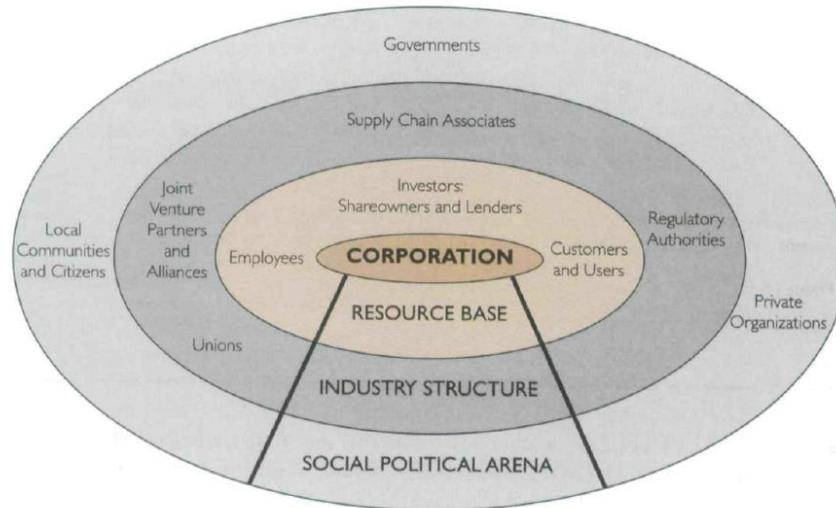
Morgan & Taschereau (1996) expanded definition of stakeholder as “persons, groups, organisations, systems that have a control in a change effort and that are likely to be affected by the change, whose support is needed or who may oppose the change” (p.4). This indicates that the stakeholders have both interest and some sort of control in the organisation.

Donaldson & Preston (1995) further unpacked the concept of the stakeholder theory model by acknowledging that all stakeholders with genuine interest participating in an organisation do so to gain benefits. Figure 2 below illustrates the different stakeholders defined above and that there is no prioritisation of interest and benefits of one stakeholder over another and that interaction of stakeholders and the organisation is two-way concept (Donaldson & Preston, 1995).



**Figure 2: The Stakeholder Model (Donaldson & Preston, 1995)**

Post, Preston, & Sachs (2002) in developing a new stakeholder view in managing the extended enterprise emphasised that stakeholder relationships is to generate organisational prosperity, whereby the relationships are not viewed as transactions, but rather continuity and often conflict involving and collaborative aspects of such relationships. The authors further suggested that the most important aspect on the new stakeholder view is the inter-stakeholder-relationships. Stakeholders in the organisation are defined as “individuals and constituencies that contributes either voluntarily or involuntarily to the organisational wealth-creating capacity and activities and who are therefore its potential beneficiaries and/or risks bearers” (Post, Preston, & Sachs, 2002, p.8). These stakeholders are then in position in three dimensions of the strategic scenery, namely resources base, industry-market and social-political arena, and in doing so the positioning assist in stakeholder management, including the aspects of Social Licence to Operate, as illustrated in Figure 3 below (Post, Preston, & Sachs, 2002). This research explores the relationship between the mining companies and communities in the areas of community engagement and Social Licence to Operate.

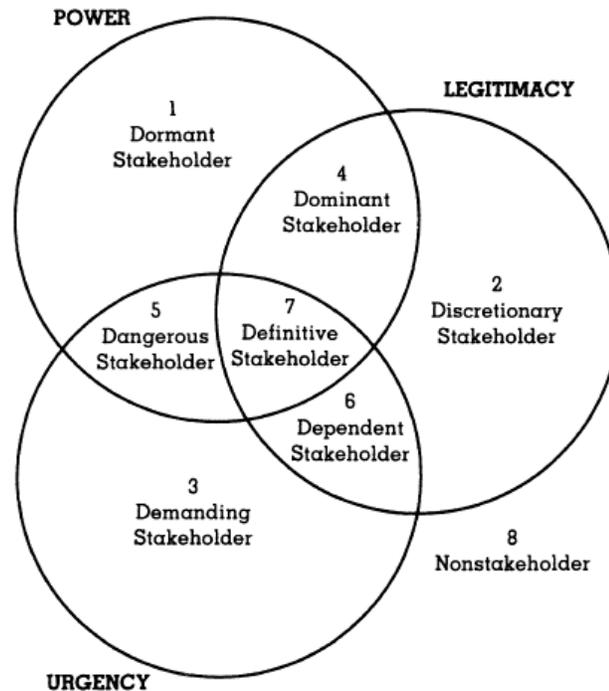


**Figure 3: The Stakeholder View of the Corporation (Post, Preston, & Sachs, 2002)**

Freeman (2004) in the review of stakeholder approach emphasised that organisations should give more attention to the relationship of the stakeholders with a stake in the organisation. However, Morgan & Taschereau (1996) alluded that stakeholder analysis is important in identifying and mapping the stakeholders in relation to their relative power, influence and interest in dealing with issues including change effort in the organisation. Mitchell, Agle & Wood (1997) also cited that management should pay more attention to classes of stakeholders in relation to the power they have to influence the organisation, the legitimacy of the stakeholder relationship with the organisation and the urgency of the stakeholder claim on the organisation. Wilburn & Wilburn (2011) suggested that the identification and classification of stakeholders by leaders of companies enables companies to negotiate requirements relevant to specific stakeholders for the granting of Social Licence to Operate.

Mitchell, Agle & Wood (1997) suggested that stakeholder analysis provides benefits to the organisation on where the managers should effectively allocate resources in dealing with stakeholder claims. Stakeholder analysis takes into consideration of the attributes of power, legitimacy and urgency as well as the combination of all attributes as per Figure 4 below (Mitchell, Agle & Wood, 1997). The authors further alluded the importance aspects of the figure below is that managers may choose not to address the issues or concerns raised by the stakeholder with one of the attributes or those that fall within non-stakeholder class, and those stakeholders with two attributes are given moderate attention, and those

with three attributes are those whose claims are given a high degree of priority by management. However, Dunham, Freeman, & Liedtka (2006) suggested that organisations should treat all stakeholder interest as being legitimate.



**Figure 4: Stakeholder Typology: One, Two, or Three Attributes Present (Mitchell, Agle & Wood 1997)**

The literature in defining stakeholders and on the stakeholder theory argue that both internal stakeholders such as shareholders, employees, suppliers and customers, and external stakeholders such as government, media, communities, special interest groups should be considered in the decisions made by the organisation, as they can directly or indirectly affect or be affected by the activities of the organisation. The research study is focused on the communities as the stakeholder of the organisation, in understanding why conflicts occur post community engagement.

This stakeholder engagement research explores the conflicts of the stakeholders who have direct power in granting Social Licence to Operate in the extractive companies within the context of South Africa.

### **2.3 Social Licence to Operate (SLO)**

A formal licence to operate is defined as the formal legal approvals and meeting demands and expectation of the broader society by the organisations as well as rightfulness of the business, credibility, trust and freedom between organisation and communities, as well as proactive informed community consent (Gunningham, Kagan, Parsons, Lacey, & Moffat, 2014; Moffat & Zhang, 2014 & Thornton, 2004). However Social Licence to Operate is defined as beyond legal and regulatory requirements, collaborative, unique to a specific company and project which is continuously achieved through social performance and social accountable (Joyce & Thomson, 2000, Harvey & Bice, 2014; Thompson & Boutilier, 2011 in Mercer-Mapstone, Rifkin, Moffat, & Louis, 2017). Prno & Scott Slocombe (2012) defined Social Licence to Operate as the continuous granting and extensive recognition of mining companies' activities by communities. Social Licence to Operate is defined in Swedish wind power industry as continuous community acceptance of organisations to exist (Corvellec, 2007).

According to Prno & Scott Slocombe (2012) the mining companies need to obtain and maintain Social Licence to Operate issued by the society in order to prevent community conflict and social risks. Owen & Kemp (2013) defined Social Licence to Operate as obtaining acceptance by the stakeholders through stakeholder support and less opposition for the mining companies. Hall & Jeanneret (2015) in Australian Wind Industry defined Social Licence to Operate as broader acceptance by the community and other stakeholders for the companies to operate. Dare, Schirmer, & Vanclay (2014) defined Social Licence to Operate as multiple licences emanating from the dominant social norms and increasing society expectations ranging from local community to the broader society which are achieved through continuous and cumulative obtaining social legitimacy, management credibility and trust from companies. Social Licence to Operate is defined as the soft regulations which is enforced through the beliefs and actions of relevant stakeholders (Mercer-Mapstone, Rifkin, Moffat & Louis, 2017). This research explores the understanding of Social Licence to Operate by the communities and the mining companies in the South African context.

According to Hall & Jeanneret (2015) lack of engagement, communication and historical reputation risk could result in not obtaining or losing the Social Licence to Operate which in turn results in social risks such as community conflict. Hall & Jeanneret (2015) cited that

stakeholder engagement coupled with implementation of commitments by the wind industries in Australia is perceived as the key aspect in obtaining and losing the Social Licence to Operate. Harvey & Bice (2014) indicated the regulatory requirements such as social impacts assessments and implementation of social development plans, such as donations to civil society and infrastructure development are perceived as not good enough in achieving the Social Licence to Operate. However, community trust is identified as key in achieving Social Licence to Operate in extractive companies (Harvey & Bice, 2014). In addressing the historical imbalances and injustices of the South African mining industry, the Mining Charter 2018 aims at expanding the benefits to Historically Disadvantaged Persons to enter the mining and mineral industry (Republic of South Africa, 2018).

Continuous inclusive dialogue between the mining companies and their stakeholders, especially poor and marginalised communities, could result in transformed and transcended Social Licence to Operate (Davis & Franks, 2014; Owen & Kemp, 2013). Dare, Schirmer & Vanclay (2014) cited that community engagement is critical in obtaining the Social Licence to Operate in forestry industry. However lack of trust, limited stakeholder representation, as well as continuous increase in society expectations are perceived as barriers to obtaining Social Licence to Operate (Dare, Schirmer & Vanclay, 2014).

Less focus was recognised on the impact of communities on social risk to the companies in terms of business risk, associated costs and future financial liabilities (Davis & Franks, 2014). Davis & Franks (2014). Dare, Schirmer & Vanclay (2014) suggested that since society expectations and interest are changing continuously changing it is imperative that community engagement processes should be structured and undertaken accordingly. Future studies are recommended to explore industries outside of wind industry on how Corporate Social Responsibility and Sustainability communication approaches could provide shared goals to both stakeholders and companies through Social Licence to Operate in negotiating new projects developments (Hall & Jeanneret, 2015).

The concept Social Licence to Operate is well explored from the above literature in mining, wind power, forestry and other industries in other countries and less explored in Africa, especially in South Africa. The research on stakeholder engagement will explore sources of community conflicts in the mining industry in the context of South Africa to support the notion of Social Licence to Operate.

## 2.4 Community Definition

Stakeholders of the organisation are viewed as both internal and external to the organisation which community is defined as the social-political arena in the external strategic setting in the organisation (Post, Preston & Snachs, 2002). Freeman, Wicks, & Parmar (2004) emphasised that organisations to realise continued success of the businesses, the managers should not only focus on shareholders and profitability but also the relationship with all their stakeholders. Stakeholders may intimidate companies' ability or rightfulness to perform through strikes, protests and legal challenges (Parsons, Lacey, & Moffat, 2014). The research study is focused on the communities as the stakeholder of the organisation, in understanding why conflicts do occur post community engagement which could result in business disruptions.

## 2.5 Community as a Stakeholder

Community is understood as "a local geopolitical entity which includes grouping of people sharing common characteristics or interests" (Green & Mercer, 2001, p.1927). Community is defined as groups of citizens tied together by geography, interaction or identity (Lee & Newby, 1983 in Bowen, Newenham-Kahindi, & Herremans, 2010). Crane, Matten, & Moon (2004) defined communities as groups of individuals or citizens representing the stake of citizens and ensuring that organisations are responsible in administration of citizens' rights. These include pressure groups, Non-Government Organisations, community organisations and other civil groups (Crane, Matten, & Moon, 2004). This research seeks to understand which communities are involved in conflicts with companies post community engagement. Dunham, Freeman & Liedtka (2006) defined community based of geography, interaction and the identity which serves as the basis for the community as a stakeholder with the following categories:

Community of Place – is defined as the community with the physical closeness to the organisation. Organisations become more responsible for their actions to those communities near their operations. Community initiatives such as donations such as building clinics are offered by the organisations.

Community of Interests - community with the specific purpose and area of focus which include the advocacy efforts targeting business firms such as citizen action groups organised for a specific issue.

Virtual Advocacy Group - those groups with agenda driven sense of group identity.

Community of Practice – community with a strong sense of identity and mutual responsibilities seeking to achieve collective goal.

Harvey & Brereton (2005) in emerging models of community engagement in the Australian minerals industry defined community in the mining industry as inhabitants of immediate and surrounding areas which are impacted in some way by an organisation's operations and such impacts may include economic, social and environmental impacts. Companies and government mostly fail in demarcation of the important local communities' areas where they operate and also view communities in isolation, not realising that communities function within social and cultural networks of rights and obligations, especially in sub-Saharan Africa, and therefore isolation is impossible (Moomen & Dewan, 2017) in Probing the Perspectives of Stakeholder Engagement and Resistance Against Large-Scale Surface Mining in Developing Countries.

Different stakeholders were classified in categories from the above literature review this research was focused on, as to why conflict occurs between the mining companies with the mining community which falls under the following stakeholder categories, namely; the wider sense of stakeholder, secondary stakeholder, non-vested stakeholder, moral stakeholder and the influencer stakeholder. Communities as a stakeholder falls within these classifications and this study focused on communities having conflicts with mining companies.

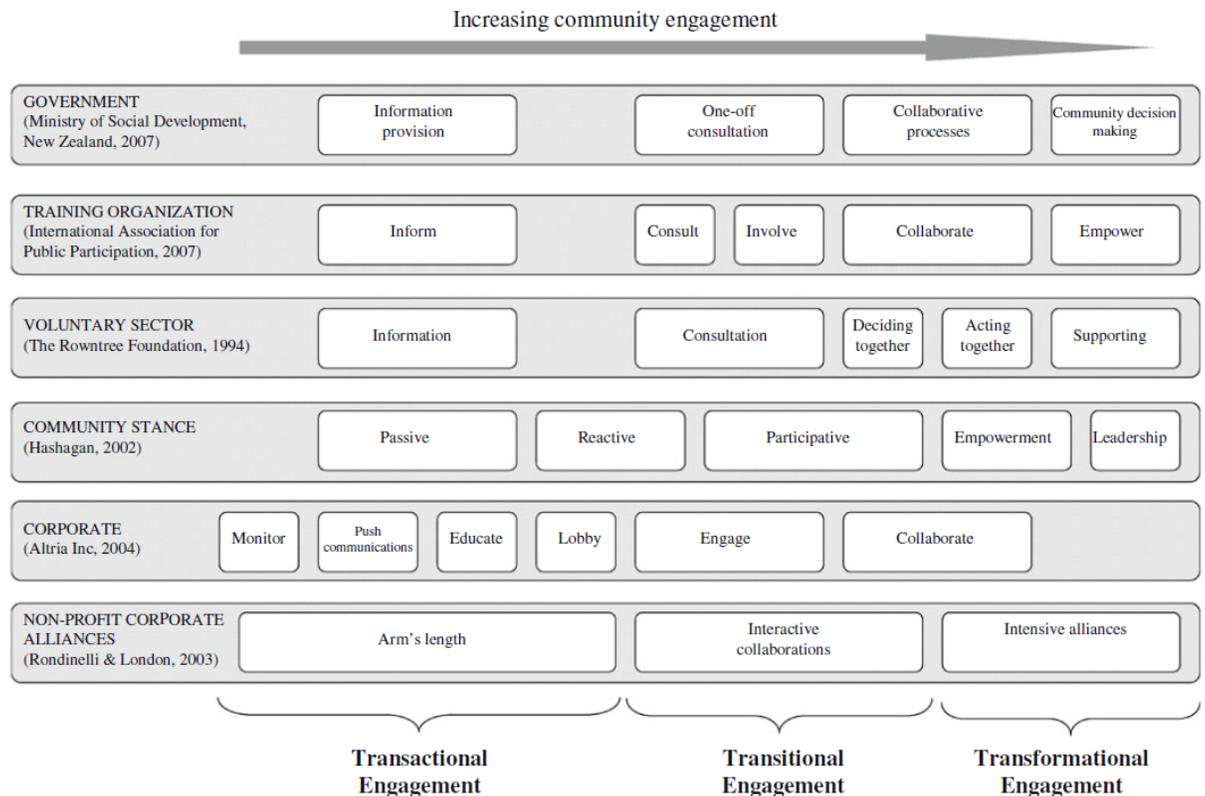
## **2.6 Stakeholder and Community Engagement**

Managers of the organisations should consider the interests of the stakeholders when taking business decisions, not just the transactional relationship as the means to an end on organisational objectives (Freeman, 2004). Stakeholder engagement is defined as the process of the involvement of the interested and affected parties by the organisations whereby stakeholders' views are incorporated in the business decision making (Jeffery, 2009). Fawcett, Paine-Andrews, Francisco, Schultz, Ritcher, Lewis, Williams, Harris, Berkley, Fisher & Lopez (1995) in using empowerment theory in collaborative partnership for community health and development defined community engagement strategy as collaborative partnership between organisations and communities in understanding process to empower and contribute to the social-wellbeing of the community. Tindana,

Singh, Tracy, Upshur, Daar, Singer, Frohlich & Lavery (2007) defined community engagement as the collaboration process between relevant stakeholders sharing common goals and interests. Bowen, Newenham-Kahindi & Herremans (2010) defined community engagement strategy as the organisation's corporate social responsibility initiative aiming at benefiting shared social-wellbeing of individuals and community groups.

Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) in the forest plantation industry in Australia emphasised that community engagement forms part of sustainable management of the company. Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) further suggests that specific community engagement methods are required to address engagement issues in a specific business and/or in the specific industry. Letters and public meetings are used to engage with communities in close proximity to the operation and those previously engaged with the operations which could result in lack of inclusion and representation of the broader communities (Dare, Vanclay & Schirmer, 2012). Involving a broader community in the public meetings it provides a broader range of values and perspectives in the engagement process which will results in decision making improvements (Hamersley-Chambers & Beckley, 2003).

Bowen, Newenham-Kahindi & Herremans (2010) distinguished three community engagement strategies, namely, transactional, transitional and transformation as illustrated in figure 5 below. The Figure 5 below indicates that there is an increase level of community engagement from one-way information sharing through two-way dialogue and collaboration to community leadership and empowerment (Bowen, Newenham-Kahindi & Herremans, 2010).



**Figure 5: The Continuum of Community Engagement (Bowen, Newenham-Kahindi & Herremans, 2010)**

Transactional community engagement strategy - strategy where organisations are giving back to the communities through investment or information sharing such as donations and skills training of communities (Bowen , Newenham-Kahindi & Herremans, 2010).

Transitional community engagement strategy – in this strategy there is element of community involvement which entails infrastructure development such as building schools (Bowen, Newenham-Kahindi & Herremans, 2010).

Transformational community engagement strategy – it is perceived as most proactive corporate community engagement strategy whereby the organisations achieve business objectives which could not be achieved without community engagement. In this strategy through organisations' leadership, communities can voice their concerns and solutions, and as such, concerns are managed with both parties gaining control of shared engagement process whereby the needs and the resources of communities are fully integrated with the organisation decision making process (Bowen, Newenham-Kahindi &

Herremans, 2010). Schouten & Remmé (2006) in making sense of social responsibility in international business, experiences from Shell, suggested the transformational engagement needs competencies of listening, reflection, making joint sense of issues, a right time to action those issues for all parties to achieve shared engagement outcome.

Dunham, Freeman & Liedtka (2006) emphasised that organisations should treat all stakeholder interests as being legitimate. They further indicated that stakeholder theory should be over and above the concept of utilitarianism and consider different kinds of relationships by deploying three strategies in dealing with community engagement, namely, collaboration, cooperation and containment as illustrated in Figure 6 below:

	<b>Collaboration</b>	<b>Cooperation</b>	<b>Containment</b>
<b>Objectives</b>	Support stakeholder development	Negotiate win-win solutions	Minimize potential damages by SH
<b>Nature of interactions</b>	Open, trust-based	Cordial, reciprocal	Adversarial
<b>Frequency of Interactions</b>	High	Mixed	Low
<b>Duration of Interactions</b>	Ongoing, long-term	Intermittent	Short-term
<b>Process Focus</b>	Building/supporting shared identity	Developing mutual understanding and constructive solutions	Identifying and monitoring
<b>Key Actions</b>	<ul style="list-style-type: none"> <li>o Building shared vision</li> <li>o Information sharing</li> <li>o Training/professional development</li> </ul>	<ul style="list-style-type: none"> <li>o Selective information sharing</li> <li>o Ongoing dialogue</li> </ul>	<ul style="list-style-type: none"> <li>o Information collection</li> <li>o Pre-emptive public relations</li> </ul>

**Figure 6: Three Community Engagement Strategy (Dunham, Freeman & Liedtka, 2006)**

The mapping of the three strategies with four categories of stakeholders which include community of place, community of interests, virtual advocacy groups and community of practice as indicated in Figure 7 below (Dunham, Freeman & Liedtka, 2006). This is an indication as to which community engagement strategy is employed on which category of stakeholder.

	<b>Collaboration</b>	<b>Cooperation</b>	<b>Containment</b>
<b>Communities of Place</b>		XXX	
<b>Communities of Interest</b>		XXX	
<b>Virtual Advocacy Groups</b>			XXX
<b>Communities of Practice</b>	XXX		

**Figure 7: Mapping of Community Engagement Strategy with Community Categories**  
*(Dunham, Freeman & Liedtka, 2006)*

Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) identified attributes of the effective community engagement in the forest plantation industry in Australia as collaboration within the industry, community engagement skills used during industry wide community engagement, trust between industry and stakeholders and inclusive stakeholders. Dare, Schirmer, & Vanclay (2014) also noted that trust in an organisation, capacity to engage stakeholders and the ability of an organisation to respond to changing expectations are critical factors of effective community engagement. Trust can relate to a person/s, an organisation or industry as a whole (Gordon, Schirmer, Lockwood, Vanclay & Hanson, 2013). Lack of trust results engagement outcomes limitations, unsatisfied stakeholders (Craig & Vanclay 2005 in Dare, Vanclay & Schirmer, 2012).

Owen & Kemp, (2012) cited that fulfillment of the agreed resolutions does not necessary translate to Social Licence to Operate due to other issues raised outside of agreed resolutions, causing anger, trouble and concerns to stakeholders about the agreed resolutions. Rees, Kemp, & Davis (2012) concluded that for effective conflict management in to occur in mining companies, corporate culture plays a vital role, which includes “company attitudes to community relationships and conflict management, method of community engagement, competencies of community relations personnel and their influence, corporate structure and hierarchy, employee attitudes, role of formal process, social performance assessment, and the role of legal structures” (p.1). Harvey & Bice (2014) concluded that extractive companies should move from just legal and regulatory compliance as well as offering charitable demands, and rather increase the exposure levels of their highly skilled employees to help solve pressing host community issues. Resettlement of local communities and mining-induced displacement is common globally in the mining industry to allow mining to be undertaken with less impact to the livelihood of native communities (Hilson, 2012).

Dare, Schirmer, & Vanclay (2014) further argued that not only is community engagement a critical element is securing Social Licence to Operate, rather the understanding of the community engagement capacity to influence Social Licence to Operate is a vital aspect. Gunningham, Kagan, & Thornton (2004); Siltooja & Vehkaperä (2010); Thomson & Boutilier (2011) in Dare, Schirmer, & Vanclay (2014) indicated that meeting stakeholder expectations and satisfying societal norms is achieved through the maintenance of approved Social Licence to Operate and that such organisation is perceived legitimate by the society. Kaban, Tamir, & Singh (2014) noted that community engagement is one of the success factors in rural development projects, Micro-hydroelectric site in Ifugao, Philippines, as the community feels that they are more inclusive, empowered and that they have a sense of ownership throughout the project lifecycle. Harvey & Brereton (2005) indicated that BHP Billiton bottom line was improved due to the success of community engagement initiatives. Organisations measure community engagement success by responses to stakeholder issues and as the organisational fear over stakeholder expectations are realised (Owen, & Kemp 2012).

The existing academic literature review has less information on stakeholder engagement in mining companies within the context of South Africa. This supports the need of the study to explore the sources of community conflicts with South African mining companies.

According to Holland (2015) sustainable growth is created in gold mining when mining executed responsibly. Holland (2015) further suggested that issues of community interest is not only environmental and has social impact, rather delivers benefits to local communities. He argued that mining also brings positive sustainable legacy to host communities. However, mining companies lost community trust and generated doubt in those positive impacts (Holland, 2015). Job creation and employment opportunities are mostly used by mining companies to avoid resistance by local communities, however, temporary job opportunities are viewed as unsustainable, and communities are seeking long-term benefits of livelihood security (Moomen & Dewan, 2017). However, power distance between the local elites and marginalised communities challenged create socio-economic discrepancies as the mining-induced money distribution ends up only with local elites with experiences of nepotism in business and employment opportunities towards non-local people where locals get fewer, unsustainable and insecure jobs (Zulu & Wilson, 2012). Political and social ills of mineral resource extraction often aggravate conflicts

between the mining companies and local communities, especially for land-use issues (Wunder, 2005).

Davis & Franks (2014) reported that there is an increase in stakeholder related issues in the extractive sectors and that the mining companies encountered negative environmental issues that create serious social impacts such as health, hence more community complaints, protests and road blockages. Davis & Franks (2014) cited that most of the extractive companies fail to identify and aggregate the full range of cost of conflict with local communities. The stakeholder engagement study will explore sources of conflict which might address the loss of community trust leading to community protests on mining companies within the context of South Africa.

The following gaps were identified from the literature review:

Dunham, Freeman & Liedtka (2006) indicated that there is lack of empirical and theoretical studies to test the relationship between the four types of community and the three community engagement strategies. Schouten & Remmé (2006) experienced the joint sense making process for the stakeholder engagement in Shell, there is a need to explore the study in other companies. Bowen, Newenham-Kahindi & Herremans (2010) suggested future investigations on what the cost and benefits of community engagement strategies are and the understanding of competitive advantage of the organisations through community engagement. Rees, Kemp & Davis (2012) focused their study on internal attributes of effective conflict management in the mining industry, and the external factors to obtain the balance. This view needed to be explored further on the factors influencing effective conflict management. Franks et al. (2014) identified a gap in how risk emanating from the communities in the form of social risks affects organisational risks, associated costs and financial liabilities. Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) suggested future research to investigate the community engagement barriers in other industries to provide more comparative data on the existing studies in the forestation industry in Australia.

Davis & Franks (2014) recommended that in exploring how community expectations evolution could help in communicating the importance of understanding the full range of cost of community conflict for the companies to give attention to community issues. Owen & Kemp (2013) Identified gaps as to how the companies balance their internal needs with

broader external stakeholder expectations in decision making. Moffat & Zhang (2014) recommended further exploration of the level of community trust and level of community acceptance from stakeholder on mining impacts other than environmental and economic impacts. Gaps are identified in exploring the collaboration and sources of conflict amongst stakeholder interests focusing on value creation (Harrison & Wicks, 2013). This research seeks to explore new insight as to what the sources of conflict are between communities and mining companies post stakeholder engagement in the extractive industry within the context of South Africa.

## **2.7 Conclusion**

In conclusion, it is evident that stakeholder theory has been reviewed with the understanding that the theory focuses on how companies operate in relation to management of stakeholder relationship. The literature review revealed that the aspect of the Social Licence to Operate is key in the extractive companies as ongoing approval and acceptance of the society on mining companies ensure that these companies continue to operate. As such, community engagement remains a critical element of maintaining Social Licence to Operate. The literature review had less or lack of academic information as to what the sources of community conflict is with extractive companies within the context of South Africa. The stakeholder engagement study coupled with the implementation of the stakeholder theory was required to understand the sources of conflict between mining companies and communities in the context of South Africa.

## **Chapter 3: Research Questions**

### **3.1 Introduction**

The literature review undertaken in Chapter Two was on stakeholder definition, stakeholder theory, community definition, community engagement and social license to operate in the mining industry. The academic literature provided the definitions of stakeholders which are differentiated in two types of stakeholders, namely, primary and secondary stakeholders for the companies to manage them differently. The literature review also provided the different types of communities as well as kinds of community engagement strategies to be followed when engaging different types of communities. It has also shed light on the aspects of Social Licence to Operate and community engagement. The aim of this stakeholder engagement research is rather to explore the sources of conflict between communities and companies with the objective of reducing if not eliminating it.

### **3.2 Research Questions**

Literature review revealed gaps in terms of the sources of conflict post implementation of agreed community engagement outcomes between the mining companies and communities within the context of South Africa. This research aims to answer this overarching research question: ***Why does conflict occur between the mining companies and communities post implementation of agreed community engagement outcomes?***

To explore and understand the sources of conflicts between the mining companies and communities and to explore the understanding of Social Licence to Operate concept, the study was centred on the following research questions in support of the overarching research question.

***Research Questions 1: What is the understanding of the concepts of Social Licence to Operate and Community Engagement and their interaction?***

The aim of this question was to ascertain a deep understanding of the well-used concept of the Social Licence to Operate in the mining industry as per the literature review undertaken in Chapter Two in the South African Context, from both mining companies,

regulators and communities, and to understand how community engagement strategies fit into the Social Licence to Operate concept.

***Research Question 2: What is the process used by both companies and communities on community engagement including conflict management?***

The purpose of the question is to understand how mining companies and communities undertake ongoing community engagement throughout the company life cycle including during times of community conflict.

***Research Questions 3: Why does conflict occur during and post community engagement?***

The aim of this question is to determine if conflict emerges in and after implementation of community engagement, and to ascertain the sources of conflict and the factors to consider preventing them.

***Research Questions 4: Do companies and communities exercise due diligence as to who they should engage with?***

The aim of this question is to ascertain if companies and communities identified and engaged true community stakeholders and/or true companies' representatives in continuous granting of Social Licence to Operate.

### **3.2 Conclusion**

The above research questions identified in this chapter will allow the researcher to answer the overarching research question, of why conflict occurs post implementation of agreed community engagements outcomes between mining companies and communities and provide understanding on the Social Licence to Operate in the mining communities in the South African context. The overarching question will be answered through the implementation of the research methodology and design outlined in Chapter Four.

## **Chapter 4: Research Methodology and Design**

### **4.1 Introduction**

The research problems outlined in Chapter Three provided the researcher with a guide used to explore the sources of conflict between the mining companies and communities post the implementation of the agreed community engagements outcomes as well as the understanding of Social Licence to Operate in the South African context. The research methodology and design define clearly what method used during the study either qualitative or quantitative, in exploration, descriptive or causal design (Saunders & Lewis, 2012). Saunders & Lewis (2012) cited that the methodology and research design should be appropriate to the research objectives and questions developed.

This chapter details the research methodology and design that was used to address the identified research questions which outlines the following concepts: the choice of methodology, population relevant for the study, unit of analysis, sampling method and size, measurement instrument, data gathering process, analysis approach and limitations of research. The research undertaken was qualitative as the study seeks to explore new insights on the sources of conflict post implementation of agreed community engagement outcomes between community and mining companies, and the understanding of Social Licence to Operate concept. This involved face to face as well as telephonic semi-structured in-depth interviews with community representatives, regulators and mining representatives who were experienced and involved in community engagements processes.

### **4.2 Choice of Methodology**

#### **4.2.1 Philosophy**

Saunders & Lewis (2012) defines research philosophy as an overall term that relates to the generation of knowledge and knowledge nature in relation to research. Saunders & Lewis (2012) identified four main research philosophies as “positivism, realism, interpretivism and pragmatism” (p.104). Interpretivism is defined as a research philosophy which seeks to understand the different viewpoints emanating from different human roles and their social players (Saunders & Lewis, 2012). The qualitative research interpretivism philosophy was used for this research as the research is seeking to understand new

insight from mining companies and communities on what the sources of conflict are emanating from the stakeholder engagement outcomes. In this case the human roles and their perceptions will differ therefore interpretations will also differ.

#### **4.2.2 Approach**

Saunders & Lewis (2012) defined an induction research approach as a research approach using information collected and analysed to create a conceptual theory and model. The authors further indicated that to explore an understanding of the meaning of events attached to humans, qualitative inductive approach is relevant to develop new theories and models. To understand why conflict occurs post engagement between mining companies and communities, a new model and theory may be developed from data collected using qualitative inductive approach of the research which can be tested in future research using the quantitative deductive research. Qualitative inductive approach was used for this research.

#### **4.2.3 Methodological choices**

Zikmund, Babin, Carr & Griffin (2009) defined qualitative research as the research method which seeks to provide elaborative explanation of the research phenomena on business objectives without usage of numerical data. This research used a mono qualitative study method to gain insight into which sources were causing post engagement conflict between mining companies and communities as well as the understanding of the Social Licence to Operate concept.

#### **4.2.4 Purpose of research design**

Saunders & Lewis (2012) identified exploratory, descriptive and explanatory as types of studies that the researcher can use. The authors indicated that for the researcher to discover general information that is not known, the exploratory study method will be applicable. Zikmund, Babin, Carr & Griffin (2009) suggested that exploratory research is always an initial step undertaken where additional research will be required to conclude on evidence of a particular course of action. For this research an exploratory study was undertaken to explore the phenomenon of factors that influence conflicts between the mining companies and communities post engagement as well as to explore the

understanding of the Social Licence to Operate concept in the mining communities in the South African context.

#### **4.2.5 Strategy**

The strategy selected enabled the researcher to structure how the research questions were answered and how the research objectives were achieved. Zikmund, Babin, Carr & Griffin (2009) identified research strategies which include case studies, experiments, surveys, action research, grounded theory and ethnography can be used by the researcher. Survey research strategy is defined by Saunders & Lewis (2012) as the process of collecting data from defined populations using questionnaires, structured observations and structured interviews. Survey research strategy was used in this research to ask questions such as who, what, where and how to explore new insights on the sources of conflict post community engagement between communities and mining companies and the understanding of the Social Licence to Operate concept (Saunders & Lewis, 2012).

#### **4.2.6 Time horizon**

Bryman & Bell (2011) identified different research designs, namely, experimental, cross-sectional, longitudinal, case study and comparative research designs. Bryman & Bell (2012) defined cross sectional research design as “the research design which entails the collection of data on more than one case and at a single point in time in order to collect a body of quantitative and qualitative data in connection with two or more variables which are examined to detect patterns of association” (p.53). For research where time constraint is an issue, snapshot research which is set at a particular time can be undertaken (Saunders & Lewis, 2012). The cross-section study was undertaken for this research whereby qualitative data was collected at a point in time considering time and budget allocated to complete this research.

#### **4.2.7 Techniques and procedures**

Saunders, Lewis, & Thornhill (2016) identified three types of interviews, namely, structured, semi-structured and unstructured (in-depth interviews). Saunders, Lewis, & Thornhill (2016) further emphasised that for the exploratory study, both in-depth and semi-structured can be undertaken to seek new insights. Semi-structured interviews are defined

as interviews conducted with pre-developed interview questions and known themes prior the interview (Saunders, Lewis, & Thornhill, 2016). However, depending on interview outcomes of a specific respondent the interview questions may differ from one interview to another (Saunders, Lewis, & Thornhill, 2016). In some instances, additional interview questions may be required to address research questions and objectives (Saunders, Lewis, & Thornhill, 2016). Unstructured or in-depth interviews are defined as planned interview with no pre-developed interview questions prior to the interview (Saunders, Lewis, & Thornhill, 2016). Saunders, Lewis, & Thornhill (2016) cited that selected research methodology will provide the researcher the opportunity to review the responses and where required the interviewees will then explain or build on their response. This was the case for this research and both semi-structured and in-depth interviews were undertaken for this research.

### **4.3 Population**

Population is defined as “a complete set of groups of members or entities not limited to employees or people but rather include organisations and areas that share some common set of characteristics” (Saunders & Lewis, 2012, p.132; Zikmund, Babin, Carr & Griffin, 2009). The study aimed at mining companies and their communities as the implied set of groups in the South African context. The mining commodities in the South African boundaries with recent communities protesting against social and environmental issues include coal, platinum, chrome and gold within the Mpumalanga, Limpopo, Eastern Cape and Gauteng provinces. Given limited resource of time and finances to conclude the study, gathering of data from the whole population was impossible, therefore coal mining in Mpumalanga province was a target population. This resulted in limitations of the study in terms of a representative sample. The data was gathered from coal mining representatives, regulators and respective communities in South Africa, Mpumalanga Province which entails target population. The target population are those directly and indirectly experienced in and affected by conflict between communities and mining companies within the context of Mpumalanga Province in South Africa.

### **4.4 Unit of Analysis**

Unit Analysis is defined by Dolma (2010) as “the entity that is being analysed in scientific research” (p.169). Unit analysis study indicates the sources and the level of information

required for the research (Zikmund, Babin, Carr & Griffin, 2009). Dolma (2010) explained that when testing the relationship of employee job satisfaction and job performance, the employee is the unit analysis. Dolma (2010); Zikmund, Babin, Carr & Griffin (2009) identified different levels of unit analyses, namely, individual level (employees, customers, owners, unions and etc.), group level or households (study groups, families, extended families, work teams and others), organisational level (multiple groups, business and business units), departments (sale, finance and others) and social artefacts and interactions (books, advertisements, weddings). Individual level of unit analysis was used in this stakeholder engagement research whereby mining company' representatives, regulator representatives and community member representatives were interviewed to provide their views and perceptions as representatives.

#### **4.5 Sampling method and size**

Sampling is required to provide research with reliable and accurate results (Zikmund, Babin, Carr & Griffin, 2009). Zikmund, Babin, Carr & Griffin (2009); Saunders, Lewis, & Thornhill (2016) categorised types of sampling techniques as probability and non-probability. Non-probability sampling technique is used where there is no complete list of the total population to enable the research to sample randomly (Saunders, Lewis, & Thornhill, 2016). Saunders, Lewis, & Thornhill (2016) categorised non-probability sampling techniques as 'quota', 'snowball', 'convenience', 'purposive' and 'self-selection'. Saunders, Lewis, & Thornhill (2016) defined purposive sampling as a "sampling in which the researcher's judgment is used to select sample members based on a range of possible reasons and premises" (p.237). Snowballing sampling technique is defined as the type of non-probability sampling in which, after sample member, subsequent members are identified by earlier sample members (Saunders, Lewis, & Thornhill, 2016, p240). Convenience sampling as sampling method for the research to select those to be interview due to their accessibility rather their appropriateness (Saunders, Lewis, & Thornhill, 2016). Zikmund, Babin, Carr & Griffin (2009) defined convenience sampling as "a sampling procedure of obtaining those people or units that are more conveniently available" (p.396).

The researcher selected those representatives who were exposed to community engagement in coal mining issues with communities to suitably answer research questions and meet the research objectives. Easy access to interviewees and possible referral were used, therefore, the purposive, convenience and snowball sampling techniques were used

for this research. The first ten respondents were selected using both convenience and purposive sampling techniques and the rest were from the use of the snowball sampling technique.

Saunders, Lewis, & Thornhill (2016) noted that sample size is dependent on research questions and objectives. Non-probability sampling techniques with an exception of quota sampling shows that there are no rules in relation to the sample size (Saunders, Lewis, & Thornhill, 2016). Many theories prefer that sample size will be determined by the point of data saturation. Saunders, Lewis, & Thornhill (2016) defined data saturation as the point where there is few or no new insights from additional interviewees. There were four interviews with community representatives who have interacted with coal mining companies, two interviews with government or regulatory representatives who work with both coal mining companies and communities, and eight with representatives from the coal mining companies who are responsible for community engagement undertaken. Due to time constraints data saturation of this research study was not reached.

#### **4.6 Measurement instrument**

There are different information gathering structures when using interviews for the data gathering process. The structures include structured, semi-structured, in-depth (unstructured), and group interviews (Saunders, Lewis, & Thornhill, 2016). To explore more of what is happening, unstructured interviews were undertaken first, followed by the semi-structured interviews using a predetermined list of topics and the questions to be asked such as interview guide (Saunders, Lewis, & Thornhill, 2016). However, the questions that were asked during the interviews varied from one respondent to another, depending on the responses where each respondent had an opportunity to narrate their story in a manner that they were comfortable with (Saunders, Lewis, & Thornhill, 2016).

The predetermined interview questions were developed in such a way that the interviewees or respondents' answers to the research questions will meet the research objectives to ensure validity of data collected. Interview schedule or guide is outlined in Table 1 below and more details refer to Appendix 1 of the document.

**Table 1: Research and Interview Questions**

<b>Research Question #</b>	<b>Research Questions</b>	<b>Interview Question #</b>	<b>Interview Questions (Refer to Appendix 1 for</b>	<b>Schedule/ Guideline</b>
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<b>(RQ)</b>		<b>(IQ)</b>	<b>more details)</b>
RQ1	<b>Research Questions 1:</b> What is the understanding of the concepts Social Licence to Operate and the Community Engagement and their interaction therefore?	Part 2: IQ1 Part 2: IQ2 Part 2: IQ3	What do you understand of Social Licence to Operate (SLO)? What is your understanding of community engagement? How the SLO and Community Engagement fit to each other?
RQ2	<b>Research Question 2:</b> What is the process used by both companies and communities on community engagement including conflict management?	Part 2: IQ4  Part 2: IQ5  Part 2: IQ6	Describe to me your community engagement structure? How engagement with community/mining companies is undertaken?  In your opinion do you think both parties (Communities and mining companies) engage with same intentions/purposes? And why is that the case?  Describe to me your experiences of community engagement? And How do you measure community engagement success or failure?
RQ3	<b>Research Questions 3:</b> Why do conflict occurs during community engagement process and post engagement?	Part 2: IQ7  Part 2: IQ8  Part 2: IQ9	Besides the conflict/fights/misunderstandings that can happen during community engagements, do these also happen after community engagement?  Why do conflicts still happen despite the implementation of agreed upon actions?  In your opinion, why do these conflicts/fights/misunderstanding happen? And What do you think can be done to eliminate the conflicts/fights/misunderstanding?
RQ4	<b>Research Questions 4:</b> Do companies and communities engage with due diligence on who they should engage with?	Part 2: IQ4	Describe to me your community engagement structure? How engagement with community/mining companies is undertaken?

The interview questions used in conducting the interviews were linked with the research questions developed inductively from the literature review undertaken in Chapter Two.

Although the interview schedule or guide was used, open questions were asked which enabled the respondents to provide variable unstructured responses. Interviews were only done once a consent form was signed by the respondents. Notes taken, and audio or answer recordings were processed immediately after completing the interviews in the form of transcripts. Semi-structured and in-depth interviews were undertaken to enable the researcher to explore new phenomenon on the sources of conflict between communities and mining companies post implementation of agreed community engagement outcomes, as well as the understanding of Social Licence to Operate.

Saunders & Lewis (2012) defined pilot test as “the trying out of some questionnaires, interviews schedule or method of data collection with a small group of respondents who are similar to those who will be used in the actual research to see if it works” (p.157). Any problems that may arise from the pilot test can then be addressed before the actual research is undertaken (Saunders & Lewis, 2012). The pilot test was undertaken by interviewing one representative from the coal mining company to test the interview guideline and the interviewing techniques to be used. The pilot testing feedback allowed the researcher to check whether the questions are well understood and that there are no leading questions and that data collected is what is required (Saunders, Lewis, & Thornhill, 2016). No significant changes were made to the interview guideline and the technique. The results of the pilot interview did not form part of the data analysed as the person interviewed was the Mining Manager not a person dealing with community engagements.

Trustworthiness and authenticity are defined as alternatives other than reliability and validity to assess and establish the quality of qualitative research (Licnlon & Guba, 1985 & Guba & Licnlon, 1994 in Bryman & Bell, 2011). The authors further indicated that to evaluate trustworthiness, the following criteria are important, namely, credibility, transferability, dependability and conformability whereas some of the authenticity elements include fairness, ontological authenticity, authenticity, educative authenticity, catalytic authenticity and tactical authenticity. For this research, combination of credibility (social reality), transferability, fairness and educative authenticity were used to assess the quality of the results obtained. Data reliability and credibility were achieved through the application of standard methods to all respondents including same standard questions asked to all respondents. In addition, anonymity provided for the voluntary disclosure of data, ensuring that the information gathered were true and valid.

#### **4.7 Data gathering process**

Zikmund, Babin, Carr & Griffin (2009) defined data gathering as data collection process through interviews, observations, recorded data using the internet-based surveys or scanners. There are different structures of collecting information using interviews as a data gathering process and interview structures which include structured, semi-structured, in-depth (unstructured), and group interviews (Saunders, Lewis, & Thornhill, 2016). Saunders, Lewis, & Thornhill (2016) further indicated that there are different types of interview interactions between the researcher and the respondents including one-on-one basis which entails face to face, telephone and electronic interaction as well as on a group basis which entails focus groups, face to face and internet interactions.

Semi-structured and in-depth face to face and telephonic interviews were undertaken with fourteen respondents. Consent letters were signed by the respondents and companies prior the commencement of the interview, refer to Appendix 1 and Appendix 3 of this report for the detailed consent letters. The data was recorded for each interview by audio recording and there were little to no written notes recorded. All the recordings and notes taken were immediately transcribed after the interview process. Twelve interviews were transcribed using the external service provided. Prior to the service offering the confidential agreement was signed and the other two interviews was transcribed by the researcher due to the extensive use of Sepadi and Sizulu languages. Refer to Appendix 4 of this report for the transcription service provider confidentiality agreement. The interview transcripts from the service provider were compared with the recordings to evaluate interviews and to ensure the completeness and accuracy of the transcripts. Confidentiality of respondent identity, companies and communities represented is assured and no information provided can be directly linked to the respondents or a specific company or community.

#### **4.8 Analysis approach**

Data analysis is defined as “the application of reasoning to understand the data that has been obtained, it involves determining patterns and summarising the relevant details revealed in the investigation” (Zikmund, Babin, Carr & Griffin, 2013, p.70). Data analysis involves editing, reducing, identification, coding and categorising data patterns and finding themes in the data (Zikmund, Babin, Carr & Griffin, 2013). Data coding involves separating

data collected into different categories which are provided names as a results themes will be identified (Bryman & Bell, 2011). Saunders, Lewis, & Thornhill (2016) suggested the use of specialist qualitative data analysis software such as computer-aided qualitative data analysis software (CAQDAS). The CAQDAS software include NVivo, ATLAS.ti and MAXqda. Sekaran (2003) identified other data analysis software such as SPAA, SAS, STATPANK, SYS-TAT, Excel and others. The research data arising from interview transcripts were formatted in a consistent manner and could be used in Microsoft Excel (Saunders, Lewis, & Thornhill, 2016).

Initially the formatted interview transcripts were analysed using (CAQDAS) ATLAS.ti data analysis software for coding, reducing and network, together with the process flow to answer research questions. The ATLAS.ti software crashed on my laptop on 9 September 2018 with coding completed, and both ATLAS.ti Support Team and GIBS IT Team were unable to assist with the problem. The formatted interview transcripts were then analysed using Microsoft Excel data analysis software for coding, reducing and network, together with the process flow to answer research questions. Refer to Appendix 5 for more details on codes generated. Categories generated from the coding informed a need for future research in community engagements and the gaps in literature review were also identified.

#### **4.9 Ethics Clearance**

This research was done in accordance with GIBS relevant ethical clearance provided in the 2018 green pages guideline and the ethical clearance approval was granted by the institution. Refer to Appendix 2 of this report on details of the approval. The following ethical clearance aspects were adhered to by the researcher:

Confidentiality of respondent identity and the identity of the companies and communities represented is assured and no information can directly be linked to the respondent or a specific company or community.

- **Recording of the interview-** permission from the respondents to record were requested prior the interview recording.
- **Purpose of the interview** - the researcher informed each respondent that their responses would only be used for the academic research report purposes.

- **Informed consent** - each respondent signed the consent form prior the interview which includes the purpose of the research.
- **Protection of identity** - each respondent was assured that their identity from their responses will be protected. The coding for the data analysis was done with no link of the response to the names rather referred as respondent 1-14.
- **Right of Withdrawal** - each respondent was informed of the right of withdrawal from the interview at any point and that the interview was not compulsory. This was communicated on the interview recording as well as on the consent form signed by the respondents.

#### **4.10 Limitations**

The following limitations for the research methodology are identified:

1. A full list of the total population is unknown, and the research will conclude data collection once data saturation is achieved. This limited the use of respondents who might provide new insight.
2. The research focused on coal mining companies and communities within the jurisdiction of Mpumalanga province in South Africa, thus the results lacked generalisation ability to all the mining companies and communities and other provinces in South Africa.
3. Exploratory research has an element of subjectivity and perceptions of the research may influence, there may be some researcher bias which may influence the interpretation of the research results.
4. The researcher was not an expert in undertaking interviews on exploratory research and this could have also affected the manner in which the interviews were conducted.
5. The use of convenience and snowball sampling resulted in the majority of the respondents from one coal mining company and the community representatives they are working with. Although the respondents were from different coal mines and different localities, the respondents may have shared similar experiences due to standardised community engagement process being undertaken, carried in the company or due to their relationship to each other.

#### **4.11 Conclusion**

This chapter presented the research methodology and design undertaken for this research. Philosophical position of interpretivism which allows for humans to provide their view was employed, followed by research design, where an exploratory qualitative inductive approach was selected to explore new phenomenon of community engagement conflict, and the understanding of the Social Licence to Operate through survey design. The total list of population is unknown, hence non-probability purposive, convenience and snowball sampling techniques were undertaken for this research, using semi-structured and in-depth face to face and telephonic interviews. Data collected was analysed using the Microsoft Excel data analysis software to find common categories and themes.

In Chapter Five, presentation of the findings from the data analysed is outlined followed by the discussion and literature comparison in Chapter Six.

## Chapter 5: Findings of the Research

### 5.1 Introduction

The presentation of the sample and results of the research are outlined in this chapter. The purpose of this research was to explore the sources of conflicts between mining companies and communities with specific focus on conflicts happening post implementation of agreed actions. This chapter begins with the overview of the sample and the process undertaken by the research to review and analyse the data collected as per the research methodology outlined in Chapter Four. It is then followed by the presentation of results from the qualitative research conducted through in-depth interviews undertaken with fourteen respondents who are involved in coal mining community engagement processes. The findings are then discussed in Chapter Six.

### 5.2 Overview of the sample

The overview of the sample is presented by the details of interviews and details of the respondents outlined below.

#### 5.2.1 Details of interview

A total of fourteen interviews were conducted from 11 July 2018 to 9 August 2018 to obtain insights on the sources of conflict post community engagement between mining companies and communities. The total duration of the interviews was 737.81 minutes with the average time being 52.7 minutes. The shortest interview was 24.5 minutes and the longest interview was 69.01 minutes. Table 2 below outlines the summary of the interview time undertaken.

**Table 2: Interview Duration Details**

Description	Quantity
Number of interviews	14
Total duration of the interview	737.81
Average duration	52.7
Shortest duration	24.5
Longest duration	69.01

### 5.2.2 The Sample

Three groups of community engagement personnel were interviewed to explore the insights on sources of conflict between mining companies and communities post engagement, which includes seven coal mining companies, community development specialists, five community representatives and two provincial and local authorities personnel regulating coal mining and communities. Table 3 below presents profiles of the respondents interviewed.

**Table 3: Respondents Details**

Respondent	Role	Area Represented
Respondent 1	Community Development Superintendent	Company A: Coal Mine 1
Respondent 2	Community Development Superintendent	Company B: Coal Mine 1
Respondent 3	Community Development Superintendent	Company B: Coal Mine 2
Respondent 4	Community Development Superintendent	Company A: Coal Mine 2
Respondent 5	Ward Councilor	Community A
Respondent 6	Community Development Superintendent	Company B: Coal Mine 3
Respondent 7	Community Development Superintendent	Company B: Coal Mine 4
Respondent 8	Chairperson of Community Forum	Community B
Respondent 9	Community Representative	Community C
Respondent 10	Director of Social Labour Plan	Provincial Authority A
Respondent 11	Member of Municipal Council	Local Authority B
Respondent 12	Community Development & Stakeholder Relations Manager	Company B: Head Office
Respondent 13	Community Representative	Community D
Respondent 14	Community Forum Council	Community E

### 5.3 Results of the study

Initially the formatted interview transcripts were analysed using (CAQDAS) ATLAS.ti data analysis software for coding, reducing and network, together with the process flow to answer research questions. The ATLAS.ti software crashed on my computer 9 September 2018 and both ATLAS.ti Support Team and GIBS IT Team were unable to assist with the problem. The research results were then analysed using Microsoft Excel data analysis software, where each research question and interview question was mapped to each respondent findings. The summary of the feedback from the interviews is presented in line

with the four research questions in answering the overarching research question as to ***why conflicts occur between the mining companies and communities post implementation of agreed community engagements outcomes.***

**5.3.1 Results for research question 1: The understanding of the Social Licence to Operate concept and the community engagement and their interactions.**

In answering this research question, three interview questions were answered, including the understanding of Social Licence to Operate (SLO), community engagement and their interrelation. Below represent the results.

**Interview question 1.1:**

**What do you understand of Social Licence to Operate (SLO)?**

In understanding of the Social Licence to Operate in the context of coal mining in South Africa the following key themes were prevalent as outlined in Table 4 below:

**Table 4: Social Licence to Operate Themes**

Rank	Theme	Frequency
1	Social Labour Plan	6
2	Giving back to community	5
3	Not know	3
4	Gaining stakeholder confidence and trust	1

The interview yielded interesting results on how different people dealing and working with mining companies understood the concept of Social Licence to Operate. Most of the respondents pointed out that Social Licence to Operate is the responsibility of mining companies to implement social labour plans as required by the South African Minerals Resources and Petroleum Development Act which is regulated by the Department of Mineral Resources. Interestingly most of the respondents from coal mining companies and one from regulators understood the concept of Social Licence to Operate as a social labour plan.

The following views were expressed by some of the respondents on this question:

**Respondent 2 (mining):** *"Our communities, they know the Social Licence to Operate is the SLP, the social labour plan".*

**Respondent 6 (mining):** *"The Social Licence to Operate is a mandatory requirement in terms of social labour plans".*

**Respondent 10 (provincial authority):** *"The Social Licence to Operate which in mining, particularly in South Africa, the concept is called social and labour plan which is a requirement for mining companies to comply with".*

**Respondent 12 (mining):** *"Social Licence to Operate emanates from the social and labour plan".*

The second most understanding of the Social Licence to Operate was that negative impacts from mining need to be compensated by giving back to the communities where these mines are operating.

The following views were expressed by some of the respondents on this question:

**Respondent 1 (mining):** *"Because as a mining the company, the work that we're doing is depleting the natural resources and depleting the natural resources, we have to also pay back to the community and because we are mining we also have to think about the legacy that we're going to leave because mine closure".*

**Respondent 3 (mining):** *"Basically with Social Licence to Operate it means a way we come in as a mine house to be a responsible neighbour to those around us therefore, Social Licence to Operate, that's when we give back without people having to work for it".*

**Respondent 7 (mining):** *"If community is not happy you will not operate, whether you've got the mining right, your licence, but if you're not doing anything for the community they will ask what is company X doing for us".*

**Respondent 8 (community):** *"According to me, when a mine wants to move into a town area like town X, isn't it so that you rather upgrade the town or would you prefer downgrade the farm".*

Besides the understanding of the Social Licence to Operate as social labour plan, giving back to communities and gaining stakeholder confidence and trust, most of the respondents from the communities were not aware of the concept.

The following views were expressed by some of the respondents on this question:

**Respondent 9 (community):** *"I don't want to lie, I am not sure about it".*

**Respondent 11 (local authority):** *"It is the first time I hear of such a concept. I might not be aware of the concept. Maybe we need to begin there. Why is the concept not one that many of us in the communities are aware of"?*

**Respondent 12 (community):** *"Actually is new for us, we don't understand. The reason why I'm saying that, because what do we know exactly? We know about the social and labour plan".*

**Interview question 1.2:**

**What is your understanding of community engagement?**

Table 5 below shows themes emerged in the understanding of community engagement from the interviews.

**Table 5: Community Engagement Themes**

Rank	Theme	Frequency
1	Platform to raise community issues, concerns and expectations	9
2	Keeping communities up to date and informed (sharing of information)	4
3	Building and maintaining relationships between companies and communities	2
3	Conversation between the companies and communities	2

Most of the respondents revealed that they understand the community engagement as the platform created by the mining companies for the communities to raise their concerns, issues and expectations. Interestingly this understanding cut across respondents from mining companies, authorities and communities.

The following views were expressed by some of the respondents on this question:

**Respondent 1 (mining):** *"Currently I'm working different forums for different stakeholders because the forums will create a platform for various stakeholders to raise their issues and concerns".*

**Respondent 5 (community):** *“Community engagement is right there to clear the air and to make people understand as far as that goes”.*

**Respondent 9 (community):** *“The community engagement is when the resident demand employment and check what the mine is doing to give back to the community”.*

**Respondent 11 (local authority):** *“I think stakeholder engagement is a platform where the mine and community discuss issues. It is their mandate, as a mine, to discuss with communities in all issues relating to social.”*

**Respondent 12 (community):** *“It states very clearly that the mine must speak with the community or we have to draft our social and labour plan and say, at Y community we want streets, we want this, we want this, the thing that is going to benefit us as a community, sustainable jobs, what is the sustainable jobs”?*

Community engagement was also viewed as the platform where mines keep communities informed through information sharing and making information available. In this case the respondents were mainly from the mining companies. Some of the views from the respondents are presented below:

**Respondent 2 (mining):** *“We need to engage, we need to keep our people informed. We gather information from them, they gather from us, we give them feedback, they give us any update in the community and then we get to understand the feel of the communities, themselves”.*

**Respondent 3 (mining):** *“Now it came to a realisation that stakeholder engagement is not only about government officials because they sign certain documents that we might require for our licences, but it’s really about the people that are on our doorsteps because those are the people that can actually impact production, those are the people who we are impacting on as well, so the better way of engaging with our communities now is to make information available”.*

**Respondent 4 (mining):** *“You can use your stakeholder engagement forums to disseminate the information that you want people to know about the mine and what are the process that are being involved into the running of those businesses”.*

**Respondent 7 (mining):** *"When we engage we do so to resolve conflict between the mine and the community and to ensure that the community has enough information on certain aspects, we engage to be transparent, and try to do so as far as possible".*

Community engagement was also viewed as building and maintaining relationships as well as conversation between the mining companies and the communities.

**Interview question 1.3:**

**How the SLO and Community Engagement fit to each other?**

Most of the respondents understand Social Licence to Operate as being a social labour plan legal requirement, and also giving back to the communities viewed the interrelation between SLO and community engagement is presented in Table 6 below.

**Table 6: Interrelation of SLO and Community Engagement Themes**

Rank	Theme	Frequency
1	Community engagement informs the alignment of Integrated Development Plan (IDP) and SLP projects with community needs	6
2	Community engagement is part of SLO	1
2	Community engagement support SLO	1

The majority of the respondents revealed that municipality Integrated Development Plan (IDP) projects inform the SLP projects of which SLP projects are the pre-requisite of the mining right approval and giving back to communities is viewed as being Social Licence to Operate. Both IDP and SLP projects are subjected to community engagement process where community needs are identified to be aligned with those mandatory projects. Below are detailed views of some of the respondents.

**Respondent 1 (mining):** *"Those projects are being informed by the engagement that you have in your forums, which forums will give an indication of what projects are required based on the issues and concerns of the community".*

**Respondent 4 (mining):** *"Before you compile a social labour plan you would have been informed by what you call an LED process in the municipality, where the municipality will go and open road shows through the community to understand the needs and expectations of the communities".*

**Respondent 6 (mining):** *"Over and above that I would engage communities within our primary zone to try and understand their priority needs to see if the priority needs of the communities are aligned with those in the IDP so that we ensure that we when we start to engage on projects and putting them in our social and labour plan, there is an alignment. Some of the projects that we put in the SLP will look at what is basically the need on the ground and such engagements actually influence what type of projects we need to take so that we address the needs on the ground".*

**Respondent 7 (mining):** *"There are also meetings held between the councillors and the community where they iron out all their needs, to say we need a school, a hall, etc. and they will prioritise them, and all of that gets incorporated into a massive IDP document".*

Other respondents viewed community engagement as part of SLO and that community engagement is required to support the Social Licence to Operate. Below are some of the views from the respondents:

**Respondent 2 (mining):** *"Communities are very knowledgeable, they understand their rights that are in there and the one thing about how the social licence is set up, it actually makes the mine self-engage, you need to engage and get the buy in from the community before you can start anything. So, engagement is part and parcel of that, you cannot do without because when you submit all your regulations to the DMR, engagement is part of it".*

**Respondent 8 (community):** *"If I was this mining fundi {expert} and I know I'm going to be the mine owner, I would have told the people, listen guys, this is a small town, take the effort and take the time, you visit every house in this town, and ask the people, tell them we're going to mine here for their sake and ours."*

In conclusion, most of the respondents understand the SLO as the SLP, what the prerequisites of the mining right approval is, and that SLO is viewed as mining companies giving back to communities without communities working for it. Community engagement was viewed at the platform where community issues and concerns are raised and addressed, including the needs of the communities which should be included in the mines'

social labour plans. Therefore, the respondents viewed SLO and community engagement as interrelated, one cannot exist without the other.

### 5.3.2 Results for research question 2: Community engagement structures, intentions of engagement and community engagement experiences

This research question was answered from the three interview questions which includes community engagement structure employed, when engagement happen whether both parties engaged had same intentions and what experiences on community engagement are, as well as success or failure measures.

#### Interview question 2.1

**Describe to me your community engagement structure? How is engagement with community/mining companies is undertaken?**

Table 7 below outlines the themes emanating from the respondents on the current community engagement structures employed by both mines and communities.

**Table 7: Community Engagement Structure Themes**

Rank	Theme	Frequency
1	Community protests	14
2	Formalised community engagement structures between the mines and communities	13
3	Reporting community complaints to the Department of Minerals Resources	6
4	Communities to directly reports issues and concerns to mines using mines grievance and complaints procedure	4
5	Taking Mining companies to court	1

It is very interesting to note that all respondents acknowledged that community protests are the most used community engagement structure to raise community issues and concerns. Some of the views of the respondent are detailed below:

**Respondent 6 (mining):** *“Mine was not reaching the communities. So, because of that I think that a void was then created and then they started feeling neglected and that they're not being included in what is happening in the mine, and then the next thing, boom, protest marches started”.*

**Respondent 11 (local authority):** *“The community decides on their own, because now as a municipality, we’re viewed as the defenders of this mine or people who can take decisions or write reports and send to the relevant authority”.*

**Respondent 12 (mining):** *“Now the biggest challenge that we sit with is there are people who actually demonstrate are the people are in your closest gate, they will at any time be able to come through and actually cause riots, protests”.*

**Respondent 13 (community):** *“Like Mandela said, the way they took our land, we close roads, evacuate the mine and then we close the operations”.*

**Respondent 14 (community):** *“Those business opportunities, when the mines start, the community are not considered at all and then it’s when the community starts and goes to the gate and stops the production because they’re fighting for their promises”.*

Second, most community engagement structure employed by both the mines and communities are formalised or structured engagement forums, in some instances a collective forum where all formalised structures meet in one room to engage, and other forums allow engagement to be undertaken in the different formalised structures. Most of the engagements between the mines and communities are done through or with local municipality due to local municipality being a formalised organisation representing the communities. However, two respondents from communities revealed that municipality representatives are not welcomed to forms part of their engagement structures.

Below are some of the views from the respondents:

**Respondent 1 (mining):** *“Currently I’m working with different forums for different stakeholders because the forums will create a platform for various stakeholders to raise their issues and concerns, because as a mining company you’re also impacting on the community you’re hosting”.*

**Respondent 2 (mining):** *“So we established what we call a consultative joint forum, it’s currently made of 22 different forums from the community”.*

**Respondent 14 (community):** *“Because municipality is not playing a role towards us as a community because municipality fail to deliver to the community so how does the municipality can assist on the mining houses through us”?*

**Respondent 6 (mining):** *“We have created a councilor’s forum with municipality councilors that are within the primary zone of influence, we have now created a ward forum which is representatives of ordinary members of the community from the wards who are not ward committee members, whom are just ordinary member of the community, to whom often information does not reach, then there is Future Forum”.*

Some of the respondents from the communities and authorities revealed that failure to address community complaints by mining companies resulted in communities then reporting the complaints directly to the DMR. Surprisingly none of the mining representatives acknowledged the direct reporting of the community complaints to the DMR. The quotations in support of the direct DMR reporting are as follows:

**Respondent 8 (community):** *“We get complaints from the community, they bring it all in to me and I put it on an email and I sent it to the relevant people. They don't act in the time frame I give them, I take it to the DMR, but the DMR don't do what they're supposed to”.*

**Responded 10 (provincial authority):** *“We have a situation in X local municipality which is town X, which they came, the community with the bus, you can imagine town X to DMR (Witbank) office”.*

**Respondent 12 (community):** *“We have lodged many complaints to DMR, actually we were supposed to meet the deputy Minister, but he sent the DMR regional manager. DMR promised to attend the matter, however they wanted to seem as if they are doing something about the issue since they engaged with the forum”.*

Grievance and complaint procedures are used by the mines as a mechanism for the communities to report issues directly to the mine. This engagement mechanism was only acknowledged by the mine respondents and none from the communities.

One respondent from the communities provided the insight that when mines and authorities fail to address communities’ issues and concerns, the last resort is taking those responsible to court as supported by quotation below.

**Respondent 8 (community):** *“We talked and talked and they didn’t want to listen to us and they were laughing at us so we took them to court”.*

**Interview question 2.2**

**In your opinion do you think both parties (communities and mining companies) engage with same intentions/purposes, and why is that the case?**

Table 8 below provide the indication of the respondent on whether the mines and communities engage with same intentions or not.

**Table 8: Engagement with same intensions or not?**

<b>Are both parties (Communities and mining companies) engage with same intentions/purposes?</b>	<b>Grand Total</b>
No	9
Yes	3
It Depend	1
Very Difficult	1

Out of the fourteen respondents who participated in the interviews, nine (64%) confirmed that mines and communities are not engaging with the same intentions or purpose. Table 9 below are themes emanating from the reasons community engagement is not undertaken with the same intensions.

**Table 9: Not Engaging with Same Intention Themes**

<b>Rank</b>	<b>Theme</b>	<b>Frequency</b>
1	Mines focuses on profit	3
2	High expectations from the communities	1
2	Community representatives engage for self-interest	1
2	Mines and communities engage not having the same understanding	1
2	Mines telling communities and not listening to communities	1
2	Community aggrieved, historically exploited by mines	1
2	Mines dividing communities by paying some of the community groups	1
2	Community engage only for business and employment opportunities	1

Six of the respondents revealed that the reason for mines not engaging with the same intentions is that mines are focused on profit (bottom line), that mines are not engaging but rather telling communities, not listening to communities, that mines are dividing communities by paying some community groups, and that historical communities’

exploitation by mines is still persistent to date. These facts are supported by quotations below:

**Respondent 8 (Community):** *"No. No. No. You know what? X is a small town. They damage our properties, they make us sick. If the mine wasn't here just for the money they would have looked after the community".*

**Respondent 10 (provincial authority):** *"No, not with the same intentions. From the community side, to start with, communities are aggrieved, my sister, because of the legacy of the mining industry, it's a bad legacy and mining companies have been taking communities for a ride, exploiting, being aware that these are the expectations, but they did not deliver and taking advantage also of the DMR, not having sufficient capacity". "You know, business is business because business is focused on profit, that's what I've heard, because business is deep routed through capitalist system."*

**Respondent 14 (community):** *"No, at the moment we are divided because there are some people who are being paid aside. Let me make it easier. The mining house, their strategy is to do a divided rule amongst the community. I can pick some people that I can use against those people that they need to benefit".*

The respondents from mining revealed that the reason for communities to not engage with the same intentions was that communities have high expectations from the mines, that communities are always demanding business and employment opportunities, and that some of the communities' representatives are engaging for self-interest. These results are supported by the quotations below:

**Respondent 1 (mining):** *"I think there's high expectations from the community side, they might be expecting more than what the mine can offer and that can also create a problem".*

**Respondent 2 (mining):** *"The community, mostly, their reason to engagement is benefit, they want something, they really want something".*

**Respondent 7 (mining):** *"When the community want to engage they have self-interest, it's not all of them who are there for the community. They will even say*

*something like, yes, I also have a business, I'm not saying that I'm going to apply, I'm doing it for my community, but I also have my business".*

Those two respondents cited that mines and communities engage with the same intentions highlighted the reason, being that there is agreed structured agenda and that there are agreements in meetings, hence both mines and communities are engaging with the same intentions. These views are supported by quotation below:

**Respondent 6 (mining):** *Yes. We have structured our agenda, which is standard.*

**Respondent 5 (community):** *"They just had a sponsored school to qualify people without driving licences, so they had maybe I think about a hundred people who they took through the training up to writing the exam, paying for that exam and issuing them with drivers licences so that it might open the doors for them to get employment".*

One respondent cited the engagement it depends on to engage with the same intentions or not, indicated due to communities' sense of entitlement and high expectations then engagements are not of the same intentions as supported by the quotation below.

**Respondent 3 (mining):** *"I think it depends sometimes. There's times when we're engaging and you find that we have a similar objective. There's also that sense of entitlement where people want more than you can give because of perceptions with regards to profits that we make as an extractive industry".*

### **Interview question 2.3**

#### **Describe to me your experiences of community engagement?**

In understanding the community engagement experiences in the context of coal mining in South Africa and their communities, the following key themes were prevalent as outlined in Table 10 below:

**Table 10: Community Engagement Experiences Themes**

<b>Rank</b>	<b>Theme</b>	<b>Frequency</b>
1	Community protests and blocking mines access	13
2	Communities fighting each other	9
3	Volatile communities	4
4	Holding mines personnel hostage and damage to properties	2

The majority of the respondents indicated that they are experiencing lots of community protests during the community engagement process in their respective areas. This was supported by the finding under interview question 2.1 where protests are highly used as the community engagement structures to raise community issues and concerns. The following quotations from some of the respondent's details the experiences encountered.

**Respondent 6 (mining):** *Mine was not reaching the communities. So, because of that I think that a void was then created and then they started feeling neglected and that they're not being included in what is happening in the mine, and then the next thing, boom, protest marches started.*

**Respondent 8 (community):** *"Go to him and talk to him. Then he'll tell you what's happening right at the back of community x. Why do they always protest (toi-toi) and go to one another mine? Why do they always stop the mine"?*

**Respondent 13 (community):** *"Mines are telling us, not listened, then community explode and close mines gates, we protest, we even go an extra mile to be heard.*

**Respondent 14 (community):** *"Those business opportunities, when the mines start, the community are not considered at all and then it's when the community starts and goes to the gate and stops the production".*

Interestingly another community engagement experience was community on community conflict, highlighted by nine out of fourteen respondents interviewed, due to dispute on mining companies' benefits prioritisations. These views are supported by the quotations of some of the respondents below:

**Respondent 5 (community):** *"The demand is that local labour has to be used which sometimes is a very, very difficult and challenging thing because we do not always have the skills around to employ people and then when you import those skills from other areas it creates a lot of anger in people".*

**Respondent 10 (provincial authority):** *"Mostly they're not skilled, as I've indicated, so they tend not to be employed, and the other part is that now the mining contractors, the coal space is the most complex one because now there are mining contractors who come from wherever, they will come and bring the skilled*

*people, so it creates problems, where it creates problems on Black on Black communities fighting for employment”.*

**Respondent 11 (local authority):** *“That opportunity lost her life during the protest because while this community or this group came to protest against the mine and raise their issues, the same community of X said the other group is coming into their space, so in a way, for as long as these mines do not prioritise people of local, genuine local people to benefit in the mines, they’re instigating a Black on Black violence”.*

**Respondent 13 (community):** *“All the wards know from eMalahleni the 70/30 majority rule in favor of the influenced locals when it comes to skilled work, for general workers, we don’t share only the locals can be given the jobs because everyone can do manual labour work”.*

Communities where mines operate were regarded by some of the respondents interviewed as volatile, disruptive, angered and non-progressive, which in most cases are viewed as contributory factor to the unpleasant community engagement experienced, as well as forcing the mines to engage more. These results are supported by quotations below of some of the respondents.

**Respondent 11 (local authority):** *“Because you don’t have progressive people there to advance that agenda, these mines will never contribute”.*

**Respondent 12 (Mining):** *“Mining operations are in a highly volatile area with X, Y and Z communities. So that community in that area is extremely volatile, such that they would want to be engaged. So those are the people who will actually stop operations almost every second day if they’re not given attention”.*

During community engagement, holding mine people hostage and damaging the properties of the mines are experienced as the demonstration for the communities demanding to be listened to, as supported by some of the quotations below.

**Respondent 7 (mining):** *“When they are at the gate we would engage with them and they would hold us hostage and be very disruptive”.*

**Respondent 10 (provincial authority):** *"Burning of trucks, holding officials from the mining companies hostage, extorting money from the GMs with the intention to protect the mine, if not then they come and disrupt because they're aware that the minute you disrupt a mining operation for a day they've lost millions".*

**How do you measure community engagement success or failure?**

Table 11 below outlines the themes emanating from the respondents on the success measures of community engagement used by both mines and communities, where the failure is the opposite.

**Table 11: Community Engagement Success Themes**

Rank	Theme	Frequency
1	No business disruption (no protest)	5
2	Agreement of the matter discussed and implementation of resolutions	3
2	Appreciation of people raising issues and providing feedback	3
3	Attendance of the community engagement meeting	2
4	Communities making money	1

Most of the respondents cited that no business disruption from community protests is the measure of the success or the failure of community engagements. These views were from the respondents from mining. The quotations below of the respondents are in support of the results.

**Respondent 3 (mining):** *"I think the virtue of at the end of the year where you say I've only had three or four protests, I think that will be a winner, it actually means there is some effectiveness in the engagements, because there's certain issues you get to pick up early and proactively address".*

**Respondent 6 (mining):** *"At that time our engagements were, I would say successful because we never experienced any protest marches".*

**Respondent 12 (mining):** *"It will be based on the understanding of the matters, on the fact that there will not be any queries that will come after that, on stability within the operation that determines the engagement being successful".*

Another success measure of the community engagements was revealed as agreements on community issues and implementation of the engagement resolutions or projects. This finding was cited across the respondents from both communities and the mines, as supported by some of the quotations of the respondents below.

**Respondent 11 (local authority):** *“The measure of a successful meeting is that all of us have agreed on what was presented, we had discussions and we had resolution”.*

**Respondent 12 (mining):** *“It will be based on the understanding of the matters, on the fact that there will not be any queries that will come after that, on stability within the operation that determines the engagement being successful”.*

High degree of community meeting attendance was also revealed as the success measure of community engagements as supported by quotation below from the respondent.

**Respondent 3 (mining):** *“I think the other measurement would definitely be when you call out on a stakeholder, do they attend your meeting”.*

Interestingly one respondent from community indicated that the measure of stakeholder engagement success is when the community is making money as supported by the quotation below.

**Respondent 14 (community):** *“You see, if I can say that I'm happy I'm going to be happy if I saw the community are on the production of the company. Benefiting, making money. Then it's when I'm going to be happy”.*

In summary, the majority of the respondents confirmed that community engagement experiences include protests where communities close mine gates if the issues are not addressed. The issue of communities fighting amongst each other was also some of the experiences which results in the high use of protests as community engagement structure to raise issues and concerns. Formalised engagement structures with structured agenda to raise issues was cited as effective community engagement structure. No or less protests and agreement on community issues, as well as implementation of the agreed actions were viewed as a success measure of community engagements. It was also revealed by nine out of fourteen respondents that mines and communities are not engaging with the same intentions, mostly due to mines focusing on profit as well as not

necessarily caring for communities, and from the communities' side, there is a higher expectation that mines can offer more.

### 5.3.3 Results for research question 3: Conflicts occurring during engagement process and post engagement

#### Why do conflicts occur during community engagement process and post engagement?

In answering this research question, the respondents provided their view on the three interview questions as per the results below.

#### Interview question 3.1

Besides the conflict/fights/misunderstandings that can happen during community engagement, do these also happen after community engagement?

All respondents confirmed that conflict occurs during and post community engagement meetings. Themes that revealed the reasons why conflict occurs post engagement are presented in Table 12 below.

**Table 12: Why Conflicts Occur Post Engagement**

Rank	Theme	Frequency
1	Community representatives engage for self-interest	6
2	Mines not delivering on promises	4
3	Mines prioritising benefits over other communities	3
4	Communities wants benefit immediately	2

The majority of the respondents across the areas indicated that conflict happening post community engagement meetings were mostly due to the fact that community representatives engaging on behalf of the communities do so for their own benefits over the benefits of the broader communities. Quotations below of some of the respondents are in support of the above.

**Respondent 2 (mining):** *“We were already aware that they were coming and the one thing that they wanted was coal hauling and company B mine we don’t haul coal, we have conveyer belt, so you can see that these were personal interest to a certain individual that I want coal hauling and you guys hire trucks”.*

**Respondent 5 (community):** *"They are the ones where the people take an idea and run away with it, instead of coming back and saying, is this what we heard, is this what you mean by this? No, they make their own conclusion and then the thing runs into fire".*

**Respondent 6 (mining):** *"It was a group that was instigated by one or by some of the members of the forum to come and disrupt the forum, reason being that some of the members in the forum did not want other members from other wards to sit in because they had some personal interest".*

**Respondent 7 (mining):** *"When the community want to engage they have self-interest, it's not all of them who are there for the community. They will even say something like, yes, I also have a business, I'm not saying that I'm going to apply, I'm doing it for my community, but I also have my business".*

**Respondent 11 (local authority):** *"They ought to mobilise so they can just disrupt, and what they usually do, if you can go and ask these mines, after their disruption they call the management one by one, behind, you see. So, these ones that are disrupting, they were just tools and these ones who are coordinating and organising, now individually they call the mines "mina nkauthulisa lo msindo" {me, I can stop this disruption}. For these people, I can make them not to come there anymore. Then the mine bosses will feel like, oh, this one is in charge, no, let's have a meeting, and in that meeting when these people come, they will demand, they just want this, we want this glass of cold drink, that is what we want and then we stop these people".*

The second most prominent reason for conflict occurring post engagement was cited as mines are not delivering on promises made to the communities or implement inefficient resolutions. This finding was revealed by community respondents only. Below are details from some of the respondents.

**Respondent 8 (community):** *"Because the dust is still not less. As the mine comes nearer to us there is always dust, always. My people working at the school stays right at the mine here at the back, she can't hang her washing up, it's too much dust. At night, in my room, the machines are working right at the back, there's always {zzzzzzzzzz}, the whole, whole night. Then we talk about that and*

*they say, okay, then we just have to put this machine off. Then they'll put it off for one night, the second night it starts all again, then you have to phone in again and then, okay we'll put ... So, they're playing with us".*

**Respondent 14 (community):** *"Promises that were made must be fulfilled. So, we are also tired now, we are also tired, because with the RFQs, as he said, they give you RFQs, they are giving it to manage you, you'll be happy and say ... so, they can manage you with the RFQ and say we keep them busy with the small things, we are tired of crumbs, we want something".*

Mines demarcated local communities in terms of zones of influence or host communities where benefits and engagements are prioritised according to such demarcations resulting in conflict post engagement, because communities left out as far as benefits and engagements are concerned are aggrieved. The quotations below provide detail.

**Respondent 7 (mining):** *"When the secondary zone says we must prioritise them, then the primary zone will ask why we're prioritising secondary zone because they're further away and that they're nearer to us and not to listen to them. Then the secondary will say they're also X community and also want to be heard".*

**Respondent 13 (community):** *"The problem is the majority of jobs given to the neighboring wards, and not village X, we don't have the problem with sharing"*

Two of the respondents revealed that communities have a sense of urgency and want things to happen immediately, hence conflict happens post engagement, as supported by quotations below.

**Respondent 10 (provincial authority):** *"You could see the manner in which they engage, and they were demanding a thousand jobs from all the mines. They said the timeframe was by Monday next week we want a thousand people to be employed. So where would the mine get a thousand jobs? Even if it's for maybe all of the mines, but it's not feasible".*

**Respondent 12 (mining):** *"It will be in a situation where the communities want things to happen immediately where they will have a feeling that although they have not engaged us with a similar or with the same challenge, they will have the feeling that if we do not benefit now".*

### Interview question 3.2

#### Why do conflicts still happen despite the implementation of agreed upon actions?

Table 13 below provides the indications of the respondents on whether the mines and communities engage with the same intentions or not.

**Table 13: Do conflicts occur post agreed action implementation**

Do conflicts still happen despite the implementation of agreed upon actions?	Grand Total
Never experienced complicit post implementation of agreed action	5
Yes	9

Out of fourteen respondents five respondents across the group revealed that they never experienced any conflict post engagement of the agreed actions.

Table 14 below represents the themes as to why conflict occurs post implementation of agreed actions from the nine respondents who confirmed that conflicts occur post implementation of agreed actions.

**Table 14: Conflicts occurring post agreed action implementation themes**

Rank	Theme	Frequency
1	Community representatives engage for self-interest	3
1	Continuous community demands	3
2	Mines implementing ineffective or non-sustainable solutions	2
3	Mines prioritising benefits over other communities	1

Interestingly most of the reasons conflict happen post implementation of the agreed actions are the same as the reason they do post community engagement, especially the confirmation that community representatives are engaging for self-interest. The quotation below from some of the respondents support the above result.

**Respondent 6 (mining):** *“I would say it’s not basically conflict from the forum itself but from village x because they feel that the project has not actually employed a bigger chunk of people from there, but there are certain things that we get from forum members that the leader of village x basically is doing. So, when they ask, for example, employment opportunities and they’re supposed to bring CVs, that*

*person does not necessarily bring CVs of the people from village x. So, the unemployment in village x is actually not reducing”.*

Despite the implementation of agreed actions, it is cited that there were always come backs on continuous demands from the same communities or from the new community groups demanding the same opportunities from the mines. Quotations below of some of the respondents are in support of the finding.

**Respondent 2 (mining):** *“There’s a new group that is maturing, that is coming up, new entry, new players and everything and they want in. You’ll work with a certain group, you progress there, but you got the new entrants”.*

**Respondent 10 (provincial authority):** *“Communities now think mining is the solution to social ills and it’s unfortunately not because there are other industries. So, a mining company will commit and do one, two, three but there will be another faction of the community that will come and demand their own things over and above what has been agreed upon”.*

Post implementation agreed actions by the same communities or those communities left out engage in conflict among each other on prioritisation of mines’ benefits and opportunities. This result is supported below as well as for interview question 3.1.

**Respondent 13 (community):** *“The problem is the majority of jobs given to the neighboring wards, and not village x, we don’t have the problem with sharing”*

**Interview question 3.3**

**In your opinion, why do these conflicts/fights/misunderstandings happen?**

Table 15 below represents the themes as to why conflict occurs between mining companies and communities.

**Table 15: Reason as to why conflicts happens themes**

Rank	Theme	Frequency
1	Mines not engaging but telling and not listening to communities	11
1	Mines prioritising benefits over other communities (Communities fighting each other)	11
2	Engagement for self-interest (lack trust, corruption)	10

3	Political climate (2019 elections)	9
4	Misaligned community needs with SLP and IDP projects	7
4	Mining contractors employing their own	7
4	Country economic status (high unemployment, high poverty rates)	7
5	Community is more knowledgeable	6
6	DMR not enforcing compliance on mines and not addressing community complaints	5
7	Unstructured engagement forums	4
7	Mines not understanding communities (no feel of community issues)	4
7	Historical dependency on mining and historical lack of opportunities from mines	4
8	Mines not fulfilling promises	3
8	Inconsistency of different mines engaging with same communities	3
9	Bad relationship between all parties	2

Out of fourteen respondents, eight revealed that the current economic status of the country creates most of the conflict between the mining companies and communities due to a need for business and employment opportunities, and skills developments. Where opportunities are available, contractor mining companies employ their own employees with the perception that there were no local skills required, as cited by seven of the respondents. Where local skills were available, the issue is local communities' demarcation by the mines in prioritising the allocation benefits. This causes to a sense of entitlement among the communities or the perception that the majority of benefits are for the closer communities, which then leads to community on community conflict, as revealed by eleven respondents. Table 16 below represents some of the respondents' quotations in support of the above findings.

**Table 16: Quotations on Communities on Communities Fights, Contractor Mining and Economic Status Themes**

Theme	Quotation
Mines prioritising benefits over other communities (communities on communities' conflicts)	<b>Respondent 11 (local authority):</b> <i>"That opportunity lost her life during the protest because while this community or this group came to protest against the mine and raise their issues, the same community of X said the other group is coming into their space, so in a way, for</i>

	<p><i>as long as these mines do not prioritise people of local, genuine local people to benefit in the mines, they're instigating a Black on Black violence".</i></p>
<p>Mining contractors employing their own</p>	<p><b>Respondent 6:</b> <i>"Let contractors employ us because we are tired of contractors coming into our area to do work in our area, take money out of our area, go to Jo'burg and yet they don't employ members of this community, so we still remain the same. So there are mining companies around us but the livelihoods of the communities around us doesn't change. I think most of them came with the perception that there is no skill because in those engagements they would tell you, we are bringing our own people that already know the job, that have been doing this job, they know what they need to do, but that's where the issue of skills development started coming up."</i></p> <p><b>Respondent 10 (provincial authority):</b>  <i>"The other part is that now the mining contractors, the coal space is the most complex one because now there are mining contractors who come from wherever, they will come and bring the skilled people, so it creates problems, where it creates problems on Black on Black communities fighting for employment".</i></p>

Country economic status (high unemployment, high poverty rates)	<p><b>Respondent 3:</b> <i>"I think one, South Africa's poverty stats are not that great, a lot of people live below the poverty rate, unemployment is on the rise, as you know, Highveld Steel retrenched a year or two ago, Optimum mine closed, those are our neighbours, so unemployment has shot up a bit and those people also want jobs and with regards to preferential procurement, I think you'd agree with me, every person you meet is in business".</i></p>
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The majority of the respondents revealed that mines are not engaging, mines are telling communities, and mines are not listening to communities, as supported by the quotations below.

**Respondent 1 (mining):** *"People are saying listen to us, you're not listening to us".*

**Respondent 4 (mining):** *"The fact that they're not being listened to, they see the mine as an employing, they don't understand the mine has got tenders and people been issued with these tenders but then they're not being issued with anything, and they want to understand the process".*

**Respondent 8 (community):** *"We talked and talked and they didn't want to listen to us and they were laughing at us so we took them to court."*

**Respondent 13 (community):** *"The mimes in the meeting wants us to sign the attendance register as proof of engagement whereas is not the case it was them telling us".*

Another area mentioned in the results of interview question 3.1 and 3.2 was that most of the community representatives are engaging for self-interest instead of that of the broader community, as revealed by nine respondents. There are also allegations of bribes between the mines, community representatives and government officials. Below are some of the respondents' quotations in support of the finding.

**Respondent 5 (community):** *“Unfortunately in the past there have been some of the chairpersons of the forums accused of, again, corruption, and you know, looking after my own brother and sister, etc”.*

**Respondent 14 (community):** *“Even right now as we speak, we have so many structures here in Y community because the mines are so very biased, they are their own people who they work with from the communities, they are the ones who are only benefiting, you see. Also, DMR, they bribe them, the mines, they do bribe them”.*

Current political climate in the country was also revealed by seven respondents as one of the factors influencing the occurrence of conflict between the mines and communities. As such, local municipality representatives were promising communities unrealistic demands in the name of the mines in order to gain political position to benefit them in the upcoming 2019 election. The quotes below detail this notion.

**Respondent 3 (mining):** *“The ward committees and the councilors, but you find, unfortunately, politics, it’s not like that, the promise is always, I will get you, I will get you jobs, I will get you houses, I will get you basic services, water, sanitation, I will get you electricity. We also find in the engagements that fractions are getting deeper and deeper because now we’re getting nearer and nearer to 2019 elections”.*

**Respondent 5 (community):** *“If you've got the right colour of a political membership card, then it opens the door for you and in our area”.*

**Respondent 10 (provincial authority):** *“So currently what I've detected, we are heading for 2019 elections so now the political space has risen up, you know, the oppositions to the ruling party, they are coming out and they're using this space that we're at, the social and labour plan, compliance and all that, because they know community are frustrated and they want jobs, so they're starting to mobilise them”.*

**Respondent 12 (mining):** *“The political background that we sit in today is very different from the political background that we've had and the influences that we've had a couple of years ago. We now have what we call different organisations that*

*want to see radical economic transformation and by themselves, they feel that there's been a lot of corruption that has happened, there's been a lot of disservice that has been done and they have been living around these communities and therefore if it can't happen now, if you don't show the sense of urgency it will take a back seat, hence the reason they will push that they would like things to be done immediately”.*

**Respondent 14 (community):** *“Skills development, employment, they stopped. No business opportunities. So, we are going to still fight with these private sectors even now, our own government, but we are having strategy of our own government because we are not going to vote if they are not listening to us or we are going to just stay at our home, because we love ANC, they're not going to be other protests”.*

Seven of the respondents indicated that mining companies are required by regulation to implement Social Labour Plan projects from their profits and that such projects are informed by the municipality Integrated Development Plan to address those community needs. However, the issue was that those projects in both SLP and IDP projects were not aligned with true community needs. This finding was supported by some of the respondents' quotations below.

**Respondent 2 (mining):** *"So we got in and studied the community itself and the needs that were coming out the community were not talking to the needs that were on the IDP, so to manage relationships we actually said, okay, these two are not aligned, which party has picked the project, the community is not even aware of this project, community is raising other projects, here we are, we have the fights, and we need the project to continue, this is the operation itself".*

**Respondent 3 (mining):** *“What you'd have in your social labour plan would not necessarily speak to the people on the ground. The social labour plan was designed to speak to the integrated development plan and the local economic development plan of the municipality, and what you might find there, being surrounded by farm dwellers and an area that lacks infrastructure, sometimes you'll find that actually things that they need are not in the IDP”.*

**Respondent 14 (community):** *"The communities and the social and labour plan must plan by the community and the mine because they say this is the social and labour plan for the community but those things that community needs it not there on that social and labour plan".*

Interestingly the fact that the communities are more knowledgeable of their rights and what the mines and authorities should do, when compared to the previous years, was revealed by six respondents as one of the sources of conflict between mines and communities. This is supported in the quotations below.

**Respondent 1 (mining):** *"People need to be more informed about the mines, about what is happening because people are becoming more knowledgeable now about their rights and they also know, they're becoming more knowledgeable the mine regulators. So, when they come to you they do so knowing exactly what questions to ask".*

**Respondent 2 (mining):** *"They are very knowledgeable, I tend to say they're very knowledgeable, they know what they want, and they know how to get it and that's what makes them volatile because when they want something and they already know that they have a right to want it".*

**Respondent 3 (mining):** *"I think in the beginning our communities were very apathetic and they lacked knowledge, some of them, some had the knowledge but they were not as radical, but fast forward to today, communities are much more knowledgeable, they access information that you think is confidential but somehow they have it and they take you to task for it if they feel what you're doing is not sufficient"*

**Respondent 6:** *"My observation was that communities actually are now empowered compared to five years back. They now know what they can get from mining companies and what they can demand from the municipality.*

**Respondent 8 (community):** *"I think there's nine people that we're suing but they must remember one thing, the mines underestimate X and Y communities. We are small but we're powerful".*

**Respondent 10 (provincial authority):** *"Because hence now communities are up in arms because they're aware now, because previously they were not participating, communities were ignorant, so communities are no longer ignorant to date, we cannot treat them like it's 2005 or 2010 where they were ignorant".*

Five respondents from authorities and communities revealed that DMR was not enforcing mines to comply with legal and other requirements, and that the DMR was not addressing the community issues and complaints reported directly to the department. This resulted in escalation of community protests as communities ended up dealing with the matters by themselves and closing those mines. Surprisingly, none of the mines respondents cited this finding. This finding is supported by quotations below.

**Respondent 8 (community):** *"We get complaints from the community, they bring it all in to me and I put it on an email and I sent it to the relevant people. They don't act in the time frame I give them, I take it to the DMR, but the DMR don't do what they're supposed to".*

**Respondent 10 (provincial authority):** *"We are flooded by complaints from communities to the extent that we don't have sufficient capacity in the department to address these community concerns".*

**Respondent 11 (local authority):** *"After that the community decides on their own, because now as a municipality, we're viewed as the defenders of this mine or people who can take decisions or write reports and send to the relevant authority. Because the DMR did not respond, then the community mobilises everyone around the area, they go and attack the mines".*

**Respondent 13 (community):** *"There are no engagements, they lied to the DMR and that is the painful part and there is corruption, so we don't know why DMR is not coming to close the mines".*

**Respondent 14 (community):** *"There is no relationship between the DMR as well as the community. The reason why I'm saying that, the DMR takes a long time to come in to the community and check whatever things that they have been doing by these private sectors".*

Not having structured community engagement platforms was identified by four respondents as another source of conflict.

Four of the respondents also indicated that because most mine management live far away from these mines, in Johannesburg, they themselves, are not experiencing the negative impacts from their mines. Below are some of the quotations from the respondents.

**Respondent 8 (community):** *“I’ve invited the manager’s wife to come and stay here for a week, him and her, that they can feel ... but I will move out of my house because I want them sleep in my room, that they can hear that vibration the whole night, and then I want her to walk on my white tiles with her feet, her white feet, and see how she feels at night if she picks her feet up”.*

**Respondent 14 (community):** *“Staying at suburbs in Sandton. Serengeti. So, they don’t feel your pain. The pressure that we are feeling here, they don’t feel it. So, these people take us like a people that are crazy. “Ungathi siyahlanya” {that we are crazy}”.*

The other factors revealed by four respondents as sources of conflict were the historical dependency by communities on mining companies, and the fact that mines are not able to showcase the good work they have done to the communities. Below are quotations in support of the above finding.

**Respondent 13 (community):** *“The problem is most of jobs given to the neighboring wards, and not X, we don’t have the problem with sharing, we just want to be the forts preference”.*

**Respondent 12 (mining):** *“I think there are stories that we can show but the only challenge we have currently is that when people have already been established they move on and they don’t specifically rely on company A”.*

Mines not delivering on promises, inconsistency of different mines engaging with same communities, and bad relationship between all parties are least regarded as factors causing conflict between mining and communities. The quotation below is in support of that finding.

**Respondent 14 (community):** *“We say this one and this one, they keep on promising, promising, meetings, promising, and then how you’re going to feel yourself, you are waiting for something for five years but you don’t get anything at all, or they tell you, go to the gate, they promise, they send you Request For Quotations (RFQs)”.*

**What do you think can be done to eliminate the conflicts/fights/misunderstanding?**

Table 17 below outline recommendations from the respondents to reduce if not to eliminate conflict occurring between the mining companies and communities.

**Table 17: Recommendations of conflicts reduction/elimination**

Rank	Recommendations	Frequency
1	Regular proactive engagement through formalised structures with sharing of clear information for community to understand and regular feedback.	11
2	Address local opportunities (business, employment and skills development)- Charity begins at home: Search locally if exhausted then look elsewhere	9
3	Involving communities- listening to each other and solving problems together.	6
3	Mines to engage with honesty and transparency	6
4	Capacitate government department to enforce compliance	5
4	Collaboration between mines, government and communities	5
5	Mines to understand/ feel the community	4
5	Integrate IDP and SLP projects with true community needs	3
6	Address issue of mine dependency	1
7	Mine to relocate towns then mine freely	1
7	Mines to stop making false promises	1
7	Mines to fulfil their promises	1
7	Government to listen to communities	1
7	Mines not fulfilling promises	1
7	Government to allocate community mineral land to mine themselves	1

The majority of the respondents believed that if there is proactive engagement in which mines and communities are engaging in the formalised structures and sharing simplified detailed information with regular feedback, this could result in reduced or no conflict. Addressing the issue of local community demarcations in which the prioritisations of benefits and opportunities are given to locals, when all local options are exhausted. Only then can opportunities can move elsewhere, considering that “charity begins at home”. The fact the communities are more knowledgeable, six respondents recommended

inclusive community engagement in solving issues so that communities are listened to, and that the mines engage with honesty and transparency. This, they said, could yield to effective community engagement. One of the lesser recommendations from community respondents was that mines should buy the towns and relocate people so that mining activities can be undertaken freely without impacting local communities. Allocation of minerals and land to communities by government was also recommended, whereby communities can mine for themselves for the benefit of the broader community. Quotations provided below support these recommendations.

**Respondent 1 (mining):** *"We need to listen the community, work with them and it must be upwards and downwards communication, it should not be one way and we should be proactive and not be reactive". "We'll have minutes and agendas that will be monitored and every month we'll have to give feedback. So that will reduce them from coming to the doorstep. We need to give feedback. If you don't give people feedback the communication is dead".*

**Respondent 3 (mining):** *"Like making them realise the importance of their role and collaboration because the more we collaborate the better it is for our communities, but the less we collaborate the more they stop production".*

**Respondent 5 (community):** *"I think there needs to be a large amount of communication so that people can understand if we want a specific person like an electrician and we do not have any, we are going to be and we have to import them from the next town or province even".*

**Respondent 6 (mining):** *"We need to be open and transparent with what we are doing. We, as companies, I believe that if we can just stop being defensive and begin to understand the real need and come with a strategy that will basically address the real need on the ground, I'm pretty sure the conflicts will reduce."*

**Respondent 8 (community):** *"That portion was a farm name so like the portion at the back of mine, it's the [Kleinzeiker Plaachbosfontein], that is a Dutch name, so that is the portion's name. This is the portion right at the back of me but when I started asking them, listen, stop telling us portion one, two, tell me where is this portion. Take this map, take this Google map and show me, there's your house, you see portion one, there it is".*

**Respondent 10 (provincial authority):** *“DMR needs to take a leading role now - ensure mines are complying and community complaints are addressed”.*

**Respondent 12 (mining):** *“We believe that constant engagement helps to ensure we are all aligned as far as what we’re doing is concerned, being transparent with what you’re doing always helps us to be able to ensure that we can be able to gain trust because without doing that the communities will not actually be happy with what we’re doing”.*

**Respondent 13 (community):** *“First of all, they should not, make false promises. The community developer should engage with the communities. They should award main contractors that subcontractors from the communities.”*

**Respondent 14 (community):** *“Government must listen to us, what we are saying. If the mine is coming, need a licence, we have to make our social and labour plan, our social and labour plan. What we need from them, they must give us also a portion so we can mine ourselves. That will give us ... so we know we can ... Yes, we can plough back to our community. Because they are failing us, but if they can give us a portion, we don't ... they must just give us a portion”.*

In summary, all respondents confirmed that conflict between mine and community occurs post community engagements and nine respondents further confirmed that conflict also occurs post implementation of the agreed actions. Conflict occurs mainly due to people engaging for self-interest, mines not delivering on promises and delivering ineffective solutions, continuous community demands from mines to solve the country’s social ills, mines not listening to communities, and telling people not to engage, and community fights over opportunities. Some of the recommendations to reduce if not eliminate conflict include proactive engagement and inclusive engagement, resolving local community demarcation and benefits prioritisations.

#### **5.3.4 Results for research question 4: Community engagement due diligence**

##### **Do companies and communities engage with due diligence on who they should engage with?**

In answering this research question, analysis was done to identify stakeholders being engaged by both mines and communities. The majority of the respondents revealed that

they are engaging in the formalised community engagement structures and most of these structures include municipal representatives and ordinary members of the community representing the broader community. The challenge was when the broader communities no longer trust their local municipality representatives and that representatives are engaging for self-interest, causing communities to protest. The local communities are demarcated in terms of the zone of influence. The challenge revealed that communities not considered host communities or primary zone of influence are angered by failure of the mines to consider them in terms of benefits and engagements. Where the broader communities outside host communities demarcations are recognised for benefits and engagements, then communities demarcated as primary zone of influence or host communities are angered. These factors cause communities to fight with each other. Stakeholder mapping was mentioned as a tool to be used to identify relevant stakeholders so as to determine the engagement plans for different stakeholders. Interestingly two community respondents indicated that communities do not want local municipality representatives to be part of their engagements with the mines due to lack of or no trust. Below are the respondents' quotations in support of the above findings.

**Respondent 1 (mining):** *"In order to also manage stakeholder we also have what is called stakeholder mapping. The stakeholders change depending on the situation and circumstances. So, on the stakeholder mapping we've got a green, red, yellow ... Then your engagement is also based on how critical your stakeholder is. If the youth are those who are disturbing a lot, those are the people you must engage with. It informs your engagement plan. The mapping will inform the frequency of your engagement".*

**Respondent 2 (mining):** *"My stakeholders are mapped and community X by the SLP is my host community, my SLP projects are community X. But community X has matured. People still are scared of community X".*

**Respondent 6 (mining):** *"We look at communities closest to the proximity of that operation between 500m to 1.5km community, we map that, and then the next pit, the next pit and the next pit, and then that's how I then identify them as primary or host communities.*

**Respondent 7 (mining):** *“So, we say primary zone of influence, that’s like a 10km radius and we refer to them as communities in our immediate impact, so people who feel Mine X. Then we have communities in the 50km radius, this are communities that are further away”.*

**Respondent 10 (provincial authority):** *“the constitution says local is everyone who resides in South Africa, the South African citizen is local”.*

**Respondent 11(local authority):** *“local is a person who is born in that area, grew up in that area, maybe let’s say it’s a business person, opened a company in that area, because when you open a company, you do so to seek opportunities and benefit. That is a local person, really local”.*

**Respondent 12 (mining):** *“We have actually mapped it in the past was that we used to look at a closest community, we classified that in terms of the 50km radius”.*

**Respondent 14 (community):** *“The work of the council is service delivery, not involved in the forums. Because even on the document of DMR, DMR state very clear that the community, when the mine that is mining around that community, that community must build their forum to engage with mining house without municipality”.*

#### **5.4 Summary and Conclusion**

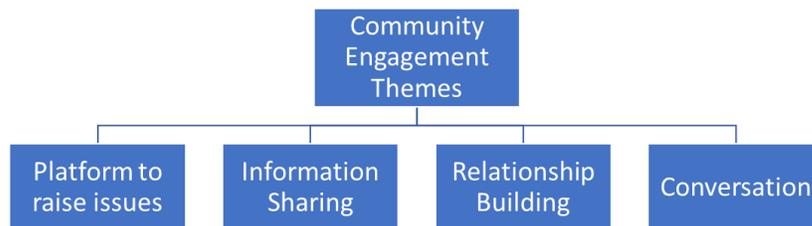
This chapter has presented the results of the interviews conducted with fourteen respondents who are involved in community engagement in the mining companies. The findings were presented to each research question outlined in Chapter Three. It was found that conflicts occur during and post engagement as well as post implementation of the agreed outcomes.

In summary, most of the respondents understood the SLO as the SLP, the prerequisite of the mining right approval, and that SLO was viewed as mining companies giving back to communities. Community engagement was viewed at the platform where community issues and concerns are raised and addressed, including community needs which should be included in the mines’ social labour plans. The respondents viewed SLO and community engagement as interrelated, therefore one cannot exist without the other.

Formalised community engagement forums with structured agendas was cited as effective community engagement structure, however lack of trust was highlighted as a challenge. No or less protests and agreement on community issues as well as implementation of the agreed actions were viewed as success measure of community engagement. Figure 8 and Figure 9 below outline themes for Social Licence to Operate and community engagement.

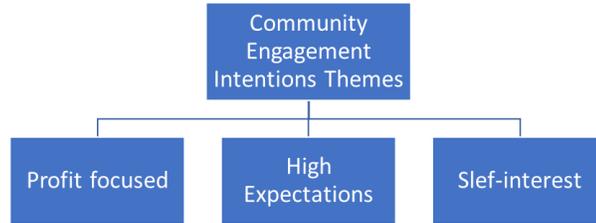


**Figure 8: Social Licence to Operate Themes**



**Figure 9: Community Engagement themes**

Most of the respondents confirmed that community engagement experiences include protests where communities close mine gates when community issues are not addressed, and that the protests are the most used community engagement structure. The issue of communities fighting amongst each other for opportunities from the mining companies was also cited as community engagement experiences. Mines and communities are not engaging with the same intentions, mostly due to mines focusing on profit and communities having high expectations that mines can offer more. Figure 10 and Figure 11 below represent engagement intentions and community engagement experiences.

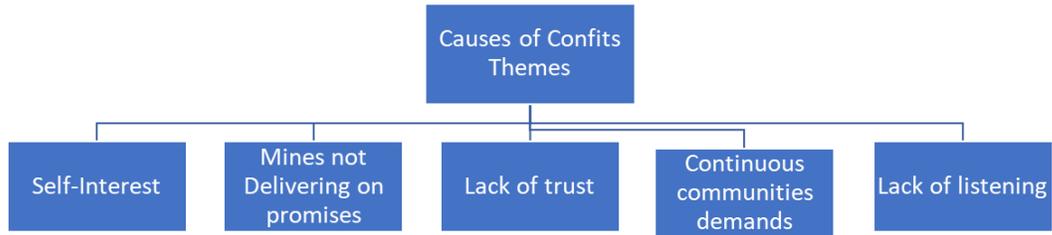


**Figure 10: Community Engagement Intentions Themes**

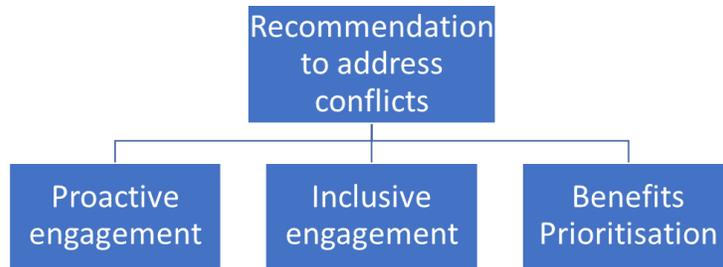


**Figure 11: Community Engagement Experiences Themes**

All respondents confirmed that conflicts between the mines and communities do occur post community engagements and nine respondents further confirmed that conflicts also occur post implementation of the agreed actions. These conflicts occur mainly due to people engaging for self-interest, mines not delivering on promises, mines delivering ineffective solutions, continuous community demands from mines to solve the country's social ills, mines not listening to communities, mines telling people not to engage, and community fights over opportunities. Some of the recommendations to reduce if not eliminate conflict include proactive and inclusive engagement and resolving local community demarcation and benefits prioritisations. Figure 12 and Figure 13 below outline themes for the causes of conflict and recommendations to reduce or eliminate conflict.



**Figure 12: Causes of Conflicts Themes**



**Figure 13: Recommendations to Address Conflicts**

In addition, stakeholder analysis and mapping are a key aspect as cited by two of the respondents in understanding which stakeholder to engage based on legitimacy, power and urgency on the organisation. These findings will be discussed in detail in Chapter Six in relation to the literature outlined in Chapter Two.

## Chapter 6: Discussion of the Results

### 6.1 Introduction

This chapter provides detailed discussion of the results presented in Chapter Five, based on the research questions as explored through in-depth interviews with fourteen respondents who had been involved with community engagement from mining companies, communities and authorities. The key research questions of the study were as follows:

**Research Questions 1:** *What is the understanding of the concepts Social Licence to Operate and the Community Engagement and their interaction therefore?*

**Research Question 2:** *What is the process used by both companies and communities on community engagement including conflict management?*

**Research Questions 3:** *Why do conflict occurs during community engagement process and post engagement?*

**Research Questions 4:** *Do companies and communities engage with due diligence on who they should engage with?*

The discussion of the results is examined and critiqued against the literature reviewed earlier in Chapter Two as a point of reference, in order to provide insight into the problem identified in Chapter One. This chapter also discusses any concern of the sample achieved and the recommendations and conclusions are then presented in Chapter Seven.

### 6.2 Introductory Questions

Although the introductory questions were not intended to yield results regarding conflict between companies and communities, they provided the assurance that the people interviewed are those dealing with community engagement in the mining industry. All fourteen respondents were involved with community engagement of some sort which provided the researcher with the reliability and credibility of the data collected. This finding was supported by the quotations below:

**Respondent 6 (mining):** *“Thanks, Daphney, for this opportunity. I'm feeling good. I'd say that I'm in a better space right now since it seems a bit quiet from the*

*community side. So this gives me the confidence that the strategy that we have put in place to engage is basically working. So for that yah”.*

**Respondent 10 (provincial authority):** *“Thank you for the introduction and the purpose of this interview. I’m working for the Department of Mineral Resources, I’m an assistant director of social and labour plan”.*

**Respondent 14 (community):** *“Thank you very much. My name is X, serving under Y Community Cluster and a chairperson. Yes, we agree about this interview. Because of what we are the one who are affected around this mining house. We’ve got a lot of issues about mining house. One, they come from nowhere to come and mine around us, meet us when they need permits to mine, they came to us as a community and they call us, sit down with them, then they start promising on their social and labour plan that the community is going to benefit, business opportunities, employment, skills development, all those things that they promise, then the community agree on that. I’m talking about lot of mining around here”.*

The above provides the relevance of the interviewees, as the sample deals with the appropriateness of the respondents in terms of subject matter, even though having varied from community, mining and authorities.

### **6.3 Discussion of Results for Research Question One**

#### **What is the understanding of the concepts Social Licence to Operate and community engagement and their interaction therefore?**

The aim of this question is to ascertain the deep understanding of the well-used concept of the Social Licence to Operate in the mining industry from the literature review in Chapter Two in the South African context from both companies, regulators and communities. It is also to understand how community engagement strategies fits into the Social Licence to Operate concept.

As it was presented in Chapter Five, the results will be discussed in three interview questions, firstly addressing the Social Licence to Operate concept, secondly addressing the concept of community engagement, and lastly how the two concepts interrelate to each other.

### **6.3.1 Social Licence to Operate**

As this study, was dealing with conflicts between the mining companies and the communities in the context of the Social Licence to Operate, it was vital that the first point of departure be about the understanding of the Social Licence to Operate concept by the respondents in order to evaluate their understanding in this regard. Most of the respondents view Social Licence to Operate as being the responsibility of mining companies to implement social labour plans projects. Interestingly those respondents are all from the coal mining companies and one from the regulators. Harvey & Bice (2014) cited that regulatory requirements such as social impacts assessments and implementation of social development plans, such as donations to civil society and infrastructure development, is required to achieve the Social Licence to Operate, however, are perceived as not good enough compared to community trust, which is identified as key in achieving Social Licence to Operate in extractive companies. Most of the respondents from the community cited that there are not aware of the concept, however they are very much aware of social labour plan as a pre-requisite for mining right approval. However, Harvey & Bice (2014) concluded that extractive companies should move from just legal and regulatory compliance as well as offering charitable demands, and rather increase the exposure levels of their highly skilled employees to help solve pressing host community issues.

The Social Licence to Operate is also understood as giving back to the communities by the mining companies in compensating for the negative impacts from mining activities. This finding is in support of transactional community engagement strategy where organisations are giving back to the communities through investment or information sharing, such as donations and skills training of communities (Bowen , Newenham-Kahindi & Herremans, 2010).

As observed in the literature, trust between communities and organisations is considered as the key aspect in achieving Social Licence to Operate (Harvey & Bice, 2014; Parsons, Lacey, & Moffat, 2014; Dare, Schirmer, & Vanclay, 2014). The mining companies need to obtain and maintain Social Licence to Operate issued by the society in order to prevent community conflict and social risks (Prno & Scott Slocombe, 2012). Social licence is contextualised as organisations meeting demands and expectations of the broader society and as the soft regulations which are enforced through the beliefs and actions of relevant

stakeholders (Gunningham, Kagan, & Thornton, 2004; Mercer-Mapstone, Rifkin, Moffat & Louis, 2017). The respondents from the study understood Social Licence to Operate as gaining stakeholder confidence and trust.

### **6.3.2 Community Engagement**

This study was based on the conflicts occurring post implementation of the agreed actions from the community engagement, and it was therefore important to get the understanding of the community engagement concept from those respondents involved in community engagement with mining companies, communities and regulators. Stakeholder engagement is defined as the involvement process whereby interested and affected parties' views are incorporated in the business decision making by the organisations (Jeffery, 2009). Bowen, Newenham-Kahindi & Herremans (2010) defined community engagement strategy as the organisation's corporate social responsibility initiative, aiming at benefiting shared social-wellbeing of individuals and community groups.

The majority (if not all) of the respondents revealed that they understand the community engagement as the platform created by the mining companies for the communities to raise their concerns, issues and expectations. Bowen, Newenham-Kahindi & Herremans (2010) distinguished three community engagement strategies, namely, transactional, transitional and transformational, which indicates that the level of community engagement increases one-way information sharing (transactional) through two-way dialogue and collaboration (transitional) to community leadership and empowerment (transformational) (Bowen, Newenham-Kahindi & Herremans, 2010). This literature was supported by the finding of this study as the respondents viewed that community engagement is a platform in which mines keep communities informed through information sharing and building and maintaining relationships through conversation between the mining companies and the communities.

### **6.3.3 The Interrelation of Social Licence to Operate and Community Engagement**

Social Licence to Operate is understood mainly as implementation of social labour plans as a prerequisite for the formal licence, in this case as a mining right and giving back to communities. Most of the respondents cited that municipality Integrated Development Plan (IDP) projects informs social labour plan projects which is subjected to community

engagement process where community needs are identified and aligned with those mandatory projects.

Community engagement and understanding of community engagement capacity are cited as critical aspects in obtaining the Social Licence to Operate in the forestry industry, however lack of trust, limited stakeholder representation as well as continuous increase in society expectations are perceived as barriers to obtaining Social Licence to Operate (Dare, Schirmer & Vanclay, 2014). Gunningham, Kagan, & Thornton (2004); Siltooja & Vehkaperä (2010); Thomson & Boutilier (2011) in Dare, Schirmer, & Vanclay (2014) indicated that meeting stakeholder expectations and satisfying societal norms is achieved through the maintenance of approved Social Licence to Operate and that such an organisation is perceived legitimate by the society. The respondents cited that community engagement process is key in identifying the true needs and expectation of the local and the broader community to be included in the projects of the social labour plan, which is supported by Gunningham, Kagan, & Thornton (2004) as they contextualised social licence as organisations meeting demands and expectation of the broader society.

In summary, it was evident from the findings that the respondents had a very good understanding of the Social Licence to Operate concept as equivalent to social labour plan which is the prerequisite of the formal licence approval in the South African context, whereby community needs projects are selected through community engagement processes for those projects to be implemented. SLO is also viewed as the mines giving back to communities without communities working for it. Community engagement is viewed at the platform where community issues and concerns are raised and addressed, including the needs of the communities which should be included in the social labour plan. Generally, the respondents were not fully in agreement with the view expressed by Harvey & Bice (2014) that regulatory requirements such as social impacts assessments and implementation of social development plans, such as donations to civil society and infrastructure development, are perceived as not good enough in achieving the Social Licence to Operate. However, community trust is identified as key in achieving Social Licence to Operate in extractive companies.

## **6.4 Discussion of Results for Research Question Two**

### **What is the process used by both companies and communities on community engagement including conflict management?**

The purpose of the question is to understand how mining companies and communities undertake ongoing community engagement throughout the company life cycle, including during community conflict. As was presented in Chapter Five, the results will be discussed in three interview questions, firstly addressing community engagement structures followed, whether both parties engage with same intentions or not, community engagement experience insight and how community engagement success or failure is measured.

#### **6.4.1 Community engagement structure or process**

Rees, Kemp, & Davis (2012) cited that the method of community engagement and the role of formal processes are some of the sources of effective conflict management in the mining industry.

All respondents interviewed cited that community protests are the most used engagement structure whereby the aggrieved communities raise their issues and concerns to the organisations. Franks et al. (2014) cited that during the feasibility and construction phase of the projects, local community and civil society organisations find some opportunities to arrange campaigns to influence decision making process due by governments as well as organisations, and Issues raised in the form of complaints and grievances, if not addressed, lead to physical protests. This finding is in agreement with Parsons, Lacey, & Moffat (2014); Rees, Kemp, & Davis (2012) as indicated that stakeholders may intimidate company's ability or rightfulness to perform through strikes, physical violence, protests and legal challenges.

Formal community engagement structures are employed by both the mines and communities for community engagement. In some instances, collective forums are used where all representatives from different forums engage on different community issues. Municipality representatives are often used for community representation (point of contact). However two respondents from communities revealed that municipality representatives are not welcomed in their engagement structure due to loss in trust between the communities and the local government. Gordon, Schirmer, Lockwood,

Vanclay & Hanson (2013) cited that specific community engagement methods are required to address engagement issues in the organisation. Letters and public meetings are used to engage with communities in close proximity of the operation and those previously engaged with the operations (Dare, Vanclay & Schirmer, 2012).

Rees, Kemp, & Davis (2012) identified the role of legal structures as effective in conflict management in the mining industry. This literature was supported by the finding of this study as some of the respondents from the community and authority revealed that communities report their complaints directly to the authorities, in this case, the South African Department of Mineral Resources, and to the South African courts, as the legal structures, as another process used when failure to address community complaints by mining companies is experienced.

Grievance and complaint procedures are used by the mines as a mechanism for the community to report issues directly to the mine. This finding is in agreement with Franks et al. (2014) who cited that community issues and concerns are raised in the form of complaints and grievances procedures, however if not addressed, led to physical protests.

#### **6.4.2 Both parties (communities and mining companies) engage with same intentions/purposes**

Managers of the organisations should consider the interests of the stakeholders when taking business decisions, not just the transactional relationship as the means to an end on organisational objectives (Freeman, 2004). The majority of the respondents, if not all, confirmed that mines and communities are not engaging with the same intentions, which is not fully in agreement with the above literature, considering that community engagement is not only about transactional relationships, rather true consideration of stakeholder interests in business decision making.

Almost half of the respondents cited that the reasons for mines not engaging with the same intentions with communities is that mines are focused on making profit, that mines are not engaging but they are telling the communities, that the mines are not listening to communities, that mines are dividing communities, as they are alleged to be paying some community groups, and that the mines historically exploited the communities. Schouten & Remmé (2006) in making sense of social responsibility in international business, experiences from Shell, indicated that the transformational engagement needs making

joint sense of issues for all parties to achieve shared engagement outcome. In this study this was not the case.

Communities are also viewed as not engaging with the same intentions with the mines due to their high expectations from the mines, that they are always demanding business and employment opportunities, and that some of the community representatives are engaging for self-interest. Donaldson & Preston (1995), in unpacking the concept of the stakeholder theory model, acknowledged that all stakeholders with genuine interest participate in an organisation to gain benefits. Dunham, Freeman & Liedtka (2006) categorised one of the communities as a community of practice, whereby community has a strong sense of identity and mutual responsibilities seeking to achieve a collective goal. The above finding indicates that some of the community representatives are not engaging for mutual responsibilities and seeking to achieve common goals as a community, but rather for personal gain.

The two respondents out of fourteen respondents cited that mines and communities engage with the same intentions and highlighted the reasons, being that the community engagements are undertaken with agreed structured agenda and that both parties reach agreement in meetings. This finding confirms that industries outside of the wind industry, in this case the mining industry, could provide shared goals to both stakeholders and companies through Social Licence to Operate in negotiating new projects developments when engaging on agreed agendas (Hall & Jeanneret, 2015). Tindana et al. (2007) also supported the finding that community engagement is a collaboration process between relevant stakeholders sharing common goals and interests.

#### **6.4.3 Community engagement experiences and measures of community engagement success or failure**

Lin, Li, & Bu (2015) indicated that mining companies such as BHP Billiton experience potential community related challenges, such as community protests or civil unrest, which could delay the implementation of the projects and significantly impact production. This was supported by the finding from this study that community engagement experiences from some the respondents included lots of community protests in their respective areas.

Conflict is defined as the coexistence of determinations, interest and global opinions that are perceived, that cannot be achieved concurrently ranging from minor friction to a

complete breakdown or physical violence (Rees, Kemp, & Davis, 2012). Conflict between communities was also cited as one of the community engagement experiences caused by the mines prioritising benefits to some communities but not others.

Dunham, Freeman & Liedtka (2006) emphasised that organisations should treat all stakeholder interests as being legitimate, and that the stakeholder theory should be over and above the concept of utilitarianism. This was also supported by the 10 years of battle, which is currently in court, the conflict between the company and the community of Xolobeni. The matter went to the South African High Court in April 2018, demanding that mining rights cannot be granted by the Department of Mineral Resources without community consent (Reynolds, 2018). Dunham, Freeman & Liedtka (2006) emphasised that organisations should treat all stakeholder interests as being legitimate and that stakeholder theory should be over and above the concept of utilitarianism. The reviewed literature supported by the view from the finding of this study that the communities where mining is operating are regarded as volatile, disruptive, angered and non-progressive, and in most cases these attributes are viewed as contributing factors to the unpleasant community engagement experience, and the factor which forces the mines to engage more.

The respondents revealed that measure on community engagement success is no business disruption caused by the community protests, agreement on issues, including implementation of engagement resolutions, as well as a high degree of community engagement meeting attendance. Harvey & Brereton (2005) indicated that BHP Billiton's bottom line was improved due to the success of community engagement initiatives. Responding to stakeholder issues and concerns, it is an indication of community engagement success as the organisational fear over stakeholder expectations are overcome (Owen, & Kemp 2012).

In summary, community engagement experiences include protests as it mostly used community engagement structures to raise issues and concerns from the communities followed by the formalised engagement structures with agreed agenda. No or less protests, agreement on issues, including the implementation of the agreed actions, as well as a high degree of attendance to community engagement meetings are cited as community engagement success measures. It was also revealed by nine out of fourteen respondents that mines and communities are not engaging with the same intention, mostly

due to mines focusing on profit, no necessarily for the shared objectives, and on the side of community, communities engage with a high expectation that the mine can offer more.

## **6.5 Discussion of Results for Research Question Three**

### **Why does conflict occur during and after engagement process?**

The aim of this question is to determine if conflicts emerge in implementation and after implementation of community engagement, to ascertain the sources of conflict, and the factors to consider preventing it.

As it was presented in Chapter Five, the results will be discussed in three interview questions, addressing conflict happening post community engagement, conflict happening post implementation of the agreed outcomes, and why conflict happens and what can be done to eliminate or reduce them.

#### **6.5.1 Conflict/fights/misunderstanding occurring post community engagement**

Donaldson & Preston (1995) acknowledged that all stakeholders with genuine interest participating in an organisation do so to gain benefits. Dunham, Freeman & Liedtka (2006) identified community of practice as one of the stakeholder categories where community with a strong sense of identity and the mutual responsibilities seeking to achieve collective goal. The majority of the respondents across the areas indicated that conflict happening post community engagement meetings is mostly caused by the community representatives engaging on behalf of the community for their own benefit over the benefit of the broader community. This is contradictory to the above literature reviewed, as the benefit only goes to one person for their personal interest.

Community respondents cited that conflict happens post engagement due to mines not delivering on promises or implementing inefficient resolutions. Franks et al. (2014) cited that conflict in mining companies are caused by issues raised in the form of complaints and grievances not being addressed. Wonderfontein Community Association in Mpumalanga reported that both the mining companies and the local municipality make empty promises to the communities (Raborife, 2016).

Mines have demarcated communities in terms of zones of influence where benefits and engagements are prioritised accordingly. The demarcations therefore cause conflict post

engagement by those stakeholders left out of benefits and engagements. Gunningham, Kagan, & Thornton (2004) cited that the organisation should meet demands and expectations of the broader society. Dunham, Freeman & Liedtka (2006) emphasised that organisations should treat all stakeholder interests as being legitimate. Mitchell, Agle & Wood (1997) emphasise that management of the organisation should pay more attention to classes of stakeholders in relation to the power they have to influence the organisation, the legitimacy of the stakeholder relationship with the organisation, and the urgency of the stakeholder claim on the organisation. Whereas Freeman (2004) cited that organisations should give more attention to the relationship of the stakeholders with a stake in the organisation. Nakao, Amano, Matsumura, Genba & Nakano, (2007); Mutti, Yakovleva, Vazquez-Brust & Di Marco, (2011) emphasised that the challenge faced by the organisations in creating long term social and economic benefits to all stakeholders, due to conflict interests between different stakeholder groups, as one group's benefits could happen at the expense of the other group.

Communities have a high sense of urgency, they want things to happen immediately with the fear that if not address it will never be done. This factor also contributed to conflict occurring post engagement. Dare, Schirmer, & Vanclay (2014) emphasised that effective engagement include the ability of organisations to respond rapidly with changing expectations.

### **6.5.2 Conflict/fights/misunderstanding that can happen after implementation of agreed upon actions**

The reason for conflict occurring post implementation of the agreed actions are more or less the same as the reasons for conflict happening post community engagement, especially the confirmation that community representatives are engaging with a motive of self-interest.

Donaldson & Preston (1995) acknowledged that all stakeholders with genuine interest participating in an organisation do so to gain benefits. Dunham, Freeman & Liedtka (2006) identified communities of practice as one of the stakeholder categories, where communities with a strong sense of identity and mutual responsibilities seeking to achieve collective goal. The majority of the respondents across the areas indicated that conflict happening post community engagement meetings is mostly caused by community

representatives who are engaging on behalf of the community for their own benefits over the benefits of the broader community. This is contradictory to the above literature reviewed, as the benefits only goes to one person for their personal interest.

Despite the implementation of the agreed actions, there are always come-backs on continuous demands from the community, being the very same community or the new influx of people demanding the same opportunities from the mines. Owen & Kemp, (2012) cited that fulfillment of the agreed resolutions does not necessarily translate to Social Licence to Operate due to other issues raise outside of agreed resolutions, causing anger, trouble and concerns to stakeholders to the agreed resolutions. Mutti, Yakovleva, Vazquez-Brust & Di Marco, (2011) emphasised conflict of interests between different stakeholder groups is due to the fact that one group's benefits are achieved at the expense of the other group.

### **6.5.3 Why do these conflicts/fights/misunderstanding happen?**

Out of fourteen respondents, eight revealed the current economic status in terms of unemployment and poverty levels of the country creates most of the conflict between the mining companies and communities, hence the need for business opportunities, employment opportunities and skills development. Holland (2015) cited that mining brings positive sustainable legacy to host communities. Job creation and employment opportunities are mostly used by mining companies to avoid resistance by local communities. However, currently communities are seeking long term benefits (Moomen & Dewan, 2017).

Where business and employment opportunities are available, the contractor mining companies employ their own employees with the perception that there are no local skills. Business and employment opportunities are gained by non-local people where locals get fewer, unsustainable and insecure jobs (Zulu & Wilson, 2012).

Where local skills are available, and demarcation of local in prioritising the allocation benefits, it becomes a challenge, and the perceptions or entitlement of the closer community that the majority of the benefits are due to the, cause community on community fights. Companies and government mostly fail in demarcation of the important local community areas in which they operate and also view communities in isolation, not realising that communities function within social and cultural networks of rights and

obligations, especially in sub-Saharan Africa, therefore isolation is impossible (Moomen & Dewan, 2017). Moreover, mining companies demarcate host communities as those communities living within 500m to 1.5km radius, and some within a 50km radius, whereas government identify local community as all residing in South Africa. This, on its own, causes conflict regarding who should benefit from companies' Corporate Social Responsibility initiatives.

Lack of engagement and communication are contributing factors for not obtaining or for losing the Social Licence to Operate, which in turn results in social risks, such as community conflict (Hall & Jeanneret, 2015). This was supported by the respondents indicating that the mines are not engaging the communities and are mostly telling the people and not listening to them and is cited as some factors contributing to conflict.

Community representatives are engaging for self-interest instead of benefit to the community at large, as revealed by nine respondents as a source of conflict. There are also allegations of bribes between the mines, community representatives and government officials in support of self-interest engagements. Mining-induced money distribution causes socio-economic discrepancies due to power distance between the local elites and marginalised communities, as experienced by nepotism on business and employment opportunities towards non-local people, where locals get fewer, unsustainable and insecure jobs (Zulu & Wilson, 2012).

Current political climate in the country was also cited as having an influence on conflict occurring between the mines and communities. For example, municipality officials are promising communities unrealistic demands in the name of the mines in order to gain political position, due to the upcoming 2019 election. Political and social ills of mineral resource extraction often aggravate conflicts between the mining companies and local communities (Wunder, 2005).

Community engagement is critical in obtaining the Social Licence to Operate in forestry industry (Dare, Schirmer & Vanclay, 2014) whereas lack of engagement and communication are identified as contributing factors for not obtaining or for losing the Social Licence to Operate, which in turn results in social risks, such as community conflict (Hall & Jeanneret, 2015). This is supported by the respondents, who indicated that the mines' Social Labour Plan projects include those projects addressing community needs.

However, due to lack of community engagement and communication, most of the SLP and IDP projects are misaligned with true community needs, hence causing conflict.

Interestingly the fact the community is more knowledgeable of their rights compared to the past years, was revealed as other source of conflict between mines and communities. Dare, Schirmer & Vanclay (2014) emphasise that imperative community engagement process should be adopted, since society expectations and interest are continuously changing. Communities are now fighting for long term business and employment opportunities to secure sustainable livelihoods, compared to previously, when unsustainable opportunities from mining company were welcomed (Moomen & Dewan, 2017).

Rees, Kemp, & Davis (2012) cited that for the effective conflict management in the mining companies, corporate culture plays a vital role, which includes but is not limited to the role of formal process, social performance assessment, and role of legal structures. The literature was supported by the results from some of the respondents, which indicated that the Department of Mineral Resources (DMR) as the mining regulator is not enforcing mines to comply, and not addressing community complaints, hence the communities end up taking matters into their own hands and closing or blocking access to mines.

The respondents cited that not having structured community engagement platforms was also identified by as source of conflict. This finding is in support of Rees, Kemp, & Davis (2012) who cited that for effective conflict management, corporate culture in mining companies plays a vital role, which is included but not limited to the method of community engagement. Dare, Schirmer & Vanclay (2014) suggested that since society expectations and interest are changing continuously, changing it is therefore imperative, and that community engagement processes should be structured and undertaken accordingly.

The respondents also indicated that because most of mine management live far away from these mines in the suburbs of Johannesburg, they are not experiencing the negative impacts from their mines, which impacts are solely being experienced by the communities living closer to the mines. Freeman (2004) suggested that it is critical for the organisation to understand the stakeholder values, interest, behaviour and backgrounds, as this will be require to be balanced over time. Parmar et al. (2010) emphasised that understanding of the relationship between organisation and stakeholders, such as individual or a group who

impact or are impacted by the business, have a greater opportunity of addressing stakeholder issues.

Historical reputation risk was also cited as one of the factors which could result in not obtaining or losing the Social Licence to Operate, which in turn results in social risks such as community conflict (Hall & Jeanneret, 2015). This was reinforced by the respondents from the interviews who indicated that the historical dependency by communities on mining and the fact that mines are not able to showcase the good work they have done to the communities, also creates conflict.

Mines not delivering of promises, inconsistency of different mines engaging with the same communities and bad relationships between all parties are the least regarded as factors causing conflict between mining and communities. Wonderfontein Community Association in Mpumalanga reported that both the mining companies and the local municipality make empty promises to the communities (Raborife, 2016). Rees, Kemp, & Davis (2012) concluded that for effective conflict management in mining companies, corporate culture plays a vital role, which includes company attitudes to community relationships and conflict management, method of community engagement, competencies of community relations personnel and their influence, corporate structure and hierarchy, employee attitudes, role of formal process, social performance assessment, and role of legal structures.

The majority of the respondents emphasised that mining companies are not listening to communities but rather telling the communities. The finding is supported Post, Preston, & Sachs (2002) citing that stakeholder relationships is to generate organisational prosperity, whereby the relationship is not viewed as transactional, but rather as continuity, and often conflict involving and collaborative aspects of such relationships. The authors further suggested that the most important aspect on stakeholder engagement is the inter-stakeholder relationships. Social Licence to Operate is transformed and transcended by continuous inclusive dialogue between the mining companies and the poor and marginalised communities (Davis & Franks, 2014; Owen & Kemp, 2013).

#### **6.5.4 What can be done to eliminate conflict?**

Transformational community engagement strategy is perceived as most proactive corporate community engagement strategy whereby the organisations achieve business objectives which could not be achieved without community engagement. In this strategy,

through organisations, leadership communities can voice their concerns and solutions so that such concerns are managed with both parties gaining control of shared engagement process, whereby the needs and the resources of communities are fully integrated with organisation decision making process (Bowen, Newenham-Kahindi & Herremans, 2010). Schouten & Remmé (2006) suggested the transformational engagement needs competencies of listening, reflection, making joint sense of issues, and right time to action those issues for all parties to achieve shared engagement outcome, whereas continuous inclusive dialogue between the mining companies and their stakeholders, especially poor and marginalised communities could result in transformed and transcended Social Licence to Operate (Davis & Franks, 2014; Owen & Kemp, 2013).

The above literature was supported by the majority, if not all, of the respondents, who believed that with proactive engagement in which mines and communities are engaging in the formalised structures, with clear detailed information sharing and regular feedback, conflict will reduce if not be eliminated.

Normative stakeholder theory variation focuses on giving direction to the organisation on the underlying values, morals and principles of doing the right thing in relation to stakeholders (Donaldson & Preston, 1995). Phillips Freeman, & Wicks (2003) add to the definition of the stakeholder theory by emphasising that morals and values are addressed at the organisational management level. The results of this study from some of the respondents emphasised that addressing of the issue of local opportunities, whereby priority is given to locals, including first searching for skills locally and when all options are exhausted move elsewhere, taking into account the saying, “charity begins at home”.

Schouten & Remmé (2006) suggested transformational engagement needs competencies of listening, reflection, making joint sense of issues, and right time to action those issues for all parties to achieve shared engagement outcome. Post, Preston, & Sachs (2002) emphasised that stakeholder relationships is to generate organisational prosperity, whereby the relationships are not viewed as transactions, but rather continuity, and often conflict involving and collaborative aspects of such relationships.

Gordon, Schirmer, Lockwood, Vanclay & Hanson (2013) identified attributes of the effective community engagement in the forest plantation industry in Australia as collaboration within the industry, community engagement skills used during industry wide

community engagement, trust between industry and stakeholders and inclusive stakeholders. Kabalan, Tamir, & Singh (2014) noted that community engagement is one of the success factors in rural development projects, Micro-hydroelectric site in Ifugao, Philippines as the community feels that there are more inclusive, empowered and that they have sense of ownership throughout the project life cycle.

The respondents from this study acknowledged that communities are more knowledgeable, and therefore recommends that communities need be listened to and be involved in solving issues, and that mines need to engage honestly and transparently.

Some of the least recommended is that community respondents believe that mines should buy the towns and relocate people so that mines can freely operate without impacting the communities. Resettlement of local communities and mining induced displacement is common globally in the mining industry to allow mining to be undertaken with less impact on the livelihood of native communities (Hilson, 2012).

Allocation of mineral land by government to communities so that they can mine on their own for the total benefit of the local community was also provided as one of the solutions to address conflict between mining companies and communities. The South African Mining Charter 2018 calls for the expansion of the mining and minerals industry to the Historically Disadvantaged Persons in order to address the past imbalances and injustices (Republic of South Africa, 2018).

In summary, conflict occurring post community engagement is mostly caused by community representatives who are engaging for personal gain, not for the gain of the broader community. Mining companies not delivering on community promises made during community engagement and/or delivering ineffective resolutions. Regardless of mining companies implementing agreed actions, continuous community demands and expectations for mines to solve the country's social ills are still a challenge. No inclusive engagement where mining companies are not listening to communities and are telling the communities, as well as communities fighting against each other due to host community demarcation, also contributes to conflict between mining companies and communities. Some of the recommendations to reduce if not eliminate conflict include proactive engagement, inclusive and collaborative engagement, addressing the issue of offering business and employment opportunities in terms of prioritisation of local communities.

## **6.6 Discussion of Results for Research Question Four**

### **Do companies and communities engage with due diligence on who they should engage with?**

The aim of this question was to ascertain if companies and communities identified and engage true community stakeholders and/or true company representatives in continuous granting of Social Licence to Operate.

Analysis was done to identify who stakeholders are that both mines and communities are engaging with to prevent or reduce conflict. Stakeholders are defined as any persons or groups who can affect or are affected by the achievement of organisation objectives and those have rights and interests in organisational activities (Freeman, 1984; Clarkson, 1995; Mitchell, Agle & Wood, 1997). Crane, Matten, & Moon (2004) defined communities as a group of individuals or citizens representing the stake of citizens and ensuring that organisations are responsible in administration of citizen rights. Mitchell, Agle & Wood (1997) emphasised that management of the organisations should pay more attention to classes of stakeholders in relation to the power they have to influence the organisation, the legitimacy of the stakeholder relationship with the organisation, and the urgency of the stakeholder claim on the organisation.

The majority, if not all of the respondents, revealed that formalised community engagement structures are established where local communities are demarcated in terms of primary and secondary zones of influence, and most of these structures include municipal representatives and ordinary member of the communities representing the broader communities.

The challenge is when the broader community no longer trust their representatives, revealing that they are engaging for self-interest, causing protest. Some of the respondents indicated that municipality representatives are not welcomed to be part of their community engagement forums, due to lack of trust. The other challenge revealed that those communities not considered as host communities or primary zones of influence are angered by not being recognised by the mines, and those who are zoned to be host community or primary zones are also angered when the opportunities are not prioritised to them, but rather shared with the broader community. This is in contradictory to Tindana et

al. (2007) who cited that community engagement is a collaboration process between relevant stakeholders sharing common goals and interests.

Stakeholder mapping was mentioned as a tool used to identify relevant stakeholders for different stakeholder engagement plans for different stakeholders. This is in support of the emphasis that stakeholder analysis is important in identifying and mapping the stakeholders in relation to their relative power, influence, legitimate, urgency and interest in dealing with issues in the organisation (Morgan & Taschereau, 1996; Mitchell, Agle & Wood, 1997). Wilburn & Wilburn (2011) suggest that the identification and classification of stakeholders by leaders of companies enables companies to negotiate requirements relevant to specific stakeholders for the granting of Social Licence to Operate.

In summary, stakeholder analysis and mapping are undertaken by the mining companies to ensure that relevant stakeholders are engaged accordingly, based on legitimacy, power and urgency on the organisation. However, there are challenges, as it becomes difficult as mining companies demarcate the host communities for benefits and engagement, as broader stakeholder representation is limited, thus causing conflict. Lack of trust between communities and their representatives also results in conflict post community engagement as the broader communities are aggrieved that their interests are not represented, but rather the personal interest of their representatives are.

## **6.7 Summary and Conclusion**

In summary, there was a very good understanding of the Social Licence to Operate concept as equivalent to social labour plan, which is the prerequisite of the formal licence approval in the South African context, whereby community needs projects, and giving back to community projects are selected through community engagement processes for those projects to be implemented. This implied the understanding of the Social Licence to Operate concept was not fully in support of the view expressed by Harvey & Bice (2014), that regulatory requirements such as social impacts assessments and implementation of social development plans, such as donations to civil society and infrastructure development, are perceived as not good enough in achieving the Social Licence to Operate. However, community trust is identified as key in achieving Social Licence to Operate in extractive companies.

Community engagement experiences include protests whereby communities are blocking mine access, as it mostly used community engagement structure to raise issues and concerns. This is also used as most community engagement success measures, no or less protests imply effective community engagement process undertaken. Nine out of fourteen respondents cited that mines and communities are not engaging with the same intention, mostly due to mines focusing on profit and communities having high expectations with no shared objectives.

Generally, all respondents confirmed that conflict occurs post community engagement, which is mostly caused by community representatives engaging for personal interest, resulting in lack of trust, mining companies not delivering on community promises, continuous community demands and expectations for mines to solve the country's social ills, demarcation of host communities, and no inclusive engagement. Recommendations to reduce if not eliminate conflict include proactive engagement, inclusive and collaborative engagement, addressing the issue of offering business and employment opportunities in terms of prioritisation to local communities.

In addition, stakeholder analysis and mapping is a key aspect as, cited by two of the respondents, in understanding which stakeholders to engage, based on legitimacy, power and urgency on the organisation, as in support of the suggestion by Wilburn & Wilburn (2011) that the identification and classification of stakeholders by leaders of companies enables companies to negotiate requirements relevant to specific stakeholders for the granting of Social Licence to Operate.

## **Chapter 7: Conclusion**

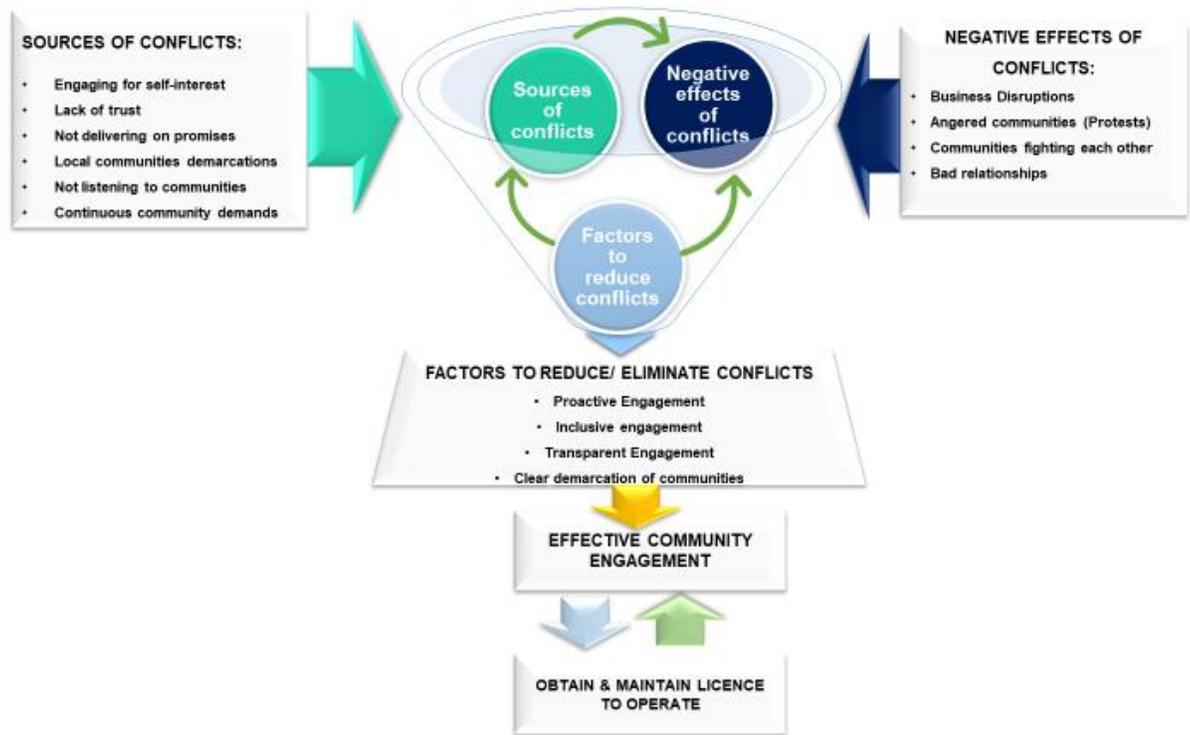
### **7.1 Introduction**

The research objectives of this study were to explore the sources of conflict between mining companies and communities post implementation of the agreed outcomes, coupled with the understanding of the Social Licence to Operate in the context of South African mining, and what can be done to reduce or eliminate conflict between mining companies and communities.

Chapter Six discussed the results from the data collected in relation to the literature review in Chapter Two and the research questions. This chapter aims to summarise the discussion and results. It pulls together a cohesive set of the main findings addressing the research objectives. From the main findings, this chapter offers recommendations to business and communities. The limitations of the research are outlined, and this chapter ends with recommendations for future research.

### **7.2 Main Findings**

The ultimate objective was to explore the sources of conflict post community engagement, agreed actions between mining companies and communities, as well as investigating the understanding of the Social Licence to Operate by both companies and communities. In line with these objectives, the main findings are the sources of conflict (engaging for self-interests, not delivering on promises, and local communities demarcations), factors to reduce or eliminate conflicts (proactive, inclusive, and transparent engagement, and clear local communities demarcations), the understanding of community engagement, and the understanding of Social Licence to Operate as outlined in Figure 14 below and as discussed in below.



**Figure 14: Community Conflicts Management**

## 7.2.1 Sources of conflict

### 7.2.1.1 Engaging with Personal Interest

Community engagement structures employed by both mining companies and communities include formalised engagement forums in which not all members of communities are present. However, there is representation from communities, including the local municipality representatives engaging with the mining companies on behalf of the broader communities. The shortcoming of this engagement approach is the possibility that community representatives may either filter the message back to the broader communities, or that the communities may not necessarily be aware of the discussions and agreements, or that the community representative may engage for their own personal gain over the benefit of the broader community.

While centralised community engagement is important through formalised forums, alone it is insufficient to gather the true community needs and concerns. It is important for the

companies to continually keep communities abreast of the developments of stakeholder engagement by having broader community meetings, such as open days, so that feedback on issues raised by the forums are communicated to the broader communities, who will be able to understand the position of their issues, thus self-interest engagement will be lessened

### **7.2.1.2 Not Delivering on Promises**

Mining companies are perceived by communities as not delivering on community promises and when they manage to deliver, the resolutions or actions are of substandard or are unsustainable. With continuous community demands and expectations for mines to solve the country's social ills, it may put mining companies under pressure to agree to some of the issues to address, even if they are impossible to address. It is imperative to keep communities up to date with progress, through regular feedback. Even when the action implementation is delayed it is better to inform the communities on the status. When communities understand the position of their issues and the standpoint of the companies, its objectives, its process within which the companies operated, they are more likely to accept how issues are being addressed, which could lead to less or no conflict.

It is also important for the companies to undertake investigations, to available, to be realistic of the issues raised, and about the feasibility of implementing such actions, prior to agreeing to them. Informed decision making is key to community engagement, because once agreed, the community will hold the companies to their promises.

### **7.2.1.3 Local Communities Demarcations**

Local communities are demarcated in terms of host communities, primary zones of influence, secondary zones of influence, broader communities in relation to prioritisation, such as company benefits like social labour plans projects, engagements, employment opportunities, business opportunities, and others. It is important for the companies to undertake stakeholder analysis and mapping to understand which stakeholders to engage, based on their legitimacy, their power and their urgency on the companies in maintaining the Social Licence to Operate. However, the challenge with demarcations is that it creates a sense of entitlement amongst the communities which yields to the fighting between communities over these benefits, hence the increase in community protest.

On the other hand, the regulators demarcate local communities as those living in South Africa which allows for the broader communities to also be represented in terms of benefits. The other issue is that mining resources are being depleted in some parts of the country and explored in other parts of the country, therefore those demarcated to benefit at present will then face issues in the future, as their area will no longer have those benefits. It is important for the local communities demarcations be collectively investigated without compromising any community.

### **7.2.2 Factors to reduce or eliminate conflicts**

Negative effects emanating from conflicts between communities and companies includes angered communities participating in protests, business disruptions as communities block mine access and therefore no production loss or project delays, and damage to properties or communities holding mine personnel hostage, and communities fighting amongst each other. By implementing these recommendations, conflict may be reduced or even eliminated as community engagement may be effective and negative effects may be reduced. The factors include proactive, transparent and inclusive engagement, and addressing the issue of local communities demarcations.

**Proactive engagement** - entails companies go to communities to understand their needs and concerns, provide simplified detailed information, instead of waiting for the communities to approach the companies on issues. Regular feedback from both communities and companies is a key aspect to proactive engagement.

**Transparent engagement** - communities are more knowledgeable of their rights and the responsibilities of both the government and companies. It is imperative for community engagement to be undertaken in a manner in which true information is shared and discussed. Confidential information should be considered in this regard.

**Inclusive engagement** - there is a Chinese proverb that says, “tell me and I’ll forget, show me and I may remember, involve me and I’ll understand” (Original Source Unknown). In the past companies told communities, as communities are now knowledgeable, it is important for the communities to raise issues and be allowed to propose solutions, which will be subjected to dialogue between the parties to come up with collaborative solution. This may result in communities owning the solution, and empowered communities may lead to reduced conflicts.

**Local community demarcations** – due to current economic status of the country with high unemployment and high poverty rate, these companies, especially mining companies, are viewed as the solution to country's social ills. Therefore, communities will want some sort of recognition and benefit from those companies, since those communities closer to the companies are those impacted directly by the operations, hence the sense of entitlement. It is important for the local community demarcations be collectively investigated without compromising any community.

### **7.2.3 Understanding of Community Engagement**

Community engagement was viewed as a platform where community issues and concerns are raised and addressed. The community engagement structures range from formalised community engagement forums, community protests, grievance and complaint procedures and legal systems. These community engagement structures inform the community needs which should be included in the mines' social labour plans. Stakeholders may intimidate companies' ability or right to perform through strikes, protests and legal challenges (Parsons, Lacey, & Moffat, 2014). Not delivering on promises and not listening to communities hold risk as this may result in community protests. Community protest, including blocking mine access and holding mining employees hostage is the most community engagement structure to raise issues and concerns. The protests were perceived by communities as effective engagement as the issues are quickly addressed because it mitigates negative impact on business disruptions. Proactive, inclusive, transparent, honest communication between companies and communities, coupled with regular feedback are key factors in ensuring effective community engagement.

### **7.2.4 Understanding of Social Licence to Operate**

Social Licence to Operate concept was generally understood as equivalent to social labour plan, which is the prerequisite of the mining formal licence approval in the South African context. Social labour plans projects are informed by the community needs which are mostly outlined in the municipality Local Development Plan (IDP) which is normally done through community engagement process. The social labour plan projects are generally referred to as mining companies giving back to the communities from one percent of the profit generated from the mining activities. Social Licence to Operate is known as continuous granting and acceptance of extensive recognition of company's activities by

stakeholders (Owen & Kemp, 2013; Prno & Scott Slocombe, 2012). It appears that the Social Licence to Operate was viewed as formal mining licence requirements. It may be worthwhile to mention that the Social Licence to Operate concept was not generally used or known by both mining companies and entails continuous acceptance of company activities by the communities.

While the social labour plan projects are agreed between the local municipalities and companies, the issue of community representation in informing the true community needs remains a challenge, due to misaligned social labour plans projects and community needs. It is therefore important for the mining companies to ensure true community representation by opening community engagement channels to the broader communities when deciding on the social labour plan projects, in order to align the real communities needs in the social labour plans.

The shortcoming of the social labour plan is that the companies are implementing the projects to meet regulatory requirements, not necessarily focusing on beyond legal requirements, and in most cases the social labour plan projects include donations to civil society and infrastructure development which are perceived as not good enough in achieving the Social Licence to Operate. It is important for the regulators and companies to educate the communities on the Social Licence to Operate and move away from the perception that this concept only implies social labour plans, but rather the continual community acceptance of the company activities in their areas.

### **7.3 Recommendations**

#### **7.3.1 Recommendations for Business**

In order to ensure effective community engagement which interrelates with Social Licence to Operate, companies should consider addressing the aspects of community engagement which was identified as the sources of conflicts between communities and companies by implementing the following recommendations:

1. Continuous proactive engagement with regular feedback;
2. Inclusive and transparent engagement;
3. Collective clear demarcation of local communities and prioritise benefits and engagements accordingly;

4. Formalised community engagement coupled with broader community engagement to ensure true message is assimilated;
5. Companies to deliver on promises, if delays are anticipated then such feedback to communities is important;
6. Collaborative engagement by mining companies when engaging same communities;
7. Companies to operate beyond legal compliance, move away from only focusing on social labour plan projects and implement true sustainable community needs projects;
8. Better understanding of Social Licence to Operate;
9. Undertake stakeholder analysis and mapping to understand the stakeholder to engage based on legitimacy, power and urgency; and
10. Review and monitor the implement actions to those benefited to ensure that there is no self-interest.

Implementing of the recommended actions could reduce or eliminate conflict.

### **7.3.2 Recommendations for Communities**

**Community Representation** – Collective selection of community representatives and hold them accountable,

**Shared benefits** - engagement should be done for the broader community benefits, again representatives should be held accountable,

**Understanding of Social Licence to Operate** – more understanding of the communities will ensure that companies are operating beyond legal compliance as the Social Licence to Operate is for the communities to continuously accept the company activities, and

**Realistic needs and expectations** – with the understanding of the mine community engagement process and company standpoint, the community demands should be realistic, including timeframes of actions implementation as well as feasible demands.

### **7.4 Research Limitations**

The following limitations are applicable to this research:

1. **Generalisation** - the research focused on coal mining companies and communities within the jurisdiction of Mpumalanga province in South Africa, thus the results lacked generalisation ability to all the mining companies and communities and other provinces in South Africa.
2. **Researcher Bias** - Exploratory research has an element of subjectivity and perceptions of the research may influence, there may be some researcher bias which may influence the interpretation of the research results. The researcher experienced community engagement process in coal mining projects through public participation process for the development of new projects from the environmental impacts perspectives. There may be some elements of bias, as some aspects and other perceptions from the respondents might have been missed or ignored. The researcher was not an expert in undertaking interviews on exploratory research and this could have had also affected the manner in which the interviews were conducted.
3. **Sampling Bias** – The use of convenience and snowball sampling resulted in the majority of the respondents from one coal mining company and the community representatives they are working with. Although the respondents were from different coal mines and different localities, the respondents may have shared a similar experience due to standardised community engagement processes being undertaken by the company or due to their relationship to each other.

## 7.5 Recommendations for Future Research

An in-depth study conducted with a wider scope considering other provinces in the country, and other mining commodities included in order to explore the sources of conflicts between companies and their communities. The researcher noted that the concept of Social Licence to Operate was not commonly used in both mining companies and communities. Research could be conducted to further explore more understanding of the concept in other industries and their communities. A quantitative study could be conducted to explore the relationship between community protests and business disruptions in terms of cost analysis impacts.

## **7.6 Conclusion**

This study could be considered successful because it met its objectives and answered the research question. Through the research, it was noted that conflict between companies and communities post community engagement is caused by: the community representatives engaging for self-interest, which creates lack of trust; companies not delivering on promises; prioritisation of benefits based on local communities demarcations; companies not listening to communities; and continuous communities' demands. As a result of conflict, community engagement experienced negative effects, such as business disruptions, angered communities, protests, communities fighting each other, and bad relationships. The factors to reduce or eliminate conflict is suggested, which includes proactive, inclusive, transparent engagement, and clear local communities demarcations.

In addition, the understanding of Social Licence to Operate was understood as legal requirements, whereas from the literature the Social Licence to Operate entails continuous acceptance of company activities by the communities. Through effective community engagement between companies and communities, Social Licence to Operate could be obtained and maintained. This primarily talks to the implementation of stakeholder theory in providing direction on how management of the companies could operate in relation to the stakeholder relationship and their needs to achieve business objectives (Freeman et al., 2004).

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## 9. Appendices

### Appendix 1: Interview Schedule/Guide with Respondent Consent Letter

#### Interview Schedule/Guide with Respondent Consent Letter:

Stakeholder engagement: exploring sources of conflict following implementation of agreed outcomes

***Research Question: Why do conflicts occur post community engagements with mining organisations?***

*Interview Questions:*

#### **Part 1: General Questions**

Introduce myself, background, family, work experience and studies that I am embarking on.

Purpose of the study – Explain the purpose of the study to the respondent including the details on how the data will be collected.

I am conducting research on Stakeholder Management to establish why conflicts (fights) sometimes occur (happen) between companies and communities following engagements. The interview is expected to take one hour and will be recorded. The interview includes a number of questions to determine perceptions on the sources of conflict between mining companies and communities post engagement. The results of the research may be publicly made available in the form of MBA thesis. There will be no naming of any companies that will be interviewed but rather referred to as Company A, B, C or D where there is a necessity to reference and the participant's identity or any identifying information will be confidential. Your participation is voluntary and you can withdraw at any time without penalty.

Please tell me about yourself.

Which mining company or community member represented?

#### **Part 2:**

What do you understand of Social Licence to Operate (SLO)?

What is your understanding of community engagement?

How the SLO and Community Engagement fit to each other?

Describe to me your community engagement structure? How engagement with community/mining companies is undertaken?

In your opinion do you think both parties (Communities and mining companies) engage with same intentions/purposes? And why is that the case?

Describe to me your experiences of community engagement? And How do you measure community engagement success or failure?

Besides the conflict/fights/misunderstandings that can happen during community engagements, do these also happen after community engagement?

Why do conflicts still happen despite the implementation of agreed upon actions?

In your opinion, why do these conflicts/fights/misunderstanding happen? And What do you think can be done to eliminate the conflicts/fights/misunderstanding?

END OF INTERVIEW THANK YOU

.....  
.....

#### INTERVIEW DECLARATION

I ..... (Participant) declare that I have voluntarily participated in the interview and that the information I provide is honest and truthful.

---

Signature:

Date:

## Appendix 2: Ethical Clearance Approval



20 June 2018

Tshehla Molepane

Dear Molepane

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

### **Appendix 3: Company Consent Letter**

191 Pongola Drive  
Aerorand  
MIDDELBURG  
1050

Dear Sir/Madam

#### **Request for an opportunity to interview relevant staff members**

My name is Molepane Daphney Tshehla, I am conducting research on Stakeholder Management to establish why conflicts sometimes occur between organisations and communities following engagement with such communities. The research focuses on the mining industry. The purpose of this letter is to request an opportunity to interview the relevant personnel dealing with external community management in your organisation. The interview is expected to take one hour and will be recorded. The interview will include a number of questions that will be exploratory in nature to determine perceptions on the sources of conflict between organisations and communities following engagement with such communities.

The contents of the interview may be publicly made available in the form of MBA thesis. There will be no naming of any companies that will be interviewed but rather referred as Company A, B, C or D where there is a necessity to reference and the participant's identity or any identifying information will be confidential. The interview participation is voluntary, and participants can withdraw at any time without penalty.

Please allow me this opportunity to conduct the study as the result will contribute towards my degree completion and the mining in South Africa.

If you have any concerns, please contact myself, Molepane Daphney Tshehla or my supervisor, Jabu Maphalala. Our contact details are provided below:

Researcher: Mrs. Molepane Daphney Tshehla

Email: [26185921@mygibs.co.za](mailto:26185921@mygibs.co.za)

Phone: 082 455 8772

Supervisor: Mr. Jabu Maphalala

Email: jabumaphalala88@gmail.com

Phone: 071 679 2770

Name of the Approver: \_\_\_\_\_

Company: \_\_\_\_\_

Position: \_\_\_\_\_

Contact Details: \_\_\_\_\_

Signature of the Approver: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Researcher: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix 4: Transcripts Service Provide Confidentiality Agreement

### Transcription Service - Confidentiality Agreement

**Research Study Title: Stakeholder engagement: exploring sources of conflict following implementation of agreed outcomes**

1. I, Pamela Zolkov, transcriptionist, agree to maintain full confidentiality of all research data received from the research team related to this research study.
2. I will hold in strictest confidence the identity of any individual that may be revealed during the transcription of interviews or in any associated documents.
3. I will not make copies of any audio-recordings, video-recordings, or other research data, unless specifically requested to do so by the researcher.
4. I will not provide the research data to any third parties without the client's consent.
5. I will store all study-related data in a safe, secure location as long as they are in my possession. All video and audio recordings will be stored in an encrypted format.
6. All data provided or created for purposes of this agreement, including any back-up records, will be returned to the researcher or permanently deleted. When I have received confirmation that the transcription work I performed has been satisfactorily completed, any of the research data that remains with me will be returned to the researcher or destroyed, pursuant to the instructions of the researcher.

Transcriber's name (printed):

Pamela Zolkov

Transcriber's signature:



Date: 24 July 2018

## Appendix 5: List of Codes

<b>LIST OF CODES- SOCIAL LICENCE TO OPERATE</b>
Social Labour Plan (SLP)
Giving back to communities
Not know
Gaining stakeholders' confidence
Legal requirement
Community acceptance
Gaining Stakeholders' trust
Sustainable projects implementations
Addressing communities' needs
Communities' happiness
Caring for communities
Uplifting communities
<b>LIST OF CODES - COMMUNITY ENGAGEMENT</b>
Platform to raise community issues, concerns and expectations
Keeping communities up to date and informed
Information sharing
Building and maintaining relationships
Conversation
Proactive engagement
Collaborated engagement
Understanding each other
Management support and involvement
Manage expectation
Legal requirements
Public consultation
<b>LIST OF CODES - COMMUNITY ENGAGEMENT STRUCTURES</b>
Protests
Formalised community engagement structures
Reporting community complaints to regulators (the Department of Minerals Resources)
Grievance and complaints procedure

Legal court system
Special days' events (Farmers' day)
SMS and WhatsApp communication
<b>LIST OF CODES - COMMUNITY ENGAGEMENT INTENTIONS</b>
Mines focuses on profit
Communities' high expectations
Engage for self-interest
Engage without same understanding
Mines telling communities and not listening to communities
Community aggrieved
Mines dividing communities by paying some of the community groups
Communities' sense of entitlement
Communities' past experiences (historically exploited by mines)
Mines taking advantage of DMR incapacity
<b>LIST OF CODES - COMMUNITY ENGAGEMENT EXPERIENCES</b>
Community protests
Communities blocking mines access
Communities fighting each other
Volatile communities
Communities holding mines personnel hostage
Communities damaging to properties (burning mines' trucks)
Communities not listening to mines
Mines not listening to communities
Extorting money from mines
Youth more vocal ( <i>toi-toi</i> )
Tensions between communities and local municipalities' representatives
Angered communities
Mines losing communities' trust
Disruptive communities
Court cases
<b>LIST OF CODES - COMMUNITY ENGAGEMENT SUCCESS MEASURES</b>
No business disruption (no protest)
Agreement of the matter discussed

Implementation of resolutions
Appreciation of people raising issues
Communities providing feedback
Attendance of the community engagement meetings
Communities making money
Progress on resolutions
No comebacks
Operation stability
Sustainable jobs
Mines responding to communities
<b>LIST OF CODES - SOURCES OF CONFLICTS</b>
Mines not engaging but telling and not listening to communities
Mines prioritising benefits over other communities (Communities fights)
Engagement for self-interest
Political climate (2019 elections)
Misaligned community needs with SLP and IDP projects
Mining contractors employing their own
Country economic status (high unemployment, high poverty rates)
Communities are more knowledgeable
DMR not enforcing compliance on mines
Unstructured engagement forums
Mines not understanding communities issues
Historical dependency on mining
Mines not fulfilling promises
Inconsistency of different mines engaging with same communities
Bad relationship between all parties
Historical lack of opportunities from mines
DMR not addressing community complaints
Lack trust
Corruption
Mines not having a feel of community issues
<b>LIST OF CODES - SOURCES OF CONFLICTS POST COMMUNITY ENGAGEMENTS</b>
Engaging for self-interest

Mines not delivering on promises
Mines prioritising benefits over other communities
Communities wants benefit immediately
Mines delivering substandard/ unsustainable solutions
Lack of trust
Wrong information back to communities
Continuous communities' demands
Secrets meetings post formal meetings
Lack of feedback
Lack of understanding the processes
Influx of people with new demands
<b>LIST OF CODES - FACTORS TO REDUCE OR ELIMINATES CONFLICTS</b>
Regular proactive engagement
Engage through Formalised community engagement structures
Sharing of clear information
Address local opportunities (business, employment and skills development)- Charity begins at home
Search local skills then when exhausted then look elsewhere
Involve communities- listening to each other and solving problems together.
Mines to engage with honesty and transparency
Capacitate government department to enforce compliance
Collaboration between mines, government and communities
Mines to understand/ feel the community
Integrate IDP and SLP projects with true community needs
Address issue of mine dependency
Mine to relocate towns then mine freely
Mines to stop making false promises
Mines to fulfil their promises
Government to listen to communities
Mines not fulfilling promises
Government to allocate community mineral land to mine themselves
Clear local communities (host) demarcation
<b>LIST OF CODES - COMMUNITY ENGAGEMENT WITH DUE DELLIGENCE</b>

Stakeholder mapping
Local communities' demarcations
Community representatives
Lack of trust