Shame Mugova
Paul R. Sachs   *Editors*

Opportunities and Pitfalls of Corporate Social Responsibility

The Marange Diamond Mines Case Study

Springer

CSR, Sustainability, Ethics & Governance

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Preface

The literature about corporate social responsibility (CSR) continues to grow in its size and scope. This growth is not just due to academic interest but also in response to a genuine need. Business operations are increasingly sensitive to the interconnections between different parts of the world. The degrees of separation between people around the world grow smaller. Supply chains span continents and connect rural villages with metropolises.

Chaos theory (Glieck 1987) has described the butterfly effect—that is, a small change in one area can result in a larger change in another area. This condition is apt for the current business environment. Each day one observes how a small change in one part of the world can lead to huge reverberations in another. Thus, CSR, which encompasses the multifaceted aspects and impacts of business activity demands critical attention.

In the present volume, we consider CSR with these points in mind and address CSR concepts with respect to a specific recent event: the discovery and development of the Marange diamond mines in Zimbabwe. In choosing this subject, we seek to achieve two goals. First, we seek a deeper understanding of CSR which can be gained by looking at the broader concepts in the context of a specific case. Second, by selecting a situation in Africa, we seek to understand CSR, with its opportunities and challenges, in a developing country without strong institutional structures.

The international contributors to this volume share with us a sense of outrage at the problems, violations and even atrocities which occur in the Marange mines area. Regrettably, although many were heartened by the change in leadership in Zimbabwe in 2017, now in 2019 the problems persist.

Anthony O. Nwafor and Mandhlaenkosi Sibanda explore the theoretical basis of stakeholder protection and argue whether their interests should be considered to be at the same level as those of the shareholders under the corporate law. Thompson, O. O. et al review the Marange mines case study focusing on how the vulnerable groups were affected. They lament the human right abuses and the lack of political will to address problems. Steven Kayambazinthu Msosa writes about CSR implementation

challenges in Marange emphasising the role and behaviour of stakeholders. Kameswari Peddada and Nawal Abdalla Adam focus on the theoretical context of CSR in developing countries, how the concept and implementation as perceived in developing countries could have had an effect on the Marange diamonds case study. Odozor, U. S. et al using a conceptual and ethical approach focus on the experiences of the vulnerable community of Marange. Blessing Kanyumba and Shame Mugova focus on the labour management issues in Marange which was a centre of human rights abuses and unfair labour practices. Cucari Nicola, Wankowicz Ewa and Calabrese Mario look at CSR activities being taken by diamond mines in their supply chain in the field of social and environmental responsibility and advocate for sustainable supply chain management.

John Davison Gondwe Nhavira analyses the implementation of corporate social responsibility programmes by Marange mining companies to determine whether they mitigate negative social and environmental impacts and contribute to sustainable development. Steven Kayambazinthu Msosa and Jeevarathnam P. Govender reviewed the environmental impact and CSR responsibilities in Marange diamonds mines. Lucy Tambudzai Chamba and Shame Mugova discuss the economic crisis in Zimbabwe, the opportunities and pitfalls of CSR in Marange diamonds mines. Lawrence Matenga et al discuss the constraints and opportunities in mitigation of adverse environmental impacts in Marange. Byelongo Elisee Isheloke and Shame Mugova examine the case of the Democratic Republic of the Congo (DRC), Zimbabwe and South Africa (SA) focusing on the challenges and factors influencing CSR in the respective countries. Angela Giovinco considers the impact of social issues in corporate social responsibility and used the Marange diamonds case to analyse whether sustainable development in less developed economies is possible.

We would like to say that the Marange case is an outlier but we cannot. There are many cases throughout the world where insufficient attention and adherence to CSR principles have led to abuse, environmental degradation and trauma. Nonetheless, we are hopeful that this volume will spotlight one area and further the field of CSR.

We are grateful for the support of Christian Rauscher in preparing the volume. We are of course indebted to Samuel Idowu, a pioneer in the field of CSR, and always encouraging and supporting new work in the area.

We are also grateful to the people of Zimbabwe for being resilient through the economic hardships and the social issues in particular to the people of Marange and Manicaland province in Zimbabwe. We are in solidarity with all democratic and progressive forces who continue to fight for a better and prosperous Zimbabwe. We sympathise with vulnerable groups and wish to encourage those who fight for human rights, fight against injustice and unfairness.

We recall the 1983 words of Joshua Nkomo, aka Father Zimbabwe. "I write because I feel that our country is in danger of complete disintegration, to the detriment of all its citizens now living and of generations to come" (NewsDay 2015).

   While we accept Mr. Nkomo's words, in this book, *we* write to try to avoid the outcome he feared. In that regard, we are inspired by the Zimbabwean dream the Mugova family holds dear: responsible behaviour and accountability to manage the precious minerals and precious people with which Zimbabwe is endowed.

Durban, South Africa   Shame Mugova
Philadelphia, USA   Paul R. Sachs

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Editors and Contributors

About the Editors

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Contributors

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Angela Giovinco works for a global corporate governance consulting firm and is an independent researcher. She has several years of experience in the financial markets, the last six of them spent in the corporate governance field; passionate about ESG (Environmental, Social and Governance) topics, as well as, Executive pay, Activism and Diversity in the Board Room; skilled in dealing with institutional investors; and currently managing a portfolio of 400+ investors in order to organise roadshows on governance and ESG topics.

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Her primary research interests concern financial management, but she has expertise in interdisciplinary and multidisciplinary approach to research. She has attended 40 research interactions, chaired several technical sessions, functioned as Keynote Speaker and Rapporteur and presented 30 research papers at national and international research meets. She has 50 research publications to her credit, including two book chapters. She has guided many graduate students in management in their dissertations and has a doctoral candidate progressing towards Ph.D. under her supervision in India.

She has organisational skills. She has organised/addressed at 15 training/development programmes for faculty and students and also workshops and other research interactions. She is skilled, knowledgeable and experienced in course planning, curriculum development, quality assurance, accreditation management, evaluation, research facility organisation, institution building and leadership role in social responsibility and community service activities. She is a multilingual and multicultural academician by virtue of her work and life in India and Saudi Arabia. She has enrolled herself as corporate governance expert in the Corporate Governance Experts Global Repository maintained by the Virtus Interpress, Ukraine.

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Opportunities and Pitfalls of Corporate Social Responsibility: An Introduction

Shame Mugova

Zimbabwe

The beauty paints the teapot scenery
Caged minerals at an eyebrow's lift
Talk about the Great Dyke, gold, chrome
Platinum, to mention but a few, maybe vibranium
Not leaving out Chiyadzwa diamonds and some not yet discovered
All are carried in you Zimbabwe

Attracted to the diversity of your cultures
The peace loving people, I like
It is the different languages,
That makes you look like a cauldron.
Dialects and clicking tongue twisters
Oh how sweet the speech

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Yes you look like a tea kettle,
Pouring out cool breeze of Victoria Falls
A tea-kettle that produces warm relations among its people
A tea-kettle build from stones, what a marvel
Hence your name, The House of Stones

Look into Chavel glass and see,
Your flag resembles all that you believe in,
Unity, Freedom and Work, all embedded in your Court of Arms
The beautiful Sunshine City and the City of Kings
The Mighty Mosi oa Tunya
The Parks that houses the big five
Who balanced those rocks? I am amazed

If only your leaders knew your gestation
If only they could induce the birth
And unleash the potential in you
If only the kettle holders would appreciate what you can be.
Don't they see what you have become? An idle tealess kettle
You are becoming unbecoming

I know you,
You can be better than this, if they can only realize
You can be better than this, if the leaders and the subjects become one
Diverse instruments, contributing to one sweet symphony.
If only they move in one direction

The Rulers and the ruled, If only they could give you a chance
The Plunders and Vandalizers, If only they could give you a chance
The Policy formulators, if only they could give you a chance
All you need is a Rejuvenative chance
A breath of new life is all you need

You can come out of the mess, and have mercy on your inhabitants
You can retain your former glory,
A bread basket of the region you are
Yes, you are the cookie Jar of Africa
It's all in you, you are great!!

Yes you can Zimbabwe
You Can Zimbabwe
Yes Zimbabwe You can!!
You Are, You Can and You will
Rise up Zimbabwe..........

Mining is an industry distrusted by many of its stakeholders and often under threat from opposition groups. In Africa mining operations are usually done by multinational corporations (MNC) who are viewed negatively by the local populace. The corporate social responsibility (CSR) of these MNCs is mainly focused on philanthropy through giving back to local communities and statements of sensitivity to the environmental impact of the mining operations.

That CSR for these companies has this focus is not surprising. Mining and oil and gas (MOG) industries exploit non-renewable resources and perforce have an environmental impact, most notably environmental degradation and pollution. The mining sector has been key to African economies dating back to pre-colonial times, precisely the Iron Age. Since then, CSR challenges have characterized both the colonial and the post-colonial periods. The early 21st Century has seen an increase of Chinese–African investment in the mining sector which is not 'win–win.' Chinese investment in Africa has not been mutually beneficial to most African partner economies. Very minimal economic development and economic welfare has been realized for the local economies. Marange Diamond Mines is one such joint venture between Chinese firms and Zimbabwe government.

CSR actions are influenced by global trends and standards but adapted to local context. In order to be effective, CSR must take into account local histories of the region, particularly with regards to consultation mechanisms of indigenous peoples (Pozas, Lindsay, & du Monceau, 2015). The indigenous people of Zimbabwe used to rely on the mining economy during the precolonial period from around year 1000. The mining included beneficiation and value addition with agricultural implements produced to support farming. The people considered themselves the rightful owners of the mineral resources. Colonization took away their ownership and rights whilst

the postcolonial focus has been aimed at taking back their ownership rights albeit with little success.

In the early-1980s, a wave of multinational corporations began to champion the importance of CSR (Hilson, 2012). Companies in the MOG industries operate in diverse institutional contexts, across developed and developing countries. The companies face significant environmental and social challenges and must adhere to the requirements of—different national, international, and industry-wide institutional frameworks and standards (Raufflet, Cruz, & Bres, 2014). Historically, the mining industry has taken a 'devil may care' attitude to the impacts of its operations; operating in areas without social legitimacy, causing major devastation, and then leaving when an area has been exhausted of all economically valuable resources (Jenkins & Obara, 2006). In recent years the global mining industry has addressed its social and environmental responsibilities more closely. Advocacy from social and political groups, stakeholders' involvement, and pressure from host governments have contributed to this change. Though issues of sustainability are crucial to all businesses the extractive industry is key in debates about social and environmental sustainability (Jenkins & Obara, 2006).

The effectiveness of CSR initiatives in the oil, gas and mining sectors has been increasingly questioned (Frynas, 2005). To be sure, the MNC faces many challenges in implementing successful operations. First, the company operating in a remote country seeks to gain legitimacy from its primary stakeholders which are typically based in its home market (e.g. customers, media). This approach leads to a bias towards short-term projects with a high visibility rather than longer-term capacity-building initiatives (Barkemeyer, 2007).

Second, firms have limited management time and resources. Their greatest opportunities consequently will be chosen from areas where the business interacts with and has the greatest impact on society (Keys, Malnight, & Van Der Graaf, 2009). It is very important for firms to find mutual benefits between the company and the communities they operate especially in extractive industries. After all, the communities are, or ought to be, the owners of the natural resources in the areas and thus expect to benefit from the mining operations (Keys et al., 2009). CSR strategy needs to ensure that a company has built relationships with stakeholders which have a greater opportunity of being successful and sustainable. Opportunities for CSR include being closer to stakeholders so that a firm can easily build relationships (Sweeney, 2007).

CSR may also assist in the alignment of corporate and social values, which in turn may lead to the identification of new commercial opportunities (Bučiūnienė & Kazlauskaitė, 2012). Firms often respond to conditions of inadequate governance with CSR strategies (Aaronson, 2009). Firms operating in developing countries sometime have to provide a public good in response to a given social need, even though such a public good ought ideally to be provided by the government. If a company is sensitive to signals coming from the environment, this would enable the company to seize new opportunities (Flak & Pyszka, 2011). The implementation of CSR initiatives faces barriers such as competitive business practices, poor ethical decision making, corruption in the government, lax regulation, confused policy, excessive

bureaucracy, lack of executive commitment and unprofessional management, and inadequate evaluation of CSR initiatives (Arevalo & Aravind, 2011).

1 Zimbabwe

Zimbabwe is a land-locked country in southern Africa. At over 150,000 square miles it is a little smaller than the US State of California. The population of Zimbabwe is approximately 16 million, about the size of metropolitan London and Paris combined. Yet beyond these data points, Zimbabwe is rich in natural resources and arable land.

Although organized societies have existed in Zimbabwe for over a millennium, most current reporting about the country centers on its colonial history under England, its ultimate independence in 1965 through the Unilateral Declaration of Independence (UDI), the attainment of black majority rule in 1980 and, most recently, the resignation of long-standing leader Robert Mugabe in 2017 (Fig. 1).

Zimbabwe is characterized by a weak institutional environment, poor governance structure and various social, economic and political challenges. Apart from review of diamond mining companies in Zimbabwe, it is worthwhile to examine a particular economic and political case of the country because it illustrates some of the challenges and pitfalls of CSR implementation.

Zimbabwe is a country that set out life as a jewel of post-colonial Africa and has become a basket case, a nightmarish kleptocracy sustained by violence, corruption and reverse racism/Its every failing was blamed on its former leader President Robert Mugabe. The problems of Mugabe's rule have continued with the current government led by his former right hand man Emmerson Dambudzo Mnangagwa and the same political party ZANU-(PF). Mr. Mnangagwa has not escaped the corruption criticism. It is alleged that he was at the top of corruption tree when the army effectively took over the Marange diamond fields in the east of the country in 2008 when he was the Minister of Defense (Davies, 2017).

The perennial problem with Africa is political leadership. Corruption, incompetence, nepotism, external bank accounts and high leisure preference are all too common characteristics across the continent. Such behavior by leaders leads one to wonder if leadership lacks morals, values and integrity. Government is supposed to be a steward of the state resources, such as diamonds and platinum. Unfortunately in Zimbabwe the very same authorities are at the centre of looting these precious minerals. The late Prime Minister of the country 1964–1979 Ian Douglas Smith said "In truth, African custom has always been opposed to corruption, theft of other people's money or property and denial of equitable distribution to all of the community."(Smith, 2001). Mr. Smith was born, grew up and lived up in Africa. Because of his background, though he was a white man he understood the African customs and proudly referred to himself as 'the white African.' Though Mr. Smith is often criticised for his role during UDI, he proudly referred to Zimbabwe as his home. This background testifies the multi-racial nature of the Zimbabwean society (Fig. 2).

Fig. 1 Africa. *Source* http://ian.macky.net/pat/map/afri/afriblk2.gif. Map is in the public domain

Josiah Magama Tongogara, Zimbabwe African National Liberation Army (ZANLA) commander said, "What some of us are fighting for is to see that this oppressive system is crushed. We don't care whether, I don't even care whether I will be part of the top echelon in the ruling, I'm not worried but I'm dying to see a change in the system, that's all, that's all. I would like to see the young people enjoying together, black, white, enjoying together. In a new Zimbabwe, that's all…" (Murori, 2016).

Tongogara's family lived on the same farm as Smith. The two shared a childhood and a personal history. Tongora's vision and dream of a prosperous non-racial society was never realised. The Robert Mugabe government which took over in 1980 continued with the repressive system of black minority oppressing the people with no regard for freedoms and human rights. In November 2017 President Mugabe

Fig. 2 Zimbabwe Administrative Divisions. *Source* https://victoriafalls24.com/wp-content/uploads/2014/01/630px-Administrative_Divisions_of_Zimbabwe.jpg; map is in the public domain

resigned under military pressure the government Emmerson Mnangagwa took over and has presided over economic and political crisis whilst using excessive force to silence opposing voices which has resulted in loss of lives and human rights abuses.

Developing countries pose unique challenges for implementation and sustaining of Corporate Social Responsibility (CSR) principles compared to economically developed countries. CSR needs to be adapted to local issues, different cultural contexts and the weak institutional environments, such as in developing countries. There is also need to focus not only on what business has done or failed to do but on the complex relationships that inform the processes that link CSR initiatives and the desirable developmental outcomes (Idemudia, 2011). Arli and Lasmono (2010) suggest four rationales for focusing on CSR in a developing country as distinct from CSR in the developed world: (1) developing countries represent the most rapidly expanding economies, and hence the most lucrative growth markets for business; (2) developing countries are where social and environmental crises are usually most acutely felt; (3) developing countries are where CSR principles or lack of them are likely to have the most dramatic social and environmental impacts (both positive and negative); and (4) developing countries present a distinct set of CSR agenda challenges which are collectively quite different to those faced in the developed world.

In developed countries, CSR complements a set of robust command-and-control regulations. In developing countries, however, where there are weaker institutions, weaker enforcement of legislation and rampant corruption, companies typically find themselves in positions to self-regulate, The lack of external, state-led monitoring

and consultation often leads to a situation where the company becomes a de facto government (Hilson, 2012). Yet, when the governments of developing countries avoid or distort rules and incentives for business, for example, they penalize productive companies. Such countries are doomed to poverty, low wages, and selling off their natural resources (Hilson, 2012).

2 Marange Diamonds: A Brief Background

The focus of this volume is on the case of the Marange diamond mines. Zimbabwe's wealth of natural resources is a source of national pride and also an economic asset. Therefore, natural resources are frequent lightning rod for conflict between business and community. The Marange diamond fields are an area of extensive small and large scale diamond mining in Manicaland Province on the eastern side of Zimbabwe. Alluvial diamond deposits in the Marange were discovered in June 2006 by African Consolidated Resources. Currently the Marange mines are among the largest producing diamond mines in the world. Since 2006 control of the mining has been a source of contention between various stakeholders including the developer, other business interests, the national government and the local villagers (Saunders & Nyamunda, 2016).

A brief chronology highlights some of the conflicts that have been noted in the 10 year history of the mines.

- 2006 African Consolidated Resources (ACR) discovered the deposits and developed them. ACR had claims taken from them by government.
- 2006–2008 Zimbabwe's President Robert Mugabe and a small group of insiders and generals, known as the Joint Operations Command (JOC), took over mine and control operations.
- July 2009, a Kimberley Process Review Mission visited Marange and concluded there were 'credible indications of significant non-compliance' with the minimum requirements of the Kimberley Process Certification Scheme (KPCS). The major concerns were the evidence of government involvement in human rights abuses, smuggling and lax controls that compromised the entire chain of production (Fig. 3).

3 Marange Mines and the CSR Challenges

(a) **Economic**

Businesses should contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (Dahlsrud, 2008). Propelled by Zimbabwe's deepening economic crisis, soon after this discovery of diamonds was made public, the Chiadzwa diamond

Fig. 3 Marange diamond mines. *Source* http:// graphics8.nytimes.com/ images/2009/06/27/world/ 0627-for- webZIMBABWEmap.jpg. Copyright: Global Witness, www.globalwitness.org; reproduced with permission

fields were invaded by an avalanche of illegal diamond miners from diverse cultural and socio-economic backgrounds (Nyota & Sibanda, 2012). Marange's diamonds emerged as 'conflict diamonds' in a period of intense political and social conflict inside and outside the state. In Zimbabwe, conflict diamonds have fuelled not rebel groups, but rather the militarization of the state from within (Saunders, 2009).

In 2016 the government of Zimbabwe did not renew diamond mining licenses for the firms and they went on to consolidate all mining operations under one mining firm owned and controlled by the state. President Robert Mugabe revealed that diamond worth US$15 billion dollars could have been spirited away by cartels which were working in cahoots with the seven mining firms for the past 6 years (Magaisa 2016). The firms which were mining in Marange had a 50% government shareholding. Manicaland has remained one of the poorest provinces in Zimbabwe despite vast diamond fields. The economic returns from the diamonds have accrued to diamond barons, state military, bureaucrats and foreign economies. There is increasing evidence of undercover trade and massive personalization of the diamond revenue by securocrats and henchmen loyal to the establishment (Chimonyo, Mungure, & Scott, 2013).

(b) **Political**

The Marange diamond fields are estimated to hold between 25 and 30% of the world's diamond deposits (Maguwu, 2013) . Diamonds were discovered in Marange in 2006 a period of political instability which culminated in the hyper-inflation of 2008. Underlying the economic instability was a political conflict between the ruling

ZANU-PF of President Robert Mugabe and a rising challenge from the Movement for Democratic Change, formed in 1999 and led by Morgan Tsvangirai (Saunders, 2009). The ruling party, ZANU-PF embarked on the restructuring of Zimbabwean politics and business that was increasingly driven by the demands of political survival, at the expense of sustainable economic development.

In 2010 the Ministry of Mines accepted expressions of interest from companies willing to enter into joint ventures agreements to mine in Marange under the auspices of the Zimbabwe Mining Development Corporation (ZMDC). Diamond mining firms were formed as joint ventures between the state-owned ZMDC and Marange Resources with Chinese firms. The Chinese owned stakes in mining companies which were exempt from the indigenisation policy. It was noted that China and Zimbabwe have a relationship whereby Beijing supplies weapons and Chinese firms were allowed to mine diamonds (Kubatana.net, 2011). In 2012: former finance minister Tendai Biti confirmed that he had trouble with some government officials who were helping the Chinese to siphon money out of the country. Biti said Chinese diamond firm, Anjin, failed to remit revenue from its operations in Zimbabwe's Marange fields in the first quarter of 2012 amid fears that the money was used clandestinely. "During that time, we did not receive a single cent from Anjin, yet Anjin is seven times bigger than some of the other [diamond] businesses," (Zim: Chinese mining firm not paying, 2012). Biti said during his tenure there were suspicions that the funds were funnelled elsewhere, outside the government central coffers. "Clearly, there might be a parallel government somewhere in respect of where these revenues are going, and are not coming to us," (Zim: Chinese mining firm not paying, 2012).

The ruling party utilized the Marange diamonds to maintain the loyalty of the army, the security sector and its key supporters (Towriss, 2013). Zanu (PF) politicians, in a bid to strengthen their political position, have continued to the present day to ensure that a significant percentage of the revenue has benefited not the government's depleted coffers but a number of currently serving and retired members of the national security agencies. Mugabe turned to the Marange diamond fields for political survival. Whilst negotiations for power-sharing were taking place in 2008, Mugabe was securing control of the Marange diamond fields (Maguwu, 2013).

(c) **Social**

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Dahlsrud, 2008). As noted, there are significant differences between developed and developing countries in their conceptualization and implementation of CSR. The need of CSR is more pronounced in developing countries because there are gaps in social provision and governance (Dobers & Halme, 2009). Institutions providing social goods are in general less prevalent and weaker in developing countries than in their wealthier counterparts (cf. Baughn et al., 2007). Therefore; in the developing countries companies tend to come under heightened requirements and expectations to fill those gaps (cf. Baughn et al., 2007).

Mining-induced displacement of rural communities is a negative externality of development (Madebwe, Madebwe, & Mavusa, 2011). The Marange community was

displaced and the community continues to bear the burden of the cost of displacement. The mining company promised to build a clinic, schools and to sink more boreholes (Madebwe et al., 2011). The displaced families have great difficulty accessing basic services and amenities and the community is fractured as social capital is dispersed. Initial displacement was of families immediately within the focal points of the mining concession. Consequently resettled families are not clustered in the same way as at origin causing social dissonance. For this particular group of displaced families seeking recourse to their grievances is particularly difficult as government owns a 50% stake in the mining company which displaced them (Madebwe et al., 2011). Rural communities continue to bear a disproportionate burden of the cost of development projects. Development induced displacement destabilizes affected communities and exposes them to impoverishment risks (Madebwe et al., 2011).

The businesses operating in the diamond mining fields did not honour their obligations to the Marange-Zimunya Community Share Ownership Trust. The management of natural resources in Chiadzwa has been affected by too many interest groups whose activities did not take into account environmental considerations. The traditional leadership in Chiadzwa feels that it has been marginalised in the decision-making related to the diamond mining. Since this is a natural resource found within their jurisdiction, they felt the state usurped their authority when it came to the allocation of mining rights. In an interview with an elder in the chief's lineage, it was pointed out that the land had been spoiled and there was therefore need to cleanse it (Chimonyo et al., 2013). The social and cultural timbre of the Chiadzwa community has been negatively altered through economic deprivation, ecological deficits and geographic displacement (Chimonyo et al., 2013).

(d) **Environmental**

In 2014 1000 cattle died and it was discovered that the river was being contaminated by substances discharged by mines operated by Anjin Investments and Marange Resources. In 2015 Marange villagers accused the government's Environmental Management Agency (EMA) of folding its hands whilst diamond mining businesses were destroying the environment. The villagers further accused the state watchdog of making profits from pollution fines paid by the businesses. At the initial stages of formal mining companies ferried the diamond ore to Odzi River for washing the ore and removal of dust. This raised the turbidity of the soil and it became unsuitable for most downstream uses. It is obvious that the change in the aquatic environment had effects on aquatic flora and fauna. Whilst the alluvial diamond mining loosens the soil the heavy vehicles and machinery have the effect of hardening the soil. The loose sediment is easily carried away by the increased runoff because of the hard surfaces increasing sediment input into the Save, Odzi and Singwizi Rivers and the small dams in the area. The pollution of the Odzi River for example was more pronounced when Canadile used to do its sorting of ore in the Odzi River. It is reported that polluted water along the Save and Odzi rivers led to skin rash and livestock losses (Chimonyo et al., 2013).

4 Conclusion

This book outlines a single case study in the extractive sector focusing on the challenges and opportunities for CSR. The mining sector and the diamonds represents a strategic resource for Zimbabwe a developing country. Until 2017, Zimbabwe had one leader, Robert Mugabe, since independence from British rule in 1980. During his reign foreign owned companies were supposed to cede 51% of their ownership to locals and retain 49% through a law known as indigenization. In November 2017 Mugabe's rule came to an end and the government under the new president Emmerson Mnangagwa scrapped the indigenization laws. The laws were maintained, however, in the diamond and platinum sectors. The communities usually do not benefit much from the resources mined in their areas. This volume will focus on what mining corporations should do in the communities where they operate and their role to all stakeholders. The important lessons learnt through the Marange Diamonds case will help academics and practitioners on ways to improve and ensure that the same pitfalls are avoided.

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CSR Implementation Challenges: Analysing the Role and Behaviour of Stakeholders

Steven Kayambazinthu Msosa

1 Introduction

In recent times, corporate social responsibility (CSR) has become a leading principle of the private sector. CSR enables organizations to review their conduct, the benchmarks of their business model and begin to work towards a sustainable way that can be embedded into their business strategy. Over the last decade, a large number of companies globally have started promoting their businesses through corporate social responsibility strategies because their customers, the public and the investors expect them to behave in a sustainable as well as a sensible way. Thus, it is concluded that corporate social responsibility encompasses business, government and civil society collaboration with the aim to achieve the bottom line that reflects a win–win situation among the three entities (Mourougan, 2015). The current challenges of social governance in globalized societies require new strategies to assess how mining companies contribute to society and how governments adopt new liberal rules that are cognisant of the new models of collaboration between governments, business, and civil society stakeholders. This entails that companies and governments must be conscious of the need to prepare their own perspective to corporate social responsibility. Corporate social responsibility does not only affect working relationships between business and society. Thus, It is part of rethinking the role of companies in society, which promotes governance and sustainability as its main values and shifts the focus of CSR public policies (Albareda, Lozano, & Ysa, 2007). In this regard, it can be argued that CSR is a company's commitment to carry-on its business affairs economically, socially, environmentally and in a sustainable way whilst balancing the interests of various stakeholders. CSR is an important factor for sustainable business. The effectiveness

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of CSR depends on regulation, competition and pressure from stakeholders such as civil society and environmentalists (Khatun, Islam, Noor, & Saaban, 2015).

There have been a plethora of studies on corporate social responsibility, however, there is no consensus on the definition of CSR in the literature after many decades of research and debate. Some scholars in the field of corporate social responsibility have averred that the phrase "corporate social responsibility" is synonymous with several distinct ideas and concepts such as social performance, governance, accountability, sustainable triple bottom line, and social entrepreneurship (Gorenak, 2015). Another school of thought suggests that corporate social responsibility encompasses strategies that companies or firms use to ensure that they conduct their business operations in a way that demonstrates that they are ethical and society friendly. Thus, corporate social responsibility can include a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers, and their families, and being involved in activities for environmental conservation and sustainability (Ismail, 2009). Ultimately, corporate social responsibility is a concept that corporations must integrate into the business in order to consider the impact of their operations and business actions on not just the shareholders, but also its stakeholders viz. Customers, suppliers, employees, members of the community it operates in, and even the environment. It is a way of saying thank you and expressing appreciation to all stakeholders in the business. It is a conscious effort to give back to the society in which the corporation has benefitted immensely (Adeyanju, 2012).

There are different perspectives with regard to CSR. The underpinning philosophy of CSR is that it is premised on the idea of creating a "shared value". Thus, it can be argued that the main objective of a business is to create maximum return or value for shareholders. However, this has to be achieved in a manner that creates value for society and has to reflect as a win–win approach (Rangan, Chase, & Karim, 2012). Conversely, Buldybayeva (2014) suggest that there is a perception that CSR is only a social marketing idea aimed at enhancing the public image of corporations but shuns making an important change. In some cases, it is viewed as being spearheaded by executives who have no moral responsibility. Despite these assertions, Ismail (2009) argues that the only important thing in the operationalisation of CSR is that the interests of the society must be a priority of mining companies by taking full responsibility of the impact of their operations on customers, suppliers, employees, shareholders, communities and other interested groups as well as their environment.

Thus, CSR initiatives can assist company operations to have a social licence to operate within the company's local jurisdiction. However, it is important to emphasize that these initiatives may not have a direct positive impact on the bottom line, but may in the long run, enhance the organisation's image and social standing in the community (Rangan et al., 2012). Barkemeyer (2007: 14) argues that there is a plethora of excellent initiatives as well as CSR activities that are failing miserably hence it is imperative to gain a better understanding of CSR in the context of the developing world in order to produce a better fit with other instruments. Acknowledgement of the cultural context in which an organisation operates may minimise the risk of CSR activities being a failure. Thus, CSR initiatives that do not achieve the intended

results are deemed to be a misapplication of resources and subsequently lead or cause reputation damage. Slack (2012) has observed that the extractive sector, especially mining companies working in the developing world have increased their visibility in communities through corporate social responsibility activities. To some extent, their CSR actions have been lauded as real corporate citizenship while on the other hand, the actions of mining companies have been questionable and viewed as window dressing activities aimed at deceiving communities that they have the community welfare while plundering resources to achieve their profit maximisation objective. In the field of public relations, corporate social responsibility has been adopted as a strategy, however, it does not serve as a key driver of a corporation's business operations. This case is especially evident in the developing economies where government control of the extractive industry operations is weak or non-existent. In these contexts, extractive industry firms effectively have carte blanch to voice publicly their adherence to CSR while shamelessly contravening CSR principles in practice.

2 The Zimbabwe Mining Sector

The government of Zimbabwe has been facing numerous challenges, not least of which is an unstable transitional government that is grappling with internal power struggles, experiencing cash problems and failing to meet even the most important budget items. The Zimbabwean economy has been under recession, the capacity of the public health and education sectors is deeply eroded, and growth within the private sector is stagnant (Robb, 2012). In recent years, mining has emerged as a strategic sector of the Zimbabwean economy largely due to the crumbling of the manufacturing and agricultural sector which previously contributed significantly to Zimbabwe GDP. These sectors have been riddled with reduced production, redundancies and company closures (Zimbabwe Environmental Law Association, 2016). The mining of diamond is promising to be a money spinner for the Zimbabwean government and has attracted several mining companies to the country. The Marange diamond fields which have an area of 566.5 km^2 in the southern part of Mutare district have been the centre of diamond mining activities in Zimbabwe. The discovery of the mining field coincided with an economic crisis that had hit Zimbabwe such that there was huge anticipation within the government that the country will realise approximately 2 billion dollars per annum, hence no need to borrow from the international community to finance its domestic activities. However, the government was unprepared to deal with a project of a huge magnitude and at the same time ensuring proper governance. As a result, diverse stakeholders such as the police, army generals, company executives and state officials have benefited from illicit activities that followed (Mupfumi, 2017).

The Zimbabwean government has also formulated the indigenisation act, a legal regulation of the mining sector, which is a critical component that leads to corporate social responsibility in terms of the Community Share Ownership Trust. Secondly, Corporate social responsibility has attracted the interest of business since corporations are now practicing the societal marketing concept which gives emphasis to

the fact that companies must not only be concerned about their business operations, but also about the society's well-being and lastly, companies in the 21st century are becoming more involved in the social community welfare (Mandina, Maravire, & Masere, 2014). Despite the hype associated with economic benefits arising from mining activities, Zimbabwe diamonds are seen as a curse. The theory of resource curse assumes that export-driven natural resource sectors viz. oil, gas, minerals, precious metals and gemstones produce a large amount of revenue both for the local and foreign-owned multinational corporations, yet these do not translate into broad based economic development assisting all sectors of the population and especially the poor communities living in areas where mining activities are done (Hawkins, 2009). One of the challenges with the mining sector in Zimbabwe is that it has been a conduit of bad governance because it is infuriated by stakeholders that have personal interests. Those mining are either politicians, senior military officials or linked to the country's ruling elites. This has abated corruption and eroded whatever existing regulatory frameworks that governed the mining sector. The militarization and politicisation of the mining sector have further silenced community voices through violence and intimidation. This has also facilitated the coming in of corrupt mining syndicates that are not accountable to the people and state institutions, but to their patrons who receive bribes in exchange for protection (Centre for Natural Resource Governance, 2013).

3   Ethical Issues in the Mining Sector

Companies and the government conduct their operations in an environment that is unpredictable because of the changes in technological, legal, economic, social and political environments which have diverse stakeholders with competing interests and power. Thus, the advent of technology has accelerated the pace of change and uncertainty in which different stakeholders and society must manage business and make ethical decisions (Weiss, 2003). The debate around ethics and behaviour of stakeholders is central to the discussion of the mining sector in Zimbabwe because it is on this basis that corporate social responsibility activities have been compromised. As a precursor to this debate, it is critical to mention that the pyramid of corporate social responsibility as highlighted in Fig. 1 consists of four kinds of social responsibilities; economic, legal, ethical and philanthropic. Thus, this framework provides guidance to managers to understand their responsibilities in business transactions which the community expects from the business. The economic responsibility is about the maximisation of earnings, being profitable, and at the same time ensuring sustainability of a sound competitive position. The legal responsibility involves complying with law and regulations. The ethical obligation means that societal mores and ethical norms should be respected and that the ethical behaviour should go beyond mere compliance with laws and regulations. The last category of the pyramid is the philanthropic responsibility which focuses on the quality of life; these include voluntary and charitable activities and the enhancement of a community (Carol, 1991).

Fig. 1 The pyramid of corporate social responsibility. *Source* Carol (1991)

Ethical responsibility and good governance are the most important aspects of CSR which should be given the highest priority (Dartey-Baah & Amponsah-Tawiah, 2011). The corporate world is governed by rules, standards and norms that guide business operations and the Zimbabwean mining sector is not exceptional. However, they generally differ based on social and cultural background issues of different countries, even though the expectation is that universal rules should be adopted. Ethics are an inevitable part of the business liability. Corporate actions should be ethical and responsible. In this regard, corporate promises for their shareholders and stakeholders must be ethical, fair and equitable. Business ethics are distinguished by a conflict of interest. Corporations are driven by profit maximisation goal on one hand while they confront social responsibility and social service issue on the other. Business ethics means honesty, confidence, respect and decent acting in all business dealings (Crowther & Aras, 2008). This is salient in the management of relationship with various stakeholders because when decisions are made, there are always winners and losers. Although it is expected of groups to reach a win–win collaborative outcome. It must be noted that ethical issues are not individual or should not be treated as personal matters, as such, it is important to understand the different levels at which issues originate. The reality is that companies must manage different stakeholders both from within and outside the organisation. Thus, understanding the issues affecting various stakeholders helps companies to deal with the complexities of the issues and relationships among the people involved in solving ethical problems (Weiss, 2003).

According to Carol (1991), the following ethical responsibilities are placed on business stakeholders:

- Stakeholders must perform or conduct business in a manner that is consistent with the expectation of the society mores and ethical norms.
- Stakeholders must adhere to new changing ethical/moral norms adopted by society.
- Stakeholders must work hard to prevent erosion or compromise of ethical norms for the purpose of achieving corporate goals.

- It is important to emphasise that good corporate citizenship can be achieved by doing what is expected morally or ethically.
- It is essential to appreciate that corporate integrity and ethical behaviour goes beyond compliance with laws and regulations.

4   Stakeholder Analysis in the Mining Sector

Corporate social responsibility, identifies company stakeholders and their issues through stakeholder analysis, but acknowledges the fact that companies have responsibilities or obligations, duties and social contracts to achieve in relation to stakeholders. Thus, companies have a responsibility to decide whether they are willing to meet the expectations of stakeholders. In this regard, it is important to highlight that the responsibility to meet the needs of stakeholders is discretionary on the part of the company, but the expectations of various interest groups remain (McDonald, 2015).

Van Marrewijk's "Three Approaches" theory and model are critical to explaining corporate social responsibility in the context of this chapter. In this theory, Corporate social responsibility is categorised into three levels viz. Shareholder approach, stakeholder approach and societal approach. The shareholder approach suggests that achieving profit maximization is the main priority of the organisations and that socially responsible activities should be driven by government because they have been given the mandate by the people to implement activities and programmes that will uplift their social well-being and that this responsibility is not in any way the responsibility of corporations or organisations. The societal approach suggests that organisations are responsible to the society as a whole, of which they are an integral part. They operate by public consent in order to address constructively the needs to the satisfaction of society. The philanthropic approaches might be the genesis of CSR, but the various approaches to corporate responsibility clearly entail that corporate social responsibility is a new and distinct phenomenon. The societal approach, especially, appears to be a critical intervention to evolving circumstances and emerging corporate challenges. In order to realise this, there is a need for corporations to fundamentally reconsider their strategies and act in terms of the complex societal context of which the corporations are part of (Van Marrewijk, 2003).

The stakeholder approach is one of the strategies that has been crafted to enhance the administration of the business. It is regarded as a way to grasp the reality in order to ensure that corporations are able to behave socially responsibly. The stakeholder approach further contemplates a company as an interconnected network of diverse interests where self-creation and community creation happens interdependently; and individuals behave altruistically (Ismail, 2009). Freeman believed that it was important to have a framework that includes several stakeholders such as governments, competitors, customers, civil society, employees, shareholders, suppliers and the community. Thus, a stakeholder is any group or individual who is affected or is influenced by the attainment of the company's objectives. The reality is that all companies have stakeholders and it is the responsibility of companies to ensure that

the interest of different stakeholder groups are taken into account in order to analyse and manage the current and future environment. In a nutshell, "Stakeholder Management" is a notion that refers to the need for companies to relate with all groups of interest or stakeholders in a way that is action-oriented. Firstly, there is a need to understand the names or group of stakeholders and their stakes in the company. Secondly, the processes used by the company to engage with key stakeholders must be understood in order to manage the relationship. Finally, there is a need to understand how the company manages its transaction and bargaining process with its stakeholders and ascertain whether the discussions "fit" with the stakeholder framework and the organizational processes for stakeholders (Freeman, 1984).

Stakeholder theory states that companies will take into account the views of various social players who are affected or can be affected by the operations and policies of the companies, thus, enabling the company to facilitate designing of effective and appropriate policies. This notion is also applicable to the design of corporate social responsibility policies in the mining sector, whereby mining companies need to be cognisant of the needs of their stakeholders in order to respond appropriately to their diverse interests and concerns (Mutti, Yakovleva, Vazquez-Brust, & Di Marco, 2012). Thus, corporate social responsibility offers the possibility of minimising the risk of conflicts and assist the organisations to restore and gain confidence from a wider audience as well as fostering a positive public image of the organisation's operations (Warnaars, 2012). However, there is a difference in perception regarding what initiatives are appropriate. In this regard, cultural traits play an important role because there are always differences in understanding of what is right or wrong based on different cultural background. In countries like Indonesia and Nigeria, some business approaches will be construed as corruption. Other differences which may arise with stakeholders include trade-offs between environmental and economic objectives (Barkemeyer, 2007:13).

5 Analysing the Role of Stakeholders in the Zimbabwean Mining Sector

Stakeholders play an indispensable role in corporate social responsibility activities as they may claim a right or interest in the operations and decisions of a firm. The test for management is to select which stakeholders' views receive attention or consideration in making decisions. Stakeholder power cannot be ignored in CSR activities (Carol, 1991). At the same time, stakeholders can surrender their power for their personal benefits at the expense of the marginalised communities. This is quite true, especially where enforcement of CSR agreements is concerned. Thus, strategic stakeholders in view of this chapter and the Marange diamond mining operations in particular are government, the community and the civil society.

5.1 The Civil Society

Globally, organisations and their stakeholders are conscious of the benefits accruing from socially responsible behaviour as it promotes sustainable development. In this regard, it is imperative for local authorities to create lobby groups such as non-governmental organisations to identify problematic areas, compile different types of CSR reports which will tabulate the resources, developments and donations that have been made for the benefit of the community (Buldybayeva, 2014). Lobby groups in the mining sector include non-profit civil society organisations, (holding legal and those without legal status), non governmental organisations, community leaders, workers' associations, trade unions and grassroots movements. There is a perception that the Industry and corporate stakeholders have the tendency to recognise non governmental organisations as legitimate stakeholders in the discussion about sustainability, CSR and the environmental and social impacts of the mining operation; but, at the same time, they tend to exclude other stakeholders such as informal groups, grassroots movements and their members (Mutti et al., 2012).

Civil Society plays an important advocacy and watchdog role. It promotes and supports, holds economic players to account and champions for improved governance. The civil society in Zimbabwe such as the centre for social research and development, Global witness and human rights watch have played a significant oversight role in the Marange diamond fields despite facing several challenges (Mupfumi, 2017). According to Moyo (2014), civil society organisations working in the mining sector have on so many occasions asked government to suspend mining operations in Marange so that an independent auditing firm can do an assessment that will eventually prevent leakage of million of dollars annually. They further noted that there is a need for government to create policies that promotes accountability and transparency while at the same time protecting the rights of communities. In addition, government must establish community based organisation in Marange and give communities an opportunity to select a representative in community ownership schemes or CSR activities.

Good corporate citizenship or CSR has been viewed as the most contentious issue in Marange district because of mining companies failure to launch sustainable development projects. The community participation and development policy contends that mining companies shall meet the relocation and compensation expenses of communities displaced as a result of mining activities and this must be done within the government accepted standards. However, the civil society has noted that the policy is vague as there is no criteria on how relocation or compensation should be carried out. As a result, Marange families homes were destroyed by bulldozers before any assessment was done thereby making a fair compensation impossible. Sadly three years after relocation, compensation is yet to be provided (Centre for Natural Resource Governance, 2013). Similarly, Viveros (2017) has noted that in Chile, the civil society believe that CSR activities by mining companies do not bring about the changes they expect in communities hence are involved in what is known as "colourful mirrors". Thus, mining companies are often abdicating their responsibilities. The

conduct of companies is often assessed in terms of their responsibility towards the environment and in most cases the corporate investment programmes to address the impact of mining operations on the environment are deemed to be inadequate in view of environmental degradation. In Argentina, the civil society has four major areas of concern with respect to the activities of mining companies. The areas of concern are job creation, pollution, water shortages, responsiveness, royalties and payments. Sadly, the aforementioned issues are not addressed or taken seriously by mining companies. There is a general perception that CSR does not deliver. Thus, civil society groups are skeptical of any CSR activities by mining companies because they are cosmetic and aimed at image building and selling the benefits of the mining project to the community. In addition, the CSR activities by mining companies are considered to be reactive rather proactive. Simply put, they are aimed at pacifying social resistance to the mining projects by local communities.

5.2   The Government

In Zimbabwe, it is alleged that 1.7 billion dollars was generated from diamond exports from 2010 to 2014 but less than 200 million dollars in taxes, royalties and dividends was remitted to the government. This abnormal gap between the revenue generated and revenue remitted to the ministry of finance is an indication that the government misused its 50% shareholding in diamond mining companies for personal gains. Some stakeholders have alleged that the government officials have been pointed and accused of smuggling Marange diamonds where over 2 billion dollars' worth of diamonds cannot be accounted for. The failure by the state to institute comprehensive audits in Marange diamond mining firms prior to the mergers signifies government's complicity in masking what other stakeholders believe is the most shocking economic crime against the citizens of Zimbabwe since the dawn of independence (Mupfumi, 2015). Similarly, the suspicion surrounding Marange's output—including the volume of stones, gem quality and earnings, both legal and illegal—show the extent to which government regulation and monitoring has not been transparent and wholly ineffective in terms of security measures required under the Kimberly Process Certification Scheme (KPCS) (Saunders, 2009).

The failure by the state to enforce compliance of CSR has emerged as one of the major CSR implementation challenges. Campbell (2011) observes that in Africa mining thrives in an environment in which the capacity of government is weak such that there is no respect for regulations even when they exist, there is an absence of policies to ensure transparent and fair negotiations of contracts and lack of significant or tangible contribution of the extractive industry to local and national development (Haque & Azmat, 2015). The mining of diamonds in the Marange fields have been heavily infested with the involvement of politicians in the awarding of diamond mining contracts. Currently, there are no checks and balances and it is difficult to hold individuals accountable with respect to the process in which mining concessions in Zimbabwe are awarded. The evidence obtained on the ground suggests that all

the companies that have been given rights to mine diamonds in Zimbabwe have close links to senior politicians in the government and the military. For instance, the Chinese company Anjin is one of the beneficiaries because they have close links to senior politicians in government and the military as the main means through which the company got access and authorisation to the Marange diamonds. There are also enough grounds to believe that the senior politicians and the senior officials in the military are being bribed for granting diamond mining licenses to companies that have questionable reputations through a dubious process that is not subjected to public audit and review (Mtondoro, Chitereka, Ncube, & Chikowore, 2013).

The failure by the government of Zimbabwe to provide amenities to people relocated as a result of mining operations is seen as one of the major corporate social responsibility failure in the country. The government of Zimbabwe is known to have partnered private investors in the mining operations at Marange diamond fields and agreed to relocate 4321 Marange families to a farm owned by the Agricultural and Rural Development Authority (Arda). However, the Centre for Natural Resource Governance (CNRG) has noted that the people that were relocated have no source of livelihood and were depending on handouts from diamond mining companies which were not consistent and sustainable for the affected families (Chimhangwa, 2014). In view of the challenges the people in the mining areas were facing, the Zimbabwe Consolidated Diamond Company (ZCDC), a government wholly owned company in charge of mining operations took a stand not to renew mining licences of some companies which had reneged from their CSR responsibility under the Community Share Ownership Trust. In the same vein, the Parliamentary portfolio committee on mines and energy which had toured the mining sites noted that mining companies created a lot of expectation for the people by making a lot of promises. The Minister of Information and Broadcasting Services, Dr. Christopher Mushohwe who was part of the tour by the parliamentary portfolio committee at Chiadzwa remarked "We expected that they would construct roads, build clinics and schools. But since the mining started, there is not even one classroom block that they have constructed. In fact, there was a primary school that was closed, and pupils who were in Grade Zero and Grade One walk for about six kilometres to the nearest school. My plea to ZCDC is, please start with clinics in this area as a matter of urgency. At the moment, people who are still in Marange are just inhaling dust from the mining operations, yet they have no clinic to go to for medical attention when they get sick from the dust. What is important now is for ZCDC to help families in Marange area regardless of production because these people have no source of livelihood. They have suffered enough. We are no longer interested in promises that are never fulfilled" (Gumbo, 2017).

Extractive industries are expected to be a subject of scrutiny. The relationships between companies and repressive regimes like the Zimbabwean government have led to the rise of legal cases on charges of complicity in human rights abuses in Zimbabwe. Furthermore, evaluation of these regimes has also shown serious shortcomings in the areas of accountability due to the absence of progress in areas of political, legal, institutional reforms and capacity development (Jerbi, 2012). The heavy involvement of government in the extractive sector limits competition result-

ing in fewer checks and balances in the industry compared to other more competitive sectors. The diamond sector is indeed an oligopoly where the nominal competitors have collaborated in trade mis-invoicing and transfer mispricing (Mukwakwami, 2013). In Kyrgyzstan and Tajikistan, stakeholders are in the forefront of shaping the CSR activities. For instance, the government plays a crucial role in determining the environmental, health and safety dimensions of mining companies operations by developing standards and norms that have to be followed. Thus, for mining companies to obtain a licence, they must conduct a feasibility study and an environmental impact assessment. In addition, environmental monitoring and reporting is done regularly as part of government controls to ascertain mining companies level of compliance (Kotilainen, Prokhorova, Sairinen, & Tiainen, 2015).

5.3 The Community/Society

Zimbabwe boasts of mineral resources that are dispersed across the country. These mineral resources can help the country to reach efficient recovery and at the same time improve the collective economic well-being of Zimbabweans. Despite the opulence of mineral resources, there are no tangible benefits accruing to the ordinary people in terms of socioeconomic development. The majority who are the right beneficiary of these resources are trapped in abject poverty and only the political power elite is benefitting (Mtondoro et al., 2013). In recent times, private businesses are increasingly being challenged by the public to ensure that the principles of accountability, transparency and integrity are part of their business transactions while at the same time remaining profitable and innovative. A company can make positive contribution to its community stakeholder through a direct CSR approach that is tailored to the local context. In this regard, companies tend to meet challenges related to proper planning and a consideration of internal resources, competencies and local peculiarities to facilitate exploitation of its strategic potential (Jamali, 2007).

The main underlying factor behind CSR is paying back ones debt to the society. It is believed to be unfair for companies to perpetually operate a mining business and make profits without investing back some of the resources or profits obtained in the community through corporate social responsibility. As the golden rule states 'Do unto others what you would love them to do unto you', is the same way that companies which are operating business with the aim of generating profit, should strive to contribute positively to the people or communities around them, deserving and non-deserving together, by freely and voluntarily helping where they can (Mwangi & Otieno-Mwembe, 2015). Shaw and Barry (1998) adds that the community has entrusted companies with huge amounts of the community's resources such that they expect the companies to act as responsible trustees of the community with respect to its resources.

The problems encountered by communities living within the areas where mining operations are conducted are multifaceted. The communities are not used to large-scale mining operations within the community's vicinity and as a result, they have

problems to deal with the aftermath of mining operations. In particular, communities are concerned with post-closure environmental impacts and the companies disregard of the concerns of local people, while industry and institutional stakeholders often claim that local communities are ignorant about environmental, social and economic impacts of mining operations (Mutti et al., 2012). Generally, communities in most cases are not involved in corporate social responsibility activities championed by companies. This can be attributed to the fact that there is little information or knowledge about corporate social responsibility within the indigenous communities as there have been no serious initiatives to apprise communities or share knowledge about CSR and instil confidence in the indigenous communities of such initiatives. The situation is further compounded by poor and sometimes lack of communication between the firms and the community at the grassroots level. In remote areas, there is a lack of well-organized non-governmental organizations that can help to evaluate and identify actual needs of the communities and work in unison with companies to ensure successful implementation of corporate social responsibility activities. This also builds the case for investing in local communities by way of building their capacity to undertake development projects at local levels (Noor & Maige, 2017).

There is a surge in the numbers of informal miners and buyers currently operating around Marange. The sudden increase of foreign currency into local villages after 2006 shows that large volumes of stones of diamonds were being mined illegally. However, the magnitude and value of illegal mining activities and trade in Marange has not been disclosed. There are no reliable, coherent and comprehensive data on the production levels at Chiadzwa that have been published by the government or mining companies since 2005. What is available are only estimates of production which have been presented by government officials and seen by industry experts who have concluded that the figures are wildly off the expected volumes or mark (Saunders, 2009). Community members in Zimbabwe believe that transparency and disclosure is important to help the government make informed decisions; prevent corruption and ensure that community members have full knowledge of mining operations in their vicinity. Overall, community members believe that there is little or no transparency and accountability in terms of how the mining companies operate in their areas. For instance, there is not enough information regarding employment figures such that it is difficult to evaluate if the local people are being recruited by mining companies. Furthermore, It was also established that at some mines, corporate social responsibility projects are often forced on communities in collusion with community leaders (Zimbabwe Environmental Law Association, 2016).

Similarly, other scholars have noted that the major drawback in the implementation of CSR in the extractive industries throughout the developing world is the inability of mining companies to involve stakeholders such as the local populations in coming up with projects or activities that are tailored to their local needs. Mining, oil and gas companies are often the enemies of their own progress because they communicate heavily of their commitments to spearhead local economic development and in the process, raising the expectations of the poor communities. Thus, it is suggested that incoming mining and oil and gas companies must do a better job of managing community expectations, particularly in countries with repressive regimes.

The reality is that both large-scale mining operations, and oil and gas projects are capital-intensive and therefore, capable of providing only a handful of jobs in the best of cases (Hilson, 2012).

In some areas, communities have been quick to confront officials who are perceived to have been involved or complicit with mining companies not to spend resources in their areas. For instance, villagers at the Gomorefu Business Centre in Bocha had no kind words for the government and the diamond mining companies. They think that the government would know better how the money, more than $15 billion generated from the diamond sector went missing. Others were quick to note that they expect to benefit as a community where mining operations are being conducted. Communities believe that they deserve to benefit now and need development in the area because they have the mineral resources. "Go and tell whoever sent you that Bocha people are suffering." Mrs. Juliet Ziduche said they felt let down by the authorities because the community did not benefit. "All of you people (members of parliament) who came here are con-men, including Chief Marange because if he cared for us, he would have made sure the community benefited. We are struggling to earn a living since diamond mining started. We would see an aircraft every Wednesday morning coming to get diamonds from Chiadzwa and in the process polluting the environment," (Gumbo, 2016). According to Cook, Sarver, and Krometis (2015), regardless of the magnitude of the mining project or particular community needs to be addressed, the trait of all success stories in mining projects requires that there must be a strong commitment to community engagement. Thus, genuine engagement with stakeholders entails that communication must be open, honest and regular so as to facilitate an easy understanding of local needs and problems confronting them, involvement of the people, development and implementation of solutions that are community driven.

In the Chilean mining sector, communities believe that the only way to contribute to CSR is for companies to be held accountable for their actions. They believe that they are directly affected by the activities of mining companies. Thus, it is only prudent for them to demand solutions to the social and environmental impact of mining operations. In this regard, piling up pressure on mining companies and submitting petitions has been their approach aimed at compelling mining companies to be socially responsible (Viveros, 2017). On the other hand, in Kyrgyzstan companies pay more attention to environmental and social issues through engagements with local communities. Thus, companies work hand in hand with local communities to address issues arising from mining operations. This approach helps mining companies to mitigate against communities resistance towards mining operations. Despite appeals for social infrastructure assistance from local authorities to mining companies, several companies prefer to deal directly with local communities through dialogues (Kotilainen et al., 2015).

The sustainable growth of the extractive industry is very important to the developing world. If properly managed, the money derived from diamond mining at Marange can provide the important financial nourishment, raising the standards of living for populations that are in abject poverty and facilitate the beginning of a number of manufacturing and service sector industries in country like Zimbabwe that is struggling

to register economic growth and development. But in most corners of sub-Saharan Africa, Latin America and Asia, this outcome has proved elusive. Although most of the countries in these parts of the world are rich with mineral and oil wealth, in most cases, host governments have invited foreign companies to extract mineral resources in exchange for tax holidays, rather than focusing on projects that will contribute to the enhancement of impoverished indigenous skill-bases, which would put their countries in a good position to generate sufficient economic returns from operations over a long period. Whilst there are different perspectives regarding the 'resource curse' which seems to have engulfed the developing economies, most of which are in sub-Saharan Africa, Latin America and Asia. The attempts to grow and develop the mining industries have encountered stumbling blocks from the outset and these have significantly impacted the growth trajectory (Hilson, 2012).

6   The Organisation Stakeholders' Dilemma

The narrative that CSR is an "after profit" obligation is flawed because it assumes that an organisation does not have to behave responsibly if it does not generate profit. If CSR is to have any teeth or significant impact, legislation should be put in place to force an organisation to adhere to its precepts. The challenge for CSR in Africa is that companies use philanthropy as a means of buying off stakeholders to legitimise their operations and practices. Thus, CSR is in some quarters viewed as "a colonialist concept" (Hopkins, 2007). In the same vein, the issue of legitimacy is a matter of concern to local subsidiaries. It must be noted that both institutional theory and stakeholder theory recognise the significance of legitimacy consideration to reflect the societal expectation or as an implicit social contract or sense of obligation visavis different stakeholders. Stakeholder theory suggests that organisations, craft their CSR priorities to reflect stakeholder needs, hence the issue of global versus local stakeholders is very crucial in the case of multinational corporations (MNCs) (Jamali, 2010). Barkemeyer (2007) argues that organisations conducting CSR initiatives are confronted with a conflict in the judgement over the legitimacy of their actions in their countries of origin and the native host environment it operates. Using CSR, multinational companies may seek to gain legitimacy from their primary stakeholders such as consumers and media. However, there is a risk of detachment of the organisation CSR activities on the principal objective the activities aim to achieve in the host country. Where CSR is used for legitimacy, there is also a danger of bias towards short term projects with higher visibility rather than longer term initiatives.

CSR is in many cases implemented in the host country based on the strategy previously defined by the organisation. CSR can be global or local depending on the issues that are to be addressed and stakeholders intend to satisfy. Global strategies lack legitimacy at the local level because the issues addressed may not appeal to local stakeholders (Roman & Mendes, 2013). As such, there is need for a better description on how organisations can manage their relationships with stakeholders. The management of relationships between different companies and their stakeholders require

a combination of their divergent interests and ambitions. For instance, accountability, which is one of the key components of corporate social responsibility includes environmental responsibility, sustainability reporting, societal demands need more attention, and political and legal issues need stringent regulation (Gorenak, 2015).

With these perspectives in mind, it is important to consider stakeholder management as a process by which managers reconcile their company objectives with the claims and expectations being made on them by various stakeholder groups. The challenge of stakeholder management is to make sure that the company's primary stakeholders attain their objectives while other stakeholders are also satisfied. Even though this "win–win" outcome cannot always be achieved, it stands as a legitimate and desirable goal for management to pursue in order to protect its long term interests. The important functions of stakeholder management are to describe, understand, analyse, and finally, manage the various issues affecting the business (Carol, 1991). Thus, knowing stakeholders, their power and interests and maintaining a good relationship with them is paramount for a better management, strategic planning and long term sustainability of the industry (Haque & Azmat, 2015). The dilemma for many companies is that there are no clear guidelines for company's community engagement and how corporate executives should manoeuvre in identifying priorities of the community. There is a perception that everyone waits or looks up to the company to champion the discussion. As a result, there are disparities in the depth and breadth of CSR programmes. The implication is that conflicts are likely to arise between the community and the company (Ray, 2013).

It is important for mining companies to understand the dynamics in the areas they are operating because the community is a very strategic stakeholder. As such, their concerns and views of what CSR entails and what they expect should be given consideration in making decisions (Brew, Junwu, & Addae-Boateng, 2015). Thus, companies in the extractive industry should set up clear guidelines on CSR and ensure that the essential needs of communities are taken care of. CSR investment can, in the long run, help the company to establish a good working relationship with the community (Brew et al., 2015). In this regard, there is a need to implement a social contract. The social contract uncovers whether the operations of the business are congruent with the needs of the community (Gherghina & Vintila, 2016). McDonald (2015) argues that the businesses or firms that know the expectations of communities are likely to be in a better position to deliver on the social contract and thereby taking into consideration the needs of its stakeholder. Carol (1991) believes that the challenge for management is identifying which stakeholders merit to receive consideration when making decisions. In any given instance, organisations may have numerous stakeholder groups such as shareholders, government, consumers, employees, suppliers, community, social activist groups clamouring for the attention of management. For instance, any of the issues that have to be dealt with must include how management can address the unique and pressing needs of various stakeholders. Two important criteria for addressing this issue include the stakeholders' legitimacy and their power. From a CSR perspective, the legitimacy of stakeholders is the most important criteria.

From a management perspective, the power of stakeholders is paramount in terms of the decision making process regarding their involvement. Thus, legitimacy relates to the extent to which a stakeholder has a justifiable right to be making its claim.

Many business organisations face the biggest challenge in the implementation of CSR. Thus, achieving or striking a sustainable balance of benefits for the business, its employees and the community within which the business operates. It is crucial for the government to play a critical role in setting enabling conditions to achieve this balance. All stakeholders share the responsibility of ensuring the creation and sustainable distribution of benefits. Setting up these conditions turns out to be a challenge for the developing world. Thus, the absence of these conditions gives business reasons to attain success at the expense of the communities in which they operate or trade (Department of Foreign Affairs and International Trade, 2005). Shaw and Barry (1998) have noted that society has interests and concerns other than ensuring fast economic growth. These interest and concerns range from a better life, and the protection of the environment. Thus, it is immoral for companies to manage their business operations while putting the burden on the public.

Companies who observe and take care of the communities they operate from register good growth and manage risk by capturing sustainability opportunities. Thus, CSR initiatives should be inclusive starting with buy in from employees, their families and communities through partnering and supporting social causes. Organisations should realise that CSR initiatives are not promotional activities that you can change as and when you feel like. In the Zimbabwe mining sector, it is believed that CSR should be about sustainability. One way to achieve continuity is to set up sustainability teams within the organisation, then secure adequate resources or budgetary support which involves consistent top management support. Once this is in place, companies need to reach out to the entire staff, maintain the employees' interest in the initiatives and the employees will reach out by involving their families and the communities they live in or where such initiatives are being realised (Mandizha, 2017).

As part of managing the relationship with stakeholders, it is advisable for companies to be aware of the diverse interest and priorities of its stakeholders and at the same time facilitate an environment for open dialogue. Furthermore, ISO 26000 contemplates that an effective engagement of stakeholders should be based on trust and go beyond public relations (a mutual belief that they are entering into a dialogue for the right reasons). This entails that dialogue with stakeholders should be driven by concerns or aspects that are linked to sustainable development and sufficiently important for the groups involved, and that the diverse interests of all stakeholders should be spelt out clearly from the start. The need for frequent Interaction cannot be overemphasised because this is the foundation for stakeholder engagement in the view of ISO 26000, which recommends a number of instruments and techniques for individual stakeholder and collective negotiations, such as stakeholder panels, seminars, conferences and workshops, roundtables, advisory committees, or internal forums. A company that frequently engages with its stakeholders is better placed to manage its relationships and societal responsibilities very well. Moreover, advocating for stakeholder engagement is important and provide companies with

several opportunities and numerous advantages, however, it is a not once-off under-taking, an ongoing process and periodic evaluation of policies related to stakeholder engagement are needed (Gorenak, 2015).

7 Conclusion

CSR is a very important concept that seeks to bring harmony among stakehold-ers with diverse interests and power. The role that various stakeholders play in the implementation of CSR has been overstated. Thus, it is important for organisations to champion the creation of an enabling environment where dialogue, consensus and a win–win approach can be achieved when making decision that affects groups that have different interests. The stakeholder approach underpins this narrative by stating that organizations are not only accountable to its shareholders, but should also balance a multiplicity of stakeholders' interests that can affect or are affected by the achievement of an organization's objectives (Freeman, 1984). Similarly, the issue about ethics becomes critical where stakeholders with different interests con-verge because there is a temptation for companies to gain or seek legitimacy of their actions and projects at all cost while ignoring the valid claims, concerns and interest of various stakeholders. This chapter has noted that the mining sector in Zimbabwe has the potential to generate financial resources for the development of communities if the government and other players such as civil society, and community leaders are transparent in their dealings and perfom their oversight role effectively. Thus, it is imperative for all key stakeholders to rise above personal interest and engage mining companies to foster CSR activities that will facilitate the realisation of benefits that will eventually trickle down to the people in areas where mining operations are being conducted.

The lack of accountability in terms of reporting financial benefits and sticking to agreements in the implementation of CRS activities is one of the biggest challenges in the developing world, specifically, the Zimbabwean diamond sector. In this regard, it is important for the government to have a strong legislative framework that includes the operationalisation of CSR and penalties associated with default. The government should act as a principal trustee of the communities where mining operations are being conducted rather than being complicit with mining companies in undermining good governance and accountability because of politicians who have an appetite to feed their egos and personal interests. Similarly, communities must have the authority to enforce CSR agreements through other avenues if they are to reap the benefits of mining. Community leaders should not be left alone to negotiate community needs because they may find it difficult to balance personal and community interests. Whilst the community share ownership trust is a good initiative, it is important that credible people are appointed to champion the welfare of the Marange community and such initiatives elsewhere. When certain things are not done properly, there is a likelihood of mining companies to reneged from agreements, hence, it is critical to have a community that is knowledgable of different aspects relating to mining in

general and CSR in particular. Thus, communities should not surrender their power to mining companies by taking a passive role on issues that are affecting them. In this regard, civil society organisations have a role to play in ensuring that communities are sensitised of their rights and power with respect to the implementation of CSR agreements. The need for a vibrant civil society cannot be overemphasised especially in Sub Saharan Africa where governments are weak and in some cases complicit of defrauding the people. It is important for the civil society to work in collaboration with the community, help them identify their needs and also represent them in forums where their voices cannot be heard. A civil society network that is aware of the dynamics of the business and world best-practices is able to effectively perform its oversight role by ensuring that mining companies are transparent and accountable in their operations.

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Exploring the Theoretical Basis for Stakeholder Protection in Corporate Governance

Anthony O. Nwafor and Mandhlaenkosi Sibanda

1 Introduction

A company operates in the society. The society where the company operates has interests and expectations on the company. Corporate entities are often compelled by the exigencies of business to procure assets on credit. It is trite that transactions conducted on credit constitute legitimate means of running a company's business.[1] When debts are incurred for the benefit of the company, it is expected that the interests of the creditors should be protected. The employees of the company expect a living wage as incentive for dedication and increased productivity. The consumers of the company's products expect to receive goods fit for their purposes and at the most competitive prices. The environment and community where the company operates have legitimate expectations on the company to avoid harmful environmental practices and provide essential amenities of life to the community.

These stakeholders could rely on any available remedies accessible to them under the enabling contractual instrument, where one exists, but that would only act as a palliative instead of a preventive measure, as they do not have direct control over the manner in which the affairs of the company are administered. The moment the creditors, for instance, grant credit facilities to the company, certain rights and obligations are created between them and the company in terms of the contractual agreement. The creditors are secured to the extent that the contract covers them, and in so far as the matter that arises between them and the company falls within the ambits of the contractual agreement.

But the inadequacies of the reliance on contract become apparent where preventive measures are needed to secure the interests of the stakeholders outside the normal

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[1] Nwafor (2013, 297–298).

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contractual terms. In such situations, the affected stakeholders should expectedly seek refuge in the mandatory corporate laws that compel those with direct control over the affairs of the company to ensure that the interests of such stakeholders are protected. Thus, the law should ordinarily prevent those controlling the affairs of the company from engaging in transactions that are prejudicial to the interests of the stakeholders. The corollary is the conferment of power on the stakeholders to enforce such law outside any contractual agreement that could exist with the company. Such power would become accessible to the stakeholders within the general corporate statute depending on how the phrase 'best interests of the company', a common law derivative, now entrenched in the companies' statute in different jurisdictions, is construed. That phrase is presently generally accepted as the basis for the determination of the legitimacy or propriety of the exercise by the directors of their statutory powers in corporate governance.[2]

The paper proposes an expansive construction of that phrase to ensure fair protection of the interests of stakeholders in the corporate scheme. Seeking justification for the expansive construction of that phrase demands the exploration of the vital consequences of incorporation and the theoretical basis for corporate existence.

2   Company Incorporation and Stakeholders Protection

The incorporation of a company gives rise to certain far reaching legal consequences. Some of those consequences border on the company's relationship with the shareholders and other stakeholders. Two of those consequences which are seemingly pervasive and have impacted immensely on the consideration of stakeholders' interests in corporate governance are singled out for discussion.

2.1   Corporate Separate Personality

The law treats a company, not only as an association of its members, but also as a person separate from its members. In the latter context, a company can own property, enter into contracts and be a party to legal proceedings.[3] The business carried on by the company is that of the company, just as the debts incurred in the course of the business are debts of the company and not attributed to its members.[4] All that is needed for the company to attain this unique status is compliance with the prerequisites of incorporation as prescribed by the relevant statute.[5] The seminal decision of the

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[2]See ss 170(3) & 172(1) of the UK Companies Act 2006, s 76(3)(1)(b) of the South African Companies Act 71 of 2008.

[3]French, Mayson, and Ryan (2016).

[4]Ibid.

[5]See s 19(1) SA Companies Act 2008, s 15(1) UK Companies Act 2006.

House of Lords in *Salomon v A Salomon & Co Ltd*[6] firmly entrenched the stated position in the heart of company law and practice. Lord Halsbury LC was explicit on this where he held that "once the company is legally incorporated, it must be treated like any other independent person with its rights and liabilities appropriate to itself".[7] This legal status attained by the company on incorporation does not envisage any period of incubation, and not even the manner of the distribution of the company's shares bears any consequence on the separate personality of the company. Lord Macnaghten's statement in *Salomon* seemingly appended a judicial seal on this legal position where he said:

> The company attains maturity on its birth. There is no period of minority- no interval of incapacity. I cannot understand how a body corporate thus made 'capable' by statute can lose its individuality by issuing the bulk of its capital to one person, whether he be a subscriber to the memorandum or not. The company is at law a different person altogether from the subscribers to the memorandum; and though it may be that after incorporation the business is precisely the same as it was before, and the same persons are managers, and the same hands receive the profit s, the company is not in law the agent of the subscribers or trustee for them. Nor are the subscribers as members liable, in any shape or form except as provided by the Act.[8]

The decision on the facts of *Salomon's case* unequivocally demonstrates the nature of hardship, which the unrestricted assertion and application of the distinct personality of the company, could have on the creditors as stakeholders in corporate enterprise. A combination of ownership and control in that case ensured that Mr. Salomon disingenuously crafted a fair business deal for himself in the corporate scheme at the expense of the company's creditors.[9] It was of little surprise that the decisions of the lower courts in the case (which were overruled by the House of Lords) had viewed the facts from the lance of the creditors, affirming the need to protect this class of stakeholders where the formation and operations of the corporate enterprise is tainted by wrong motive.[10] But Lord Halsbury LC would not accept that the 'motives' of those who took part in the promotion of the company are of any relevance in dealing with matters of corporate rights and liabilities.[11]

The force of this judicial pronouncement has not, however, diminished the fact that the corporation remains an artificial being, invisible, intangible and existing only in contemplation of law.[12] This realisation inevitably demands that the searchlight be focused on the conduct of those who are the moving hands and legs of the corporation in certain cases to ensure that justice is done to those dealing with the company. In

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[6][1897] AC 22.

[7]Ibid., pp. 30–31.

[8]Ibid., p. 51.

[9]Dignam and Lowry (2016, p. 21) observed that it is his ownership and control of the business that causes the challenge to the validity of the formation of the company and the Court of Appeal to find Mr. Salomon liable.

[10]See *Broderip v Salomon* [1895] 2 Ch 323 (CA).

[11]*Saloman v A Saloman* & Co Ltd [1897] AC 22 pp. 30–31.

[12]See *Trustees of Dartmouth College v Woodward* (1819) 17 US (4 Wheat) 518 per Marshall CJ p. 636.

fairness to the House of Lords in *Salomon*, Lord Macnaghten agrees that this could be done, but only to the extent and in the manner provided by statute. But the successive judicial decisions do not seem to agree that looking beyond the artificial entity to impose liabilities on those running the affairs of the company and to ensure protection for the stakeholders should be so restricted. There is always room for the courts to circumvent the existence of the company as a separate entity, either in the exercise of judicial discretion, or as empowered by statute through the instrumentality of the judicial lifting or piercing of the corporate veil.[13] Lord Denning MR in *Littlewoods Mail Order Stores Ltd v Inland Revenue Commissioners*[14] alluded to the judicial power to lift the corporate veil where he stated that "[t]he doctrine laid down in *Salomon v Salomon & Co Ltd* has to be watched very carefully. It has often been supposed to cast a veil over the personality of a limited company through which the courts cannot see. But that is not true. The courts can and often do draw aside the veil. They can, and often do, pull off the mask. They look to see what really lies behind". In *Prest v Petrodel Resources Ltd*[15] Lord Sumption described the piercing of the corporate veil as an exception to the rule in *Salomon*, "where a person who owns or controls a company is said in certain circumstances to be identified with it in law by virtue of that ownership and control". Those 'certain circumstances' have remained the most difficult aspect of the exercise of this judicial discretion. In *Re a Company*[16] Cumming-Bruce LJ considered that "the court will use its powers to pierce the corporate veil, if it is necessary to achieve justice". Such a stance was roundly rejected by a differently constituted Court of Appeal in *Adams v Cape Industries Plc*[17] where it was held that the court is not free to disregard the principle lead down in *Salomon* merely because it considers that justice so requires. This decision has attracted a significant level of judicial support,[18] but the failure by the courts in any of those cases to define when the veil could be pierced[19] has witnessed a recourse in subsequent judicial decisions to the same idea of interest of justice as justification for disregarding the separate existence of the corporate entity.[20]

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[13]For discussion on piercing of the corporate veil, see Nwafor (2015).

[14][1969] 1 WLR 1241 at 1254, [1969] 3 All ER 855 at 861.

[15][2013] UKSC 34 para 16.

[16][1985] BCLC 333(CA) at 337–338.

[17][1991] 1 All ER 929 at 1019.

[18]See *Ben Hashem v Ali Shayif* [2008] EWHC 2380 per Munby J para 160, *Yukong Line Ltd of Korea v Rensburg Investments Corporation of Liberia (No. 2)* [1998] 1 WLR 294 at 305, *Trustor AB v Smallbone (No. 2)* [2001] 1 WLR 1177 para 21, *Linsen International Ltd v Humpuss Sea Transport Pty Ltd* [2011] EWHC 2339 (Comm) para 15.

[19]In *Adams' case* for instance, the Court of Appeal specifically stated that they will not attempt a comprehensive definition of those principles.

[20]See *Ben Hashem v Ali Shayif* [2008] EWHC 2380 per Munby J para 160, *Yukong Line Ltd of Korea v Rensburg Investments Corporation of Liberia (No. 2)* [1998] 1 WLR 294 at 305, *Trustor AB v Smallbone (No. 2)* [2001] 1 WLR 1177 para 21, *Linsen International Ltd v Humpuss Sea Transport Pty Ltd* [2011] EWHC 2339 (Comm) para 15.

The South Africa courts are not left out of these controversies. In *Ex parte Gore NO and others NNO*[21] Binns-Ward J of the Western Cape High Court observed that "[a] consideration of the South African authorities shows that despite the repeated affirmation that the courts enjoy no general discretion to do so merely because it would be just and equitable, courts will ignore or look behind the separate legal personality of a company where justice requires it, and not only when there is no alternative remedy." In *Hülse-Reutter and others v Gödde*[22] Scott JA observed that the circumstances in which a court will disregard the distinction between a corporate entity and those who control it are far from settled. Much will depend on a close analysis of the facts of each case, considerations of policy and judicial judgment.

The uncertainties at common law that surrounds the exercise of this judicial discretionary power informed its codification under the South African Companies Act of 2008.[23] That provision is meant to strengthen the judicial power in affording protection to the stakeholders and others having dealings with the company where the conducts of those running the affairs of the company are seen to be unconscionable.[24]

2.2 Limited Liability Principle

A corollary to the separate personality of the company is the concept of limited liability of the corporate entity. This concept, in the ordinary expression, is somewhat misleading. It conveys, in literary terms, to the uninformed, the impression that the company as a juristic person, may not be fully liable for its obligations to the stakeholders. But the limit in the liability is more exactly addressed to the members of the company who cannot be held liable beyond their contributions or undertaking to contribute to the assets of the company (usually in the form of shareholding) when the company is faced with liquidation. Perhaps, a more sensible way of looking at that concept is to see the company through the lens of an aggregate of the shareholders so that the limit in the liability ascribed to the company is in a true sense a limit to liabilities of the individual shareholders of the company to the creditors. However, as the law confers the status of separate personality on the company, the creditors cannot ordinarily pursue the individual shareholders for the enforcement of the liabilities incurred by the company. This was demonstrated by Lord Cranworth in *Oakes v Turquand and Harding*[25] where he held that "[t]here is no doubt that the direct remedy of the creditor is solely against the incorporated company. He has no dealing with any individual shareholder, and if he is driven to bring any action to enforce any right he may have acquired, he must sue the company, and not any of the members of whom it is composed." This judicial stance was reaffirmed in *Rayner (Mincing*

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[21][2013] 2 All SA 437 (WCC) para 28.

[22][2002] 2 All SA 211 (A) para 20.

[23]See s 20(9).

[24]For detailed discussion see Nwafor above note 12.

[25](1867) LR 2 HL 325 at 357.

Lane) Ltd v Department of Trade and Industry[26] where Kerr LJ held that "[i]t is certainly a legal capacity of a body corporate that it has the power to contract, and to contract in its own name. Since bodies corporate have the status of a juridical persona distinct from their members, these are made by that persona and do not, at least in most cases, by themselves impose any liability actual or contingent on the members. The reason that a body corporate is the sole party liable is not because of any capacities it may have but simply because it has the status of being a separate and distinct entity".

This legal position is primarily galvanised by the need to secure the corporate entity as an avenue for investment. The investors are accordingly shielded from the risks of failure of the enterprise as an inducement for attracting large investment for greater economic development.[27] This was at the heart of the enactment of the first statute on limited liability[28] by the UK Parliament which prescribed a minimum of 25 members for a company to enjoy the status of limited liability.[29] It was then envisaged that these 25 members cannot all possibly be involved in the management of the company. Thus, those who join the company as mere investors should not be made to bear the brunt of mismanagement of the corporate enterprise.[30] But the progressive reductions in the number of persons that could form a company under the successive statutes,[31] besides the reference to the House of Lords' decision in *Salomon's case*, have increasingly shown that ownership and management cannot always be kept separate in companies of that nature.

Limited liability certainly has some benefits for the shareholders. The insulation of the individual assets of the shareholders from the creditors' attack in the event of corporate failure is seemingly the most important. Conversely, this could also turn out to be the most unfavourable aspect of the concept of limited liability from the creditors' perspective.[32] But the creditors have also responded in that wise. The established creditors usually insist on secured lending in the form of fixed and floating charges, risk premiums in terms of interest charges, representation on the board to improve monitoring mechanisms,[33] and personal guarantees from the directors for facilities granted to the company.[34] These measures may not, however, be accessible to the less established stakeholders, such as the employees and ordinary customers

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[26][1989] Ch 72 at 176.

[27]*Mayson, French & Ryan on Company Law 33rd ed* (2016), pp. 54–55.

[28]The Limited Liability Act of 1855.

[29]*Mayson, French & Ryan on Company Law 33rd ed* (2016), p. 55.

[30]Ibid.

[31]The Joint Stock Companies Act of 1856 reduced the minimum number of members to seven. The extant Companies Act in both the UK and South Africa have now reduced the minimum number to one. See s 7(1) of the UK Companies Act of 2006 and s 13(1) of the South African Companies Act of 2008.

[32]See Davies, Worthington, and Micheler (2016).

[33]Dignam and Lowry (2016, p. 47).

[34]*Gower's Principles of Modern Company Law 10th ed* (2016), p. 34.

who provide markets for the company products.[35] Thus, it would seem that the only general protective measure for these stakeholders is the statutory protection against abuse or misuse of the concept of limited liability by those vested with the conduct of the company's affairs. This apparently is the justification for including in the companies' statutes provisions prescribing personal liabilities for directors involved in fraudulent or wrongful trading which is injurious to the interests of the company's stakeholders.[36]

3 Theoretical Basis for Stakeholders Protection

Generally, theories do not thrive in the vineyard of corporate law and practice. Discussing theories in corporate law and governance issues could be interpreted as a diversion from the realities of company law. The stakeholders who seek protection for their interests in the corporate scheme would ordinarily be concerned with how best such interests could be addressed under the existing law and the measures provided by the state for their enforcement. A recourse to theory is, however, unavoidable where justification is sought for the existence or otherwise of such legal instruments. Theories provide the intellectual and philosophical background to the modern practices and galvanise future developments and transformations in the existing practices in the society. The dynamics of company law and practice lend support to the intellectual excursion to the realms of theories to understand the basis for the trend in corporate governance relating to the protection of company's stakeholders. As Zingales observed, while justifying the need to study the theory of the firm, "[t]he link between theory of the firm and corporate governance is even more compelling…The word 'governance' implies the exercise of authority…By and large, corporate governance is the study of how this authority is allocated and exercised. But to understand how this authority is allocated and exercised, we first need to know why it is needed in the first place. We need, thus, a theory of the firm."[37] Some of the existing theories will be explored to ascertain the basis for the 'outsider' perception accorded to the stakeholders other than shareholders in the corporate scheme. This will precede the discussion on the consequent contemporary debate on the protection of the interests of the stakeholders in corporate governance.

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[35]Ibid.

[36]See ss 22 and 214 of the SA Companies Act 2008, s 214 UK Insolvency Act 1986. For detailed discussion of such provisions, see Nwafor (2013, p. 297).

[37]Zingales (2000), quoted by Dignam and Lowry (2016, p. 389).

3.1   Contractarian Theory

This theory focuses on the contractual relationships that exist between shareholders in the company.[38] The contractarians regard the company as constituted by several complex private and consensual contract-based relationships, which are either expressly stated or implied. The parties involved in these contracts are regarded as rational economic actors comprising all those that formed the company. It is expected that each of these stakeholders endeavour in their dealings to ensure that they secure desirable, favourable returns for themselves.[39] There is therefore no basis for the application of mandatory state laws, which are considered either superfluous, or distortions of the free market, to corporate practice.[40]

Contractualist ideology is split into two, namely: legal contractualism and economic contractualism.[41] Legal contractualism sees a company as a creation of voluntary association of shareholders and not created by the state law. Dine explained accordingly that two or more parties come together to make a pact to carry on commercial activity and it is from this pact that a company is born.[42] On the other hand, economic contractualism argues that the nature and form of a corporation is explained on the basis of bargaining issues, rather than legislation, which is considered to have only limited impact on corporations.[43] The law should not interfere with the conduct of the affairs of the company, which is seen as a nexus of contracts.[44] The state's role in the corporate enterprise should be minimal as the shareholders, enjoying freedom of contract, are able to enter into favourable bargain which is beneficial to their individual and collective interests. Dine observes that legal contractualism differs from economic contractualism in that the former has greater flexibility, allowing notions of equity and reasonableness to be considered as integral in a contract. However, both ideologies proceed from the same premise, in that the essence of the company is seen as residing in the contractual relationships between the shareholders.[45] This is reminiscent of the aggregate theory which sees the private individuals behind the aggregate as the focus of the corporation's rights and obligations. In that context, the corporation does not enjoy independent existence and all transactions by the corporation are explained by reference to the members.[46] Thus, there is no basis for the consideration of stakeholders' interests in the corporate scheme. The stakeholders do not have any role in the contract on which the company is formed. Any protections to be accorded to their interests must be sought outside the confines of the company's operations.

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[38]See Keay (2003).

[39]Butler (1989).

[40]*Mayson, French & Ryan on Company Law 33rd ed* (2016), p. 156.

[41]Dine (2000, 1–8).

[42]Ibid., p. 3.

[43]Cheffins (1997).

[44]Jensen and Meckling (1976).

[45]Dine (2000, p. 8).

[46]See Dignam and Lowry (2016, p. 383).

A strong argument against the contractarian theory is that it assumes that the shareholders as the contracting parties that form the company and their interests shall remain constant. But as argued by Berle and Means,[47] quoting Rathenau[48] "No one is a permanent owner. The composition of the thousand-fold complex which functions as lord of the undertaking is in a state of flux…This state of things signifies that ownership has been depersonalised. The depersonalisation of ownership simultaneously implies the objectification of the thing owned. The claims to ownership are subdivided in such a fashion, and are so mobile, that the enterprise assumes an independent life, as if it belonged to no one." The dynamics of ownership and corporate independence which guarantee that the corporation, once formed, survives its owners, are strong basis to suggest that the interests to be protected in corporate governance should by law extend to all stakeholders as a way of ensuring the sustainability of the corporate enterprise.

3.2   Corporate Realism Theory

This theory sees the company as distinct from the shareholders that form it. The origin of the theory is attributed to the 19th century German historian, Otto von Gierke, who primarily conceded to the contractarians that the corporation emanated from the association of the shareholders. But he differed strongly from the proponents of that theory on the status of the corporation in that, once the association is formed, it assumes a personality which is separate from its founders. The realists see the state law as merely recognising the existence of the corporation and not the creator of the corporation.[49] As the company is different from the shareholders, its functionality, argued the realists, cannot be defined simply as promoting the interests of the shareholders. Thus, the shareholders are not constant; their interests fluctuate. The interests of one shareholder cannot be ascribed to the group. The company promotes the group interests and not that of an individual shareholder.[50] The realists denounce the contractarians to the extent that the latter conceptualise the existence and the interests of the corporation as interwoven with those of the shareholders. The realists seek to separate corporate ownership from control by arguing that since the company attains the status of a separate person once it is formed, it cannot be owned by the shareholders to do their bidding. The interests of the company are as such determined by the managers and not by the shareholders.[51] Thus, the managers could, in the exercise of their powers of governance, take into consideration all the interests that have bearing on the company's success.

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[47]Berle and Means (1932).

[48]Rathenau (1921).

[49]*Mayson, French & Ryan on Company Law 33rd ed* (2016), p. 152.

[50]See Dignam and Lowry (2016, p. 384).

[51]Ibid.

The real criticism against the realism theory borders on its denial of the role of law in creating the corporation. Legal realism does not offer any explanation on why some associations, such as partnerships, do not enjoy the status of a separate person in some jurisdictions, while under the modern law one person can form a company even when there are no other persons to associate with.[52]

Notwithstanding the inherent weaknesses of this theory, it remains the pillar upon which the healthy debate in the early 20th century between Dodd and Berle on the issues of corporate governance and corporate social responsibility are predicated.[53] That debate, which will be revisited later, has in contemporary times formed the basis for defining the duties of the company's directors.

3.3 Concession Theory

The proponents of this theory argue that the legal personality of the corporation is conferred on the corporation by the state's law.[54] Though it is conceded that individuals could form association and trade under a common umbrella, but the association so formed cannot enjoy the status of a person separate from the members, unless it is so pronounced by the state law.

There is credence for this theory in the process of bringing the company into existence under the contemporary companies' statutes in different jurisdictions. Though individuals could initiate the process for the formation of a company under the law by complying with the statutory prerequisites, such as the preparation and filing of the memorandum of incorporation,[55] the mere compliance with such prerequisites do not *ipso facto* transform the association into a corporate body, until it is registered by the prescribed organ of the state. The legal effect of such registration can be discerned from the statement of Lord Templeman in *Arab Monetary Fund v Hashim (No. 3)*[56] that "[w]hen the promoters of a company enter into an agreement to incorporate a company and the agreement takes the form of a memorandum and articles of association of the company, that agreement does not create a corporation. When the memorandum and articles are registered under the Companies Act, that registration does not recognise a corporation but creates a corporation."

The effect of the state's role in the creating of the legal status of the corporation is that the company does not exist simply to promote the interests of the shareholders as the contractarians would argue. The state's law, which creates the juristic person, can also make demands and impose obligations on the company to ensure the protection of the wider societal interests in the course of the company's operations. Thus, the modern corporations cannot safely disregard the interests of the creditors, employees,

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[52]*Mayson, French & Ryan on Company Law 33rd ed* (2016), p. 153.

[53]See Dodd (1932), Berle (1931).

[54]*Mayson, French & Ryan on Company Law 33rd ed* (2016), p. 155.

[55]As under the South African Law, see s 13 of the Companies Act of 2008.

[56][1991] 2 AC 114 at 160.

consumers and the environment in preference for maximisation of profits in the interests of the shareholders.

4   Contemporary Debate on Corporate Governance

Some of the theories examined above are known to have given impetus to the contemporary debate on corporate governance. The extent of adjustments made in the existing laws of different jurisdictions to adapt to the debate reflects the level of acceptance or opposition to the views to the extant debate. The concept of shareholder value approach to corporate governance, for instance, stems from the traditional view of the company as an association of shareholders formed for their private gain and to be managed by its board of directors solely with that end in view. Directors who exercise their powers outside that narrow view are seen to be in breach of duty. The function of the company in the society is simply profit-oriented shareholders beneficiation and no other. There is no distinction in that context between the interests of the company and that of the shareholders, as the company, being a statutory creation, cannot have any interests outside those of its shareholders.

Those that subscribe to the enlightened shareholder value approach discountenance any suggestion that the interests of the shareholders are the only purpose of corporate operations. The balancing of the short-term and long-term benefits of the company compels the need to sustain effective ongoing relationships with employees, customers, suppliers and others; the need to maintain the company's reputation, and to consider the impacts of its operations in the community and the environment. Judicial decisions and statutory provisions in some jurisdictions support this approach.[57]

The pluralists stand for the statutory imposition of enforceable obligation on the directors to consider the interests of all the stakeholders in their own rights in the performance of their duties. In that context, shareholders' interests would become merely one of the interests the director should weigh against others when making decisions. The pluralist approach differs from the enlightened shareholder value approach, in that the latter subordinates the interests of other stakeholders to the shareholders' interests. A more radical view of corporate purpose as the maximization of value for the benefits of all stakeholders and not just shareholders, is advocated by the proponents of this view. The Indian Companies Act of 2013 seems to be amenable to the pluralists' approach to corporate governance. Section 166(2) of that Act has expanded duties of directors to include stakeholders' interests by providing that "[a] director of a company shall act in good faith in order to promote the objects of the

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[57]See *BCE Inc v 1976 Debentureholders* 2008 SCC 69 (CanLII), [2008] 3 SCR 560 paras 39 and 40, *Peoples Department Stores Inc. (Trustee of) v Wise,* [2004] 3 S.C.R. 461, 2004 SCC (Canlii) para 42, *Hutton v West Cork Rly Co* (1883) 23 Ch D 654 at 673 (CA)., *Hampson v Price's Patent Candle Co* (1876) 45 LJ Ch 437 (CA), *A P Smith Manufacturing Co v Ruth F Barlow* 26 NJ Super 106 (1953) 97 A 2d 186. Section 172(1) UK Companies Act 2006, Section 122(1) Canada Business Corporations Act 1985, Section 76(3) SA Companies Act 2008.

company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment." Such a wholistic approach to stakeholders' interests in governance issues guarantees rights which are enforceable by every stakeholder within the confines of the corporate statutory instrument.

5 Conclusion

It is axiomatic that the realities of corporate operations do not generally dwell on theories. Theories however provide the intellectual background for inquiries into the existing practices in the conduct of the affairs of the corporations. The contractarian theory, for instance, offers some explanation on the origin of the corporation and the suggestion that the interests of the corporation are intrinsically and inextricably interwoven with those of the shareholders. That theory, however, does not explain why the company is seen and referred to as a person separate from the members. The legal realism seemingly supplied the missing link to the extent that it recognises the company as formed by the consensus of the shareholders, but existentially thrives outside the shareholders, without legal intervention, with its interests as those of the collective, rather than the individual shareholder's interest. Construing the corporate existence from the realists' perspective would lend credence to the pursuit by the corporation of the stakeholders' interests only to the extent that the collective interests of the shareholders are protected. But the realists could not substantiate, from their argument, why some firms attain separate personality and others do not. In unique cases, an enterprise constituted by one member enjoys separate personality from that member. The concession theory seems to hold the balance. While this theory recognises the corporation as emanating from the consensus of the members, its separate existence is, however, given by law. In that respect, the benefits of the corporate existence cannot be restricted to the members. The corporation, as a creation of law, should serve at the same level the interests of all those who have expectations on it and contribute significantly to the success of the corporation. Although the alignment of these philosophical views to the contemporary debates on corporate governance would seem to lend support to the different approaches to corporate governance, which have found both statutory and judicial support in different jurisdictions, the need for corporate sustainability would inevitably guarantee strong preference for the concession theory as amplified by the pluralist approach to corporate governance.

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The Socio-economic Impact of Corporate Social Responsibility on the Zimbabwe Mining Industry

John Davison Gondwe Nhavira

1   Introduction

The purpose of this study is to analyse the implementation of corporate social responsibility programmes by Marange mining companies to determine whether they mitigate negative social and environmental impacts and contribute to sustainable development in the communities in which they operate. Mining firms can become good corporate citizens for their communities and societies by adopting the concept of corporate social responsibility, which has emerged globally as an increasingly crucial concept and has become an important part of the debate on competitiveness and sustainability. The term CSR refers to organisation efforts that go beyond what may be required by regulators or environmental protection groups. A widely used definition of CSR from the World Business Council for Sustainable Development reads as follows:

> Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. (Holme & Watts, 2000)

Another definition (Kotler & Lee, 2005) equates CSR to an organisation's commitment to the enhancement of its community's welfare, through ethics in business practices and philanthropic activities. Alternatively, CSR is engaging in activities leading to the achievement of social welfare. These activities must be voluntary, that is, over and above the dictates of the law.

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1.1 Background

The state-owned Zimbabwe Mining Development Corporation (ZMDC) entered into joint venture agreements of 50% shareholding apiece with the following firms: Mbada Diamonds, Anjin Investments and Diamond Mining Corporation (DMC), while Marange Resources is owned 100% by ZMDC. These were expected to operate in Marange (Chininga, 2013). It was estimated that the country had the capacity to supply 25% of the global diamond market.

Marange refers to diamond fields scattered over an area encompassing 566.5 km in Chiadzwa, Zimbabwe. These diamond fields gained prominence in 2006, after the government took over the mines from African Consolidated Resources, at the height of the political, economic and humanitarian crises in the country. This prominence was evidently due to the illegal diamond mining activities and the regular government raids in the area, which made Marange diamonds to become controversial. This had not been the case when the mine was owned by African Consolidated Resources; illegal mining was not a major concern. MA range attracted a lot of interest locally and internationally from human rights groups, parliamentarians, Cable News Network (CNN), British Broadcasting Corporation (BBC), and from local newspapers, such as The Herald, Newsday, and Daily News, as well as from academic researchers.

Corporate social responsibility has emerged to be an important business activity locally and internationally. It aims to guarantee the success of a business venture by the inculcation of social and environmental considerations into theventure'soperations as a gainful addition to society. In this conceptualisation, the success of a venture is assured when the interests of all stakeholders are satisfied. Consequently, institutions have realised the importance of enhancing corporate image, corporate identity, and corporate reputation through the utilisation of CSR as a strategy for building competitive advantage (Altakan & Eker, 2007; Dahan & Senol, 2012; Melewar & Akel, 2005; Porter & Kramer, 2006a, b; Stensaker, 2007).

1.2 Statement of the Problem

When government took over the mines in 2006, expectations were high that the livelihoods of the local villagers would be improved with the arrival of four mining firms. These firms would compete amongst themselves to impress government and locals with their corporate social responsibility programmes. Villagers numbering 4321 needed to be relocated to make way for the mines; and a farm had been chosen as the resettlement site 24 km west of Mutare City. It was not anticipated that there would be a lot of bad publicity. Given that CSR is designed to enhance image of corporations, the current research seeks to address the following question:

> Through the implementation of CSR programmes, can mining firms mitigate the negative social and environmental impacts and contribute to sustainable development in the communities in which they operate?

The primary objective of this study is to analyse the implementation of CSR programmes in Marange diamond fields. Secondary objectives required to attain the foregoing objective are to: determine nature of CSR; examine opportunities for CSR; and investigate challenges in terms of sustainability. This study is significant because it contributes to understanding the implementation of CSR in Marange. As well as contributing to the body of empirical evidence about CSR in an environmentally sensitive industry.

2 Review of the Theoretical and Empirical Literature

2.1 Concept of Corporate Social Responsibility

Theories that underpin a research area cannot be overemphasised. The concept of corporate social responsibility whether in the traditional corporation or in a university, has theoretical foundations that serve as a guide for this study. The relevant theories are: stakeholder theory and uncertainty theory. Lewis (1958) observes that:

> Good theories enable researchers to put facts in perspective and to hypothesise what will happen, even before they happen. (cited in Amodu, 2012: 12; Asemah, Okpanachi, & Olumuji, 2013: 207)

Folarin (2005) adds that: "Theories help researchers to manage realities" (cited in Amodu, 2012: 12; Asemah et al., 2013: 207).

The current form of CSR, which emerged in the 1990s, is representative of a constellation of ideas and developments. Most significantly, CSR is derived from the concern for the environment and is related to the concept of sustainable development, which emerged from the deliberations of the Brundtland Commission in the late 1980s and adopted by the Rio Earth Summit in 1992. A crucial catalyst of CSR is the concept that there is a business case for social responsibility. This argument is supported by a strong belief that practices that are beneficial to the environment can also be beneficial for the financial performance of a firm. However, it was Carroll (1979) who argued that firms should fulfil economic, legal, ethical, and philanthropic responsibilities as a means of fulfilling their obligations to society.

2.1.1 Economic Theory

Friedman (1962) postulated that there is only one social responsibility of a business enterprise, which is to be profitable within the confines of the rules of the game. Within this conception, organisations were regarded as the basic economic unit in society. Their sole purpose was to produce goods and services demanded by consumers and to make acceptable profit. Later, the concept evolved to that of profit maximisation. Unsurprisingly, corporates who adhere to this view of CSR will only engage in CSR

activities when they are aligned to the goal of the firm. Barnett (2007) cautions against the unbridled pursuit of profit maximisation. It is contrary to the long-term interest of shareholders because excessive financial performance reduces the firm's ability to influence its stakeholders.

2.1.2 Legal Theory

Society demands that corporates achieve economic goals within the legal framework. De Schutter (2008) contends that the legal view of CSR focuses on the obligations that society places on business through different statutory and legislative provisions. Corporates taking this approach to CSR are, therefore, reasoning that in addition to being economic units, they are also contributing to social needs.

2.1.3 Ethical Theory

Carroll (1991) asserts that ethical responsibility of corporates contains standards, norms, or expectations which mirror concern for consumers, employees, shareholders, and the community. In terms of corporate behaviour, this should conform to the social ethical standards for a firm to attain its economic objective. Porter and Kramer (2006a, b) contend that ethical obligations constitute those benchmarks, norms, or expectations that mirror a regard for what consumers, employees, shareholders, and the community consider to be fair, just, and/or in harmony with the respect for, or protection of, stakeholders' moral rights. Moreover, Gummesson (2006) concludes that businesses adopting ethics in their corporate governance are surely taking some social responsibility in addition to the basic economic function of business organisations. In some instances, such ethical values and norms may set relatively higher standards of performance than those currently provided by law.

2.1.4 Philanthropic Theory

The logic underscoring this theory is that corporates should sacrifice their financial resources as well as executive time to community in developmental activities, such as arts and education (Ofori, 2005). Carroll (1991) suggested that philanthropic theories are reflected in programmes or acts that promote human welfare or good will. Such acts are usually a response to society's expectation that a business be a good corporate citizen. Philanthropy is very visible and voluntary, and provides a clearer link of societal corporate contribution, unlike the other theories that have a hidden approach.

2.1.5 Environmental Theory

Fan (2010) highlights that environmental responsibility alludes to the fact that the corporates should protect the environment, reduce environmental pollution and bear the responsibility of maintaining national environmental security. Consequently, taking measures and eliminating the environmental impact is an important part of corporate social responsibility.

2.1.6 Stakeholder's Theory

A stakeholder is an individual or group whose support the organisation needs to maintain its existence. Stakeholder theory (Freeman & Reed, 1983) is a theory of governance of an organisation and business ethics required to govern organisations. According to the stakeholder theory, business managers have a moral duty to protect not only their corporations but also the legitimate interest of all stakeholders. Stakeholders generally include managers, employees, customers, investors, shareholders, suppliers, government, the local community and the larger society, including the natural environment. The objective is to always maximise all stakeholder interests. Hillman and Keim (2001) found that developing a close relationship with key stakeholders can help corporations to obtain hidden and valuable assets. This can also lead to loyalty of customers and suppliers, reduce staff turnover rate, and improve corporate reputation.

2.1.7 Employees

A corporate should pay utmost attention to employee relations. Albinger and Freeman (2000) contend that good CSR makes it easy to attract and retain high quality employees. Moreover, employee motivation and initiative directly determine corporate competitiveness and development potential. So, employees have a great influence on the success or failure of the corporate.

2.1.8 Uncertainty Reduction Theory

The uncertainty reduction theory avers that people have a need to reduce uncertainty about others by gaining information about them. The information acquired can then be used to predict the other party's behaviour (Berger & Calabrese, 1975). This theory is important for universities since they need to communicate their corporate social responsibility activities to stakeholders to reduce uncertainty on the part of the stakeholders.

Embedding social and environmental responsibilities in business has its genesis in Bowen's (1953) study which has witnessed the emergence of two separate schools of thought. One school regards profit maximisation as the only responsibility (Fried-

man, 1970). The argument is that managers do not have the requisite skills to address social and environmental problems (Davis, 1973; Mintzberg, 1983; Calabrese, Costa, Menichini, Rosati, & Sanfelice, 2013). According to this framework, a concern with CSR might divert firms from their primary goal, resulting in a reduction in organisational performance, heightening the risk of bankruptcy, and the possibility of management engaging in opportunistic behaviour (Hayek, 1969.) The proposition that performance of a firm is enhanced by engaging in CSR is naive and so is the concept of economic development based simultaneously on profits, people and the natural environment. Instead, CSR is expensive in terms of workflows and operations, and distracts firms from their primary goal of profit maximisation (Henderson, 2005). In practice, it is profit maximisation that increases social welfare. Furthermore, whenever there is a conflict between profit maximisation and social welfare, it will be social welfare that suffers since CSR initiatives will go unimplemented (Karnani, 2011).

The second school of thought, also known as the socio-economic view on social responsibility, recognises that profit maximisation may not be the sole focus of an institution and its managers. Indeed, there has been a proliferation of calls by nongovernmental organisations, the media and governments insistently encouraging the private sector to implement social and environmental methodologies as part of the processes and systems of their business activities (Calabrese et al., 2013; Kolk & van Tulder, 2010; Robbins & Coutler, 2005; Smith, 2002).

Globalisation is another force that has influenced companies to take on additional responsibilities (Calabrese et al., 2013; Heslin & Ochoa, 2008; Scherer & Palazzo, 2008). Consequently, there has been an internalising of CSR in their strategic plans and decision-making such that managers must acknowledge of both shareholder and stakeholder concerns (Calabrese & Lancioni, 2008; Calabrese et al., 2013). CSR handled in a proactive manner is bound to confer public influence. Failure to be proactive on corporate social responsibility may result in a loss of public influence (Davis, 1973). Moreover, CSR, through focusing on stakeholder needs, provides opportunities for innovation (Husted & Allen, 2007) and ultimately establishes a strategic competitive advantage (Calabrese & Scoglio, 2012; Calabrese et al., 2013; Kurucz, Colbert, & Wheeler, 2008; Porter & Kramer, 2006a, b). The true worth of and value of modern firms is their ability to give back to society part of what they earn through some beneficial initiatives. Such initiatives are contained in the concept of corporate social responsibility.

Transition and transformation from shareholder interests to simultaneous consideration of shareholder and stakeholder interests demands change of management and cultural overhaul (Calabrese et al., 2013; Porter & Kramer, 2011). This is another instance of the environmental influence in the concept of "stakeholders," which refers to any individual or group affected by the activities of a firm. This established the principle that a corporation is expected to approach social issues through the identification of the impact of its activities.

On the basis that CSR is a source of innovation (Husted & Allen, 2007), it is of strategic importance in creating value in the long term, and a source of differentiation and competitive advantage (Porter & Kramer, 2006a, b). The second school of thought further postulates that a firm's goals include maximising profits, complying with

laws and regulations, addressing society's needs, and preserving the environment. The message from this is that firms that pursue sustainability as part of their strategy will attain a competitive advantage (Nidumolu, Prahalad, & Rangaswami, 2009).

How is the foregoing literature relevant to the study of CSR in Marange diamond mining in Zimbabwe? A central theme in the literature concerning CSR is that it is a tool for gaining influence which is then attached to image and results in innovation which leads to conservative use of resources so that they are not depleted.

Mine firms are no different from corporations in that they seek to increase their influence and be innovative on behalf of society. No doubt these are troubling times for those who manage mining institutions, particularly in a controversial area. Moreover, in addition to a difficult global competitive environment, financial realities loom large besides the pressure to consider alternative structural and resource commitments to various knowledge areas (Gumport, 2000). To this end, according to Raufu (2005: 85), the principle behind CSR is that it is a social investment that derives from the notion that: "A company has a responsibility to the community in which it operates." Thus, the goal of CSR is image management—the essence of public relations.

Finally, India and other Western countries have legislated CSR. India incorporated corporate social responsibility into her Companies Act of 2013 (18 of 2013), known as the Companies (Corporate Social Responsibility Policy) Rules 2014. The Act makes it mandatory for corporates to contribute to CSR, with education being the major beneficiary.

2.2 Parties Involved in CSR at Marange

Three main parties are involved in CSR in Marange; these are business, communities and government. It is instructive to view the case for CSR from their individual perspectives.

2.2.1 Mining Companies

The spirit or force behind mining house engagement in CSR methodologies is based on both business and social goals. Thus, business goals may include the cultivation of a positive local reputation which would result in a favourable local and national operating environment. Coupled with the adoption of and compliance with both national and international best practices embellishes the corporation's image. An off-shoot of this strategy of compliance is that it creates a reputation which in turn ensures that green-field projects can access finance, thereby protecting the firm's image, whilst satisfying consumer and shareholder expectations, which enhances company market value, and mitigates risks and cost. Concomitant to this is disclosure of information by management to the community, about the firm's impact on the environment and human resources. Moreover, by also remaining sensitive to local employment and

income needs constitutes a demonstration of a keen desire to contribute to broader development. These social goals are usually incorporated into a formal CSR strategic plan and code of conduct.

2.2.2 Community

The outlook of the community is influenced by the basic desire that its quality of life should improve and not diminish, and its physical and cultural environment should not deteriorate. That the organisation remains in the community as a going-concern and continues to be a source of employment and earnings to the community. These concerns are also the concerns of the people of Chiadzwa. Their major concern and aspiration are having an industry that impacts their livelihoods. A fundamental requisite of CSR is to consult communities, define and meet key community needs and priorities, required to build trust. It establishes a focal point for transparent communication between industry and local communities. Without these bridges and in its absence, the fundamental concerns of the community will remain opaque and hamper community members from assuming a prominent role in defining their own CSR initiatives that meet their priorities.

2.2.3 Government

Typically, there is a good basis for government promotion of CSR and good corporate governance in general. This is so because revenue generated from industry can contribute significantly to the national treasury and to national development. The private sector is the catalyst for income and employment in any economy; and it can also play an additional role in local development through its CSR activities. By simply making contributions to local service delivery, provision of infrastructure and demand for goods, services and labour, the private sector can make a greater development impact than government could hope to achieve in years.

2.3 CSR in Africa: Nigerian Oil Industry

In Africa, the Nigerian oil industry is a typical example of how institutional and structural factors can make the implementation of CSR initiatives very problematic, as there is virtually no recognition of the local community as a vital stakeholder of the oil industry. While they continue to bear the full brunt of the negative effects of oil production, local communities have continued to be marginalised and excluded over the years (Orubu, Odusula, & Ehwarieme, 2004). Empirically, in Nigeria there is a skewed relationship in oil exploration and community involvement and participation in the decision-making process. According to Freeman and Velamuri (2006), involvement of the community will introduce a feeling of oneness, as opposed to the

present feeling of alienation, which appears to have taken firm hold in the Nigerian oil industry. Yet, involvement of the community in the design, implementation and monitoring of CSR initiatives is still minimal. For example, it is common for Nigerian community members to refer to Nigerian oil industry initiatives as 'Shell's borehole', or 'Mobil's hospitals'. Consequently, they remain aloof and do not participate in the project, nor see any need to contribute to the sustainability of the projects (Freeman & Velamuri, 2006).

Mining companies, particularly those operating in frontier situations, tend to function as 'black boxes' immune to the influence of public opinion. For example, they constructed customised mining towns with the company as the dominant employer, the decision maker about what was to be developed, the nature of the social and infrastructural services, and essentially the manager of the town as part-and-parcel of the mine's production system. As a result, companies were able to control and predict most variables affecting their operation, right down to issues of community administration (Freeman & Velamuri, 2006). The depletion of the resource almost resulted in a ghost town.

2.4   CSR in the Zimbabwean Context

The Zimbabwean government has been advocating adoption of CSR by Zimbabwean firms for a long time; and most large corporations have, to this end, implemented the notion of ploughing back into the communities in which they are operating. The Deputy Minister of Mines and Mining development Mr. Gift Chimanikire, speaking at a CSR Conference held in Harare, Zimbabwe, in August 2011, declared Zimplats, Rio Tinto, through the Rio Tinto Foundation, and Mimosa, as the mining corporations that have implemented CSR initiatives. These, according to Chimanikire, have invested in "projects that impact meaningfully on the lives of rural communities" (The Herald, August 2011).

Indeed, some mining companies have responded positively to CSR by working to improve their own methods of community engagement; for example, negotiation of agreements with communities on how to avoid harm and provide benefits. In so doing, they have gained strong local support for projects, while communities have seized the opportunities for development. But more work needs to be done. Too often however, the rhetoric in support of community engagement does not match the practice, as evidenced by lack of compliance-based monitoring mechanisms or legislation governing mining companies should engage with their communities.

2.5   Anglo American's Unki Mine CSR Initiatives in Shurugwi

Corporations such as Zimplats and Anglo-American platinum company Unki Mine have been actively involved in CSR initiatives in their host communities. Unki Mine has been involved in numerous CSR activities since 2009. The CSR activities include water supply and sanitation, relocation of the displaced communities, infrastructure development, donations, scholarships, health and education. Moreover, they employed locals, offered investment incentives, and have been proactive in environmental management. Unki Mine is ISO1400 certified and compliant with the legal systems of the country's Indigenization Act. Finally, the company spent, in 2013 alone, US$ 1 Million in community projects. In the prior year 2012, Unki Mine donated $21 183.00 to the community.

The above initiatives are sustainable, as they improve the quality of life, involve capacity building, employing locals ensures that money flows to locals who also receive investment incentives to invest in their community. Clearly, this is a community that will cite the positive impact of mining operations in Shurugwi.

2.6   Rio Tinto's Murowa Diamonds CSR Initiatives in Zvishavane

In the diamond mining sector in Zimbabwe, RioZim's Murowa Diamonds in 2010 won the Zimbabwe National Chamber of Commerce (ZNCC) Best CSR award (ZNCC, August 2010). The then managing director of Murowa Diamonds, Niels Kristensen said (ibid):

> Effective management of our community relationships is as important to our commercial success as is the management of our business operations. During its six years of existence Murowa has worked with local partners and communities to ensure we played a significant role in the continued improvement of the local communities.

Murowa Diamonds' community initiatives encompass health, education, agriculture, and business development. The diamond mining company has also constructed classroom blocks for various schools in the district, provided stationeries and text books and constructed and refurbished some health facilities such as clinics in the district. The company also assisted in upgrading the local cattle stock, provided training for farmers, and spearheaded several initiatives that enabled the community in the drought-prone areas to survive. Murowa Diamonds is also facilitating voluntary HIV testing and counselling for employees and members of the local community as part of its wellness campaign. Murowa Diamond's community programmes span more than 50,000 people in five wards, namely Murowa, Mhototi and Mutambi in the Zvishavane District, Davira ward 14 in the Chivi district, and the Shashe resettlement area in Masvingo (ZNCC, August 2010).

The interventions by Murowa are sustainable in that they ensure that when the firm leaves, life will continue as community members have been conferred with diverse skills in agriculture, and education.

3 Research Design and Methodology

The content analysis research methodology was selected for this study. Furthermore, websites were analysed in search of evidence of data or information pertaining to Marange diamond fields.

A case study approach was used for the Marange Diamond mining CSR initiatives in Chiadzwa, Zimbabwe, to demonstrate how not to engage in CSR and respond to some of the issues highlighted in the on-going debate about CSR's use and role in sustainable development.

Mainly, two types of case studies exist: the first is called intrinsic case study whereby the case itself is the target of the research due to its peculiarity, and secondly, the instrumental case study in which the research focuses on specific issues that the case serves to illustrate (Creswell, 1998; Whellams, 2007). In this respect, Marange serves the latter of these two purposes. It is an instrumental case study which can shed light on firms operating in a developing country context.

A case study of mining is significant since mining has been the subject of serious criticism regarding its effect on sustainable development. Because of this some mining companies are employing CSR programmes as a means of responding to some of the criticism and concerns. Marange CSR initiatives were of interest as the firms have been berated for not doing enough.

3.1 Methodology

To be sure, many aspects of sustainable development cannot be quantified, and those which can frequently cast a hazy picture of development in a society. For instance, gross domestic product growth rates typically fail to reveal the effect and changes employment levels or higher living standards have on society. Consequently, one technique which is of use in understanding the real effect of employment levels is to engage people in the area. Berger (2004) states:

> Qualitative techniques allow researchers to share in the understandings and perceptions of others and to explore how people structure and give meaning to their daily lives.

For this study, content analysis was used with respect to newspapers and websites to determine what the people are saying.

4   Research Findings

This study set out to analyse the implementation of corporate social responsibility programmes by Marange mining companies to determine whether they mitigate negative social and environmental impacts and contribute to sustainable development in the communities in which they operate. The timing of this research is apt as the government of Zimbabwe has consolidated the four previous mining firms into one and the previous experiences should provide important lessons for the new mining policy.

4.1   *Reputation not a Matter of Great Concern*

SW Africa Radio news reported on 20 MAY 2011:

> Those households who had been rejecting moving until fair compensation had been paid to them have been forced to leave their homes, after the Chinese company, Anjin, recruited soldiers and launched a brutal eviction process over the weekend. A distraught man called the MDC-T offices on Saturday saying the process was being done hurriedly and properties are being destroyed in the hasty operation. "We are being moved from Chiadzwa right now, and the soldiers are being brutal. Our properties are being destroyed, and we are not even sure of where we are being moved to." The man said, before the phone went dead. This followed reports last week that Anjin, one of the mining firms granted a licence to mine at Chiadzwa by the government, had recruited soldiers to start removing the 40 remaining families in the area.

Clearly, the mining house in question does not consider corporate citizenship or public image as being worthy of pursuit, as postulated by CSR proponents (Raufu, 2005: 85).

4.2   *Environmental Degradation in Marange*

According to the First Report of the Portfolio Committee on Mines and Energy on Diamond Mining (with special reference to Marange Diamond fields) 2009–2013 presented to Parliament of Zimbabwe in June 2013.

4.3   *Refusal to Address Sustainability Concerns*

Although the Committee was impressed upon visiting Arda Transau farm regarding the infrastructure that was in place, such as houses, schools, shops and clinics, it was observed with some trepidation that only 780 households have been evacuated out of the 4300 households to be re-located. The Committee was informed by the

Provincial Administrator for Manicaland that the mining companies were unwilling to construct an irrigation project at Arda Transau to ensure sustainable livelihoods for the communities being relocated.

4.4 Lack of a Re-location Policy

Concurrently, the Committee observed that ZMDC and the Provincial Task Force had no clear re-location policy to guide both the task force and mining companies in their relocation program. It was left to the discretion of the mining companies.

4.5 Profit-Motive Overriding

One of the Marange mining companies, DMC stated categorically, during the Committees field visit in 2012 that its primary goal was to make profits whereas exhumation and re-burial of the communities' graves was a minor matter.

4.6 Lack of Communication Amongst the Players

The Committee observed that effective communication between the mining companies, the Provincial relocation committees and the communities on the relocation program was absent. As result some households still resident in Marange experienced anxiety and food insecurity within the community as they had suspended most of their livelihoods such as farming on the basis that relocation was imminent.

4.7 Relocation Status

The Committee noted the re-location status as per Table 1.

In conclusion, the Committee called upon the government to come up with a standard as there were discrepancies in CSR mandates amongst the mining houses. It then made the following additional recommendation: The national and provincial task force on relocation of communities be advised to develop a standard relocation model, to prevent any inconsistencies and guarantee that the concerns and welfare of the communities are taken into consideration. Moreover, the development of such standards should be handled together with all relevant government institutions, the local communities, NGOs and the civil society.

Table 1 Re-location status

Company	Total number of houses to be constructed	Total number of houses constructed	Total number of houses allocated
Anjin Investments	474	474	474
Mbada Diamonds	487	100	100
Diamond Mining Co.	114	30	30
Marange Resources	350	184	116
Jinan Investments	350	1110	31
Rera Diamonds	92	0	0
Total	1947	989	751

Source Chininga (2013) Committee Report

4.8   CSR Implementation

On the 27th of April 2014, the *Standard* Newspaper reported that:

> Only one mining company in the Marange diamond fields has managed to fulfil part of its CSR obligations while others are now reluctant to fulfil their promises because of dwindling alluvial diamonds, a resource watch group has said.

In the meantime, it was also reported that (ibid):

> Anjin Investments has managed to complete all 474 housing units it promised to build for displaced villagers. However, the other three players, Mbada Diamonds, Marange Resources; Diamond Mining Corporations (DMC) and Jinan Investments are believed to be behind in terms of the first phase of the relocation process.

The families to be relocated to an area 24 km west of the City of Mutare totalled 4321 (although the Portfolio Committee cites 4300 households). This means that each firm was supposed to relocate approximately 800 households, assuming each household had 5 people.

In October 6, 2014, Newsday carried the following report:

> The Musikavanhu MP made the claims during a mining legislation workshop for parliamentarians in Kadoma last Friday.

> Chinese companies in Chiadzwa are polluting Odzi and Save rivers which are almost 270 km, and when cattle drink water their stomachs swell, and they have stillbirths and eventually die in a year, Mutseyami said.

> The Environmental Management Agency (EMA) was told about the issue and now women are also experiencing stillbirths at surrounding hospitals. Mangwe MP Obedingwa Mguni (Zanu PF) said at Mpoeings, cyanide poisoning in water sources caused cattle to fall ill and due to ignorance people consumed the meat. He said one person died and 30 people had since been hospitalised for consuming contaminated meat.

> We reported the issues to police, but up to now the culprits have not been caught, he alleged. EMA official Chris Mushava confirmed receiving reports of massive water pollution from villagers in Chiadzwa. We have tried to enforce the law to ensure there are slime dams that hold their effluent so that they do not pollute the water.

> Most of the miners now have the slime dams, Mushava said. However, our problem as law enforcers is to go to Chiadzwa, we need to apply for written permission which takes seven days as it is a protected area. By the time we get clearance and we go to do our checks, the polluters would have hidden the evidence, he said.

Evidently, failure to be proactive on CSR may result in loss of public confidence and influence (Davis, 1973). This fact is borne out by the negative publicity and mounting evidence of a cavalier attitude by the mining firms with respect to the environment and the community.

4.9 No Tangible Benefits to Communities

At a dialogue meeting organised by the Zimbabwe Environmental Law Association on implications of a proposed consolidation of diamond companies, villagers said since commencement of diamond mining they have no tangible benefits from the extractive activities (News of the South, 10th April 2015).

On the 4th of March 2016 the Herald newspaper reported:

> Mbada Diamonds, Anjin Investments, Diamond Mining Corporation and Jinan were denied mining licences thereby closing their operations.

Government had high expectations that with the discovery of diamonds in Marange most of its problems would be resolved. Figures of USD 2 billion in revenue per annum were usually mentioned. So, when mining companies announced that alluvial diamonds had expired—it was unbelievable, driving the government to deny the miners their licences and to consolidate their operations.

In the *Newsday* of April 9, 2016, it was reported:

> Mbada Diamonds said it did a lot of corporate Social responsibility work in Chiadzwa, including building state-of-the–art houses and schools for relocated families, adding they would continue to assist the communities with training and farm inputs.

> For the past five years Mbada contributed over USD 35 million towards corporate social responsibility programmes, mostly for the benefit of villagers in the diamond mining areas.

According to Shingi Manyeruke, as quoted in the Newsday (ibid):

> Anjin is the only mining company that set up a tarred road in Chiadzwa. We even brought Chinese doctors to deal with cataracts and other health issues and spent USD 14 million. In the past two years, the company accumulated debts of which, it is struggling to clear because of operational issues.

A villager made the following observation in the Newsday of April 9, 2016:

We are worse off than before. Our rivers are now polluted, and diamond mining has brought more problems than before. Why doesn't government force the diamond mining companies to start cleaning the rivers so that we begin to breed fish? Is consolidation going to change the behaviour of the mining companies in Chiadzwa?

Dube (2016) had this to reveal about one firm operating in Marange diamond fields:

In the Chiadzwa area, Mbada Diamonds Company had made great strides in CSR interventions in the community it was operating from. The company embarked on extensive CSR initiatives, including support for ARDA Transau families that it relocated, sponsorship of development and social activities at Chiadzwa and Marange areas (www.reclam.co.za). After successfully relocating 100 households to the new houses in ARDA Transau the company continued to empower the community through various developmental projects. For example, each of the 100 households was given food hampers every three months with $180,000 budgeted for the exercises. This budget had been used each quarter from May 2011 to date with some $50,000 being spent each farming season for procurement of farming inputs (www.reclam.co.za).

On health and sanitation, a total of 93 fully equipped boreholes had been commissioned in the community to date with the company spending $651,000; while medical assistance to the community to the tune of $10,000 is being provided per quarter. The company also employed a visiting doctor to attend to the community once every week. Mbada Diamonds also supported the community's income generating projects. The company initiated a conservation farming project in ARDA Transau to train the relocated families to increase their productivity in farming with special emphasis on horticulture and poultry as income generating projects for the relocated families spending an initial $160,000 in the projects (www.reclam.co.za).

The company also spent on education as part of its CSR initiatives. Construction of Mafararikwa School in Marange and Wellington Primary and Secondary schools in ARDA Transau are further examples of the impact of CSR by Mbada Diamonds in the community it was operating in (www.reclam.co.za). The company also assisted with maintenance of school buildings around Chiadzwa and Mukwada wards with an annual budget of $200,000 set aside. The company's Schools Supplementary Feeding Scheme ($100,000 budget) that offers supplementary feeding to 9 schools, both Primary and Secondary schools in Chiadzwa &Mukwada wards and the Chiadzwa Mukwada Community Orphanages Support schemes through food provisions on a quarterly basis are other notable CSR initiatives that positively impacted on the lives of the Chiadzwa mining community (www.reclam.co.za).

Newsday of March 10, 2017, reported that the Zimbabwe Consolidated Diamond Company had replaced the previous mining companies operating in Chiadzwa.

CSR is derived from a concern for the environment and is related to the concept of sustainable development. Carroll (1979) stated it well when he argued that firms should fulfil economic, legal, ethical, and philanthropic responsibilities as a means of discharging its obligations to society. Therefore, mining activities at Marange would be analysed based on their contribution to local development using the following indicators: quality of life, health, education, income and sustainability.

4.10   Discussion and Analysis

Information and findings from the case study can thus be employed to address some of the arguments made by supporters and opponents of CSR, as well as to draw some conclusions about whether CSR programmes can contribute to sustainability.

4.10.1   Quality of Life

Civil society organisations and parliamentarians aver that the quality of life in Marange has deteriorated because of mining activities. No alternative economic activities were developed. On the contrary, it is on record that one mining firm has been providing food hampers quarterly. The living conditions of the inhabitants have not improved since they have no access to clean water, electricity and latrines. When interviewed, the community alluded to a worsening situation. It is worth noting that, as observed by Raufu (2005: 85), the principle behind CSR is that it is a social investment that derives from the notion that: The goal of CSR is image management—the essence of public relations. Indications are that mining firms in Marange abdicated their responsibility to the community of Chiadzwa. Shankelman (2007) summed it up as follows in a discussion on the oil industry:

> Doing impact assessments of new projects, consulting with neighbouring communities and to understand what the unintended impacts of investment might be and how these can be avoided, and financing community projects chosen to reflect community needs and priorities. And finally, oil companies should become explicitly involved, as a matter of enlightened self-interest in collaborating with the governments, businesses, and NGOs in activities aimed at preventing the "curse of oil" and ensuring that oil booms result in economic and social development.

In this author's view, mining of diamonds should not be conceived merely as a means of making profit. Rather, mining companies should ensure that persons from the area benefit from employment, business opportunities, training, hiring and business development programmes, establishment of small-scale industries and infrastructural development. That would confer on the people a sense of belonging. This is lacking at Chiadzwa.

4.10.2   Health

The health of humans and livestock is sacrosanct; but it appears to have deteriorated because of the pollution of Rivers—Odzi and Save, both of which are the source of food and drinking water. Cases of stillbirths in livestock and humans were reported. Meat from the livestock, too, has been contaminated, causing illness in humans. The uncertainty reduction theory avers that people have a need to reduce uncertainty with regards to others by gaining information about them. The information acquired can then be used to predict the other party's behaviour (Berger & Calabrese, 1975).

Consequently, mining firms in Marange ignored this advice and did not conduct an environmental impact assessment. This weakness was exploited to their detriment by human rights and civil society organisations.

Witness the Judicial authority of Donoghue Vs Stevenson (1932). The court held the manufacturing company liable in negligence. This was so because of their failure to recognise the intrinsic human dignity of those who were likely to consume their products. By failing to make a thorough check of facilities to detect unwholesome products, which might be harmful to consumers. Lord Atkin explained the "neighbour principle" thus:

> The rule that you are to love your neighbour becomes, in law, you must not injure your neighbour and the lawyer's question, who is my neighbour? – receives a restricting reply. You must take reasonable care to avoid acts or omissions which you can reasonably foresee would be likely to injure your neighbour. Who then is my neighbour? The answer seems to be-persons who are so closely and directly affected by my act that I ought reasonably to have them in contemplation as being so affected when I am directing my mind to the acts or omissions which are called to question. (Donoghue Vs Stevenson, 1932)

The Chiadzwa mining companies should have foreseen the impact of their actions on the community and taken pre-emptive measures since they owe it as a duty to the local communities.

4.10.3   Education

The impact of the mining firms on education remains unclear. Mbada makes claims of building schools and clinics; but the claims have not been confirmed by a third party. The stakeholder is an individual or group whose support that organisation needs to maintain its existence. Stakeholder theory (Freeman & Reed, 1983) is a theory of governance of an organisation and business ethics required to govern organisations. According to the stakeholder theory management has a moral duty to protect not only the corporation but also the legitimate interest of all stakeholders. The objective is always to uphold all stakeholder interests. Regrettably, either Marange mining firms were not conversant with the stakeholder theory, or they chose to ignoreit.

4.10.4   Income (Economic)

The direct economic impact of mining in the Marange diamond fields is also difficult to ascertain. The evidence based on Mbada claims of donating food hampers and CNRG reports indicate that households had no source of livelihoods. Even farming inputs were donated by Mbada. An important conceptualisation is that of Kotler and Lee (2005) who equate CSR to an organisation's commitment to the enhancement of the community's welfare through ethics in business practices and philanthropic activities. Commendable as these steps are, once they are done without a thought for their sustainability, then they may be said to be no more than reckless lip-service. In the case of Marange, it cannot be determined if the CSR activities being engaged in

by mining firms have the goal of achieving social welfare. These activities must be voluntary, that is, not simply compliant with the dictates of the law.

4.10.5 Sustainability

Thus far, until the mining licences of the firms were revoked by the Ministry of Mines, their combined initiatives appear to have had an overall negative impact on the surrounding communities. The fact that food was donated, the rivers polluted, failure to relocate families and construct homes for them and failure to compensate indicate that the mining activities in Chiadzwa were not carried out with the long-term in view. To make matters worse, the miners seem to have thought that alluvial diamonds would be available for the rest of their mining lives, as they appeared shocked that alluvial diamonds were no longer to be found. They were also reluctant to bring in the necessary specialised equipment for underground digging.

It is clear from the foregoing that certain philanthropic contributions, such as gifts and handouts, are not the most effective approach to sustainable development. Straight philanthropy may lead to dependency. To avoid this, firms should engage in capacity-building projects that would enable communities to help themselves.

However, the manner in which capacity building is done is also crucial. A company implementing capacity building can unwittingly create dependency and impair a government's ability to discharge its duty to its citizens. To achieve sustainability, there must be collaboration between the firm, the community and the government to design, develop and implement the projects.

The research further suggests that Marange diamond mining firms should have worked closely with local non-governmental organisations, community leaders and local government. There is need for local government and communities to take ownership of development projects, thus preventing companies from being paternalistic and patronising (Whellams, 2007).

The subject of corporate image has been a challenge for most firms in Marange. CSR is often used as a risk management tool and as a means for firms to improve their image. Opponents present the argument that firms employ CSR to conceal the harm to the environment and the social impacts that their operations have on the surrounding communities. Thus, what is portrayed as CSR is in fact a charade that distracts the less discerning into believing that the firm has a serious sustainability agenda. This practice is not only unethical; it is also indicative of dishonesty.

5 Conclusion

The purpose of this study was to analyse the opportunities and challenges of corporate social responsibility (CSR) in Zimbabwe's Marange diamond fields. The analysis provided in the previous section supports the contention that firms mining diamonds in Chiadzwa failed to take advantage of opportunities presented by CSR to manage

both risks and their images as catalysts of sustainable development in their communities. This section outlines four main conclusions.

5.1 Nature of Philanthropic Activities

Activities that temporarily improve the livelihoods of communities are likely to satisfy the community's short-term, rather than long-term needs. Moreover, they tend to engender dependency which undermines the community's ability to manage its own affairs responsibly. Even worse, this may lead to corruption with companies being forced to meet demands for cash or gifts-in-kind from community members to maintain the stability of their operations. Capacity building is the appropriate approach to take for sustainability. Mines should engage in CSR to win the goodwill of stakeholders. To this end, CSR is not transactional, but a matter of principle. It is not something done as a quid pro quo. It is about showing consideration for the impact the institutions' activities have on various stakeholders. To this end, they gain the trust of the stakeholders, which helps them to form partnerships with them.

Mining institutions should not just engage in social responsibility activities from a merely philanthropic point of view, but also seek to promote the sustainable development agenda of their host community so that its future needs are met. Their interventions should encompass this so that even when mines leave, the inhabitants will also promote sustainable development in their spheres of influence.

5.2 Community Participation

Marange diamond miners neglected to engage non-governmental organisations, community leaders and local government leaders in designing their CSR programmes. Instead of being proactive they were reactive and were always caught on the back foot. An additional issue is that once a firm is viewed negatively by the public, as was the case in Marange, it tends to be quickly isolated, as government officials shun such firms for fear of alienating their constituents. Mines play a major role in development. There is need to create strategic partnerships and collaborate with different stakeholders.

5.3 Identifying the Nature of the Community

Diamond firms were more interested in exploiting the diamonds than understanding the community in which they had settled. Their arrival changed the host community's dynamics. Instead of co-existence with the host communities, there was a drive to push the communities out and relocate them as far away as possible. The whole area

suddenly became a security zone. Therefore, the CSR programme should have been designed with co-existence in mind and made the move as smooth as possible.

5.4 Reporting on CSR Activities

CSR activities in Marange are not reported by firms. Mining firms must communicate their activities, lest stakeholders misunderstand them. Reporting sheds light on what they are doing and demonstrates good stewardship.

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Corporate Social and Environmental Responsibility in the Diamond Supply Chain

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1 Introduction

For a long time, the mining sector and its operations have been widely recognized as strongly influencing the natural environment. Therefore, the discussion about corporate social responsibility (CSR) and sustainability has started to consider the mining sector with the aim of improving its environmental and social footprint and responding to the multiple challenges of sustainable development (Azapagic, 2004; Hilson & Murck, 2000; Mudd, 2010). This growing need to integrate environmental and social interests into the business models of the industry is guided by several factors. Firstly, we are witnessing the transformation of the structure of the world mining industry (Szablowki, 2002). Secondly, consumers' demand for luxury goods has been rising noticeably, and transnational mining companies have opened up new regions for mineral exploration and development, particularly in the sector of diamond. The mined diamond production in 2017 is estimated to be 142.3 million carats, worth $15.6 billion, which would be an 11.5% increase in the carat volume produced over 2016 and a 9.9% increase in the total value produced. The diamond production data, collected by the Kimberley Process Certification Scheme (KPCS) in volume (carats) and US dollar value, show that South Africa occupies an important position. South Africa is endowed with large amounts of mineral wealth and is a global player with regard to the production of minerals and mineral-related products (Mutemeri & Petersen, 2002). Historically, South Africa's mining industry has been a major employer and contributed 7.7% to the gross domestic product in 2016. The sector also accounts for 25% of the exports in Africa's most industrialized economy.

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While it may no longer dominate the South African economy to the same extent that it did a few decades ago, the mining industry remains a key source of direct and indirect employment, export earnings, and tax revenues (FTI Consulting, 2017).

Zimbabwe is among the top diamond producers, and mining has spawned urbanization, economic growth, and prosperity (Kamete, 2012), but many mining companies have closed their operations in recent years. As Muchadenyika (2015, p. 714) stated, many of "these once vibrant mining towns degenerated into ghost towns, closures which have adversely affected communities which have traditionally relied on the industry for their livelihoods". Zimbabwe is also a member of the Kimberley Process (KP), a government-to-government certification scheme for rough diamonds set up in 2003 to prevent diamond-fuelled conflict and human rights violations. It is possible to distinguish four districts where diamonds are mined: Marange, Buhera, Chipinge, and Chimanimani. Zimbabwe received Kimberley Process certification to sell Marange diamonds in March 2011, despite contestations among other Kimberley Process members. Whilst much of the research work in the diamond literature has focused on transparency, human rights, and resource flows, this chapter examines the sustainability of the supply chain applied in the diamond sector. In recent years, there has been a growing emphasis among government organizations (i.e. the US-based Sustainable Minerals Roundtable, the Canadian Minerals and Metals initiative, and the European Industrial Minerals Association) on sustainability-related aspects. In the mining industry, for example, the Global Mining Initiative (GMI) brought together many of the world's largest mining, metals, and minerals companies, showing the importance of creating an industry association that could focus on sustainable development in the sector and an independent analysis of the key issues facing these industries. This progress has been accompanied by conflicts with local communities (Mugova, Mudenda, & Sachs, 2017) as well as a new challenge in the supply chain operations management in the diamond sector to implement sustainability issues in traditional supply chain management. Alongside this, a plethora of CSR principles, codes of conduct, and reporting guidelines have been developed, and more companies are signing up to such codes, indicating their commitment to meeting certain standards and principles regarding their behaviour in the marketplace. The Kimberly Process, African Diamond Producers Association (ADPA), International Diamond Manufacturers Association (IDMA), and Responsible Jewellery Council (RJC) may constitute evidence of the progress.

The paper attempts to bridge a gap in the sustainable development and mining literature by clarifying exactly how a sustainable supply chain can be applied in the diamond sector. In this context, this paper aims to illustrate and conceptualize a phenomenon so that appropriate theorizing and the development of further areas can be advanced. Our research question is: "*how can diamond companies manage sustainability internally and within their supply chain?*" We explore the sustainable practices promoted by the mining companies to offer a guide for those interested in improving the sustainability of their supply chain. Although the literature has focused on analysing sustainable practices, it has hardly managed to identify the influential sustainable supply chain management practices of producers. In the next sections, the paper introduces a brief description of the current debates on sustain-

ability in the mining industry. The research methodology is then introduced. Next, the results obtained from a descriptive statistical analysis are presented. Discussions and conclusions follow.

2 Literature Review

2.1 *CSR in the Mining Industry*

The study of CSR in the mining industry has gained importance within the academic community during the last few years (Govindan, Kannan, & Shankar, 2014; Solomon, Katz, & Lovel, 2008; Cowell, Wehrmeyer, Argust, & Robertson, 1999). Several studies have investigated the strategies of companies regarding sustainable issues (Dutta, Lawson, & Marcinko, 2012; Hassan & Ibrahim, 2012), the effect on local communities (Hilson & Murck, 2000; Jenkins & Yakovleva, 2006), sustainable reporting and environmental disclosures (Fonseca, McAllister, & Fitzpatrick, 2014), the mechanisms that stakeholder groups use to influence corporate social responsibility (Viveros, 2017), and governance factors, codes of conduct, and policy reforms (Campbell, 2012, 2003). More generally, the literature seems to indicate that mining companies have increased their environmental consciousness (Hilson & Murck, 2000; Vintró, Sanmiquel, & Freijo, 2014; Zhu, Geng, Fujita, & Hashimoto, 2010). Mining activities mainly consist of the extraction, processing, and transportation of minerals from mining sites to the marketplace. Figure 1 depicts a typical mineral life cycle and highlights the key operations and activities from material production through product design/use to end-of-life recycling and disposal.
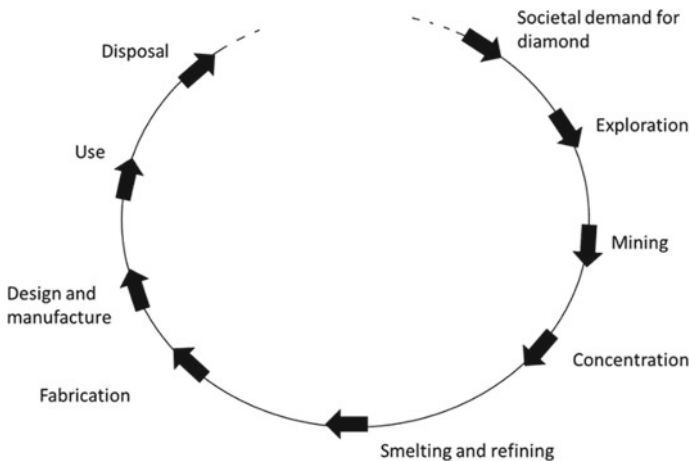
Fig. 1 Typical mineral life cycle. *Source* adapted from Fleury and Davies (2012)

Different authors have conducted case studies of mining companies in different countries. For instance, Vintró et al. (2014) examined the adoption of environmental practices in small and medium-sized companies in the surface mining industry in Catalonia (Spain). Macedo, De Freive, Jose, and Akimoto (2003) provided an overview of the historical and present conditions of the Brazilian non-metallic small-scale mining industry, together with the efforts made by governmental and non-governmental organizations to improve mining technology and the environmental management of resident operations.

Ghose (2003) focused on some of the key environmental issues in the Indian small-scale mining industry (in particular the environmental management plan (EMP) adopted for small-scale mines in India). Evangelinos and Oku (2006) analysed the mining operations of the Cyclades, examining the regulatory and environmental problems of mining operations and the process of obtaining a "social licence to operate" in the mining operations. Nikolaou and Evangelinos (2010) conducted a strengths, weaknesses, opportunities, and threats analysis of the Greek mining and mineral industry's implementation of environmental management strategies.

Solomon et al. (2008) explored the Australian mineral industry since the pivotal 2002 Mining and Minerals Sustainable Development (MMSD) project. They identified the current themes, the diversity of mining stakeholder views, and the different ways in which resource policy challenges are articulated based on values, drivers, and interpretations. Viveros (2016) revealed that stakeholders perceive mining impacts on social and environmental domains negatively in contrast to their positive perception of economic impacts. He studied the way in which stakeholder groups in Chile perceive CSR and its impacts on the mining industry through 51 semi-structured interviews. The findings show that CSR is addressed in terms of social and environmental responsibilities but is also perceived negatively as mere rhetoric or simply as a marketing campaign.

Specifically, in Africa, the mining and extractive sector constitutes a significant and increasingly important share of exports and tax revenues (Besada & Martin, 2015), and many unique challenges to and opportunities for CSR in mining are presented in South Africa (Adler, Claassen, Godfrey, & Turton, 2007; Hamann, 2004, 2003; Mutemeri & Petersen, 2002). However, in recent years, the impact of regulations, rising costs, falling productivity, industrial unrest, an unreliable electricity supply, and political uncertainty in South Africa have frequently been cited as the reasons for other locations in Africa and globally now being more attractive destinations for direct investment in the sector (FTI Consulting, 2017). These problems demonstrate the challenge of CSR for companies while considering the needs of a developing nation, environmental protection, community involvement, and international business.

There are several reasons for the importance of CSR and other voluntary initiatives for mining companies: first to "demonstrate that it contributes to the welfare and wellbeing of the current generation" (WCED, 1987) but also to contribute in a meaningful way to sustainable development and add value not just for shareholders (Frynas, 2005; Walker & Howard, 2002).

Indeed, as stated by Jenkins and Yakovleva (2006, p. 272), one outcome of the CSR agenda is the increasing need for individual companies to justify their existence and document their performance through the disclosure of social and environmental information. CSR initiatives are important to obtain a competitive advantage, to achieve and maintain a stable working environment, or to manage external perceptions and maintain a good reputation (Frynas, 2005).

Sustainable development in the corporate mining context requires commitment to continuous environmental and socioeconomic improvement, from mineral exploration through operation to closure (Hilson & Murck, 2000; Jenkins & Yakovleva, 2006). Therefore, mining and mineral industries face challenges in their attempts to implement sustainability developments into the traditional supply chain management.

2.2 Sustainable and Green Supply Chain Management in the Mining Industry

The link between sustainable development and the mining sector still seems to be somewhat uncharted with reference to supply chains. Managing a supply chain sustainably means integrating sustainability into traditional supply chain management (Jia, Diabat, & Mathiyazhagan, 2015), and it could be the binding that combines the previously mentioned terms. The green supply chain management (GSCM) and sustainable supply chain management (SSCM) concepts are now receiving special attention from academics, practitioners, and researchers (Kusi-Sarpong, Bai, Sarkis, & Wang, 2015; Kusi-Sarpong, Sarkis, & Wang, 2016; Mathiyazhagan, Diabat, Al-Refaie, & Xu, 2015). As perhaps already noted, in many papers on GSCM topics, several authors have defined GSCM as a sustainable supply chain (Jayaraman, Klassen, & Linton, 2007; Linton, Klassen, & Jayaraman, 2007; Muduli, Govindan, Barve, & Geng, 2013; Piplani, Pujawan, & Ray, 2008; Seuring, Sarkis, Muller, & Rao, 2008), although it is argued that SSCM is essentially an extension of GSCM (Ahi & Searcy, 2013).

For our purposes, we adopt the following definition of SSCM: "The creation of coordinated supply chains through the voluntary integration of economic, environmental, and social considerations with key inter-organizational business systems designed to efficiently and effectively manage the material, information, and capital flows associated with the procurement, production, and distribution of products or services in order to meet stakeholder requirements and improve the profitability, competitiveness, and resilience of the organization over the short- and long-term" (Ahi & Searcy, 2013, p. 339). GSCM focuses on the reduction of the adverse impacts of supply chain activities (Muduli et al., 2013); it helps organizations, among others, to optimize the use of resources, to achieve green products, to introduce recycling practices, and to become energy efficient (Govindan, Muduli, Devika, & Barve, 2016; Rostamzadeh, Govindan, Esmaeili, & Sabaghi, 2015; Van Hoek, 1999), thus empha-

sizing environmental issues in the upstream and downstream business enterprises in a supply chain (Govindan et al., 2016).

The growing importance of GSCM has motivated various researchers to discover the factors that influence GSCM implementation (Diabat & Govindan, 2011; Holt & Ghobadian, 2009; Mathiyazhagan & Haq, 2013; Mohanty & Prakash, 2014; Mudgal, Shankar, Talib, & Raj, 2009; Xu et al., 2013; Walker, Di Sisto, & McBain, 2008). More recently, Mathiyazhagan et al. (2015) analysed the pressures for GSCM adoption in the mining and mineral industries, and, from the literature review and a discussion with academics and practitioners from the mining and mineral industry, they identified four groups of pressures: regulations, external sources, financial factors, and production and operation factors. Furthermore, Kusi-Sarpong et al. (2015) proposed a comprehensive and integrative framework of green supply chain practices and sub-practices for the mining industry. They identified six distinctive GSCM practices (factors) and sub-practices (factors), which include green information technology and systems (GITS), strategic supplier partnership (SSP), operations and logistics integration (OLI), internal environmental management (IEM), eco-innovation practices (ECO), and end-of-life practices (EOL).

A few studies have examined SSCM practices, but every negative and positive action affecting both environmental and human health should be evaluated from a supply chain perspective (Massaroni, Cozzolino, & Wankowicz, 2015; Wankowicz, 2016). Sauer and Seuring (2017) found that, although there is an increasing demand for sustainability-related actions within the supply chains that are connected with mineral extraction, there seem to be only a few scientific articles related to minerals that are produced in a sustainable manner.

However, considering the growing trend in recent years of ethical and political movements for conflict-free diamonds, the analysis of initiatives that could support social justice and create a licence to operate for companies is required.

2.3   Gap

The mining sector faces some challenging environmental issues in its supply chain (Sivakumar, Kannan, & Murugesan, 2015). Following Azapagic (2004) and a widely accepted categorization of sustainability concerns, CSR is usually addressed by taking a triple-bottom-line (TBL) approach considering three dimensions: social, environmental, and economic (Elkington, 1997).

When trying to explain events, people speculate on cause-effect relationships to validate their hypotheses statistically. People can have different visions while analysing the same case, which is why the interpretation of the facts becomes essentially subjective and often discordant (Von Glasersfeld, 1988). For this purpose, it is relevant to understand whether there is a prospect of producers according to which we can justify the trend, finding consistency in the observed evolution (Baccarani & Golinelli, 2003) to obtain a positive explanation about systems and businesses.

In particular, this kind of study focuses on the dynamic interpretation of the three dimensions: social, environmental, and economic.

The hypothesis, although formulated in an abductive way, seems to be reflected in the mentioned studies but needs to be developed and argued. To this end, the paper will proceed as follows. After evaluating the TBL in the viable system view, we will reflect on the implications of this possible evolutionary principle, trying to abstract rules of general value and drawing possible forward indications.

Achieving this new goal requires a new approach, based on important premises such as: (i) the need for an extended representation, analysing the historical background and thinking about its future; (ii) an acquired consciousness, perfectly in line with the established and shared assumptions and growing in complexity, considering the high variability of interpretative schemes used in the past, from which a better understanding of the main purpose can be achieved.

Regarding sustainability, there are two categories of active forces: (a) the first type of force is connected to the actions of decision makers, which, through procedures of address (laws, rules, and provisions), affect the actions of the communities in the systemic context; (b) the second type of force, derived from a sense of belonging of the participants, inspired by a common purpose and shared rules, is linked to the forces of the first type. The inspiring principle of forces is excluded from the autonomy of action of the pro tempore decision makers engaged in the context; despite being derived from a common feeling, the action of the forces is revealed as an independent and autonomous flow. At this point, the concept of "resonance" is very important. When type 1 and type 2 forces cooperate in a crescendo of positive returns, a condition of alteration of individuality, in the end they proceed towards symbiotic behaviour. These last considerations allow us to affirm that sustainability is not an "absolute" concept; on the contrary, it is characterized by being "subjective": the notion of context, that is, a portion of the more general environment, the boundaries of which are defined by the governing body and elected to the territory of the specific action of a viable system, implies that the prevalence of one of the three dimensions (environmental, social, and economic) that form sustainability depends on the decision maker. In particular, the favouring of one dimension rather than another, without prejudice to the coexistence of the other two, will depend on the specific context conditions and the orientation given in a specific instant.

3 Methodology

3.1 Design

The methodology used, although a heuristic type, refers to the positive method, as practices and occurrences are used to delineate a precise research path. In particular, in our work we intend to refer to the VSA (viable system approach), an interpretative model that was born and developed as explanatory support for the dynamics

of business organizations and that appears to be increasingly able to explain socio-cultural phenomena (Barile, Saviano, Iandolo, & Calabrese, 2014; Saviano, Bassano, & Calabrese, 2010). In the following, starting from the definition of sustainability with a broader scope, some initial critical positions are exposed, from which we then arrive at the prospect of useful elements leading to the introduction of a working hypothesis aimed at producing a possible itinerary for the development of our research project. Furthermore, with reference to sustainability, the critical nature of the relationship and the influence of the various "supra-systems" that populate the supply chain assume importance. In particular, the international strategies that can be implemented against the supra-systems can be as follows (Barile, Nigro, & Trumfio, 2006):

(1) High influence + high criticality of the relationship: strategies for sharing values;
(2) High influence + low criticality of the relationship: weighting strategy;
(3) Low influence + high criticality of the relationship: co-evolution strategies;
(4) Low influence + low criticality of the relationship: efficiency improvement strategies.

Nevertheless, the design and management of sustainability-oriented management systems must meet the following objectives:

- Compliance with legislative and legislative restrictions: necessities;
- The choice to adhere to voluntary certifications and standards: possibilities;
- The push of the value categories linked to respect for the environment (resources), attention to the economic aspects (adherence to the rules), and attention to the social (results): solutions.

Figure 2 summarizes the conceptual analogies that allow us to identify one general scheme, making evident the mechanism of what we identify as the "triple propeller of change".

Highlighted in the representation of Fig. 2 are the recognition of the scheme's general principle underlying sustainability and the VSA, thus opening up further parallels and allowing a glimpse of another specific scheme that is hidden in the reported model: the model of the triple helix. Conceived as a model of innovation in the 1990s by Etzkowitz (1993) and Etzkowitz and Leydesdorff (1995), the triple propeller is actually based on the general scheme of the dynamics of change that unfolds between evolution, adaptation, and development, a pattern that clearly appears in the viable system perspective.

3.2 Sample

According to the World Diamond Council, CSR has been promoted by multiple associations, organizations, and NGOs: to mention a few, the African Diamond Producers Association (ADPA), the International Diamond Manufacturers Association
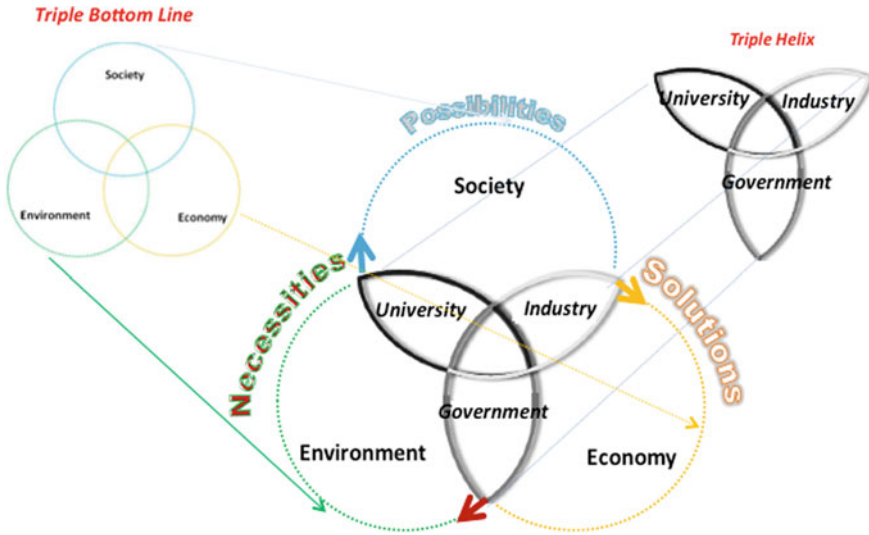
Fig. 2 A scheme of synthesis of the triple helix of sustainability. *Source* Barile, Saviano, http://www.asvsa.org

(IDMA), the Diamond Development Initiative (DDI), and the Diamond Empowerment Fund. This research analyses the contribution of diamond producers, members of the Responsible Jewellery Council (RJS), to corporate social responsibility. The RJS has been selected for this research as it permits us to analyse the role of entire diamond supply chains in social and environmental sustainability. However, none of companies extracted from the RJC database were operating in the Marange. To assure the alignment with the call for papers, the research goal of the contribution, and the completeness of the research, we include the analysis of one producer in the Marange diamond fields.[1] The social dimension, which is related to social well-being (Hassini, Surti, & Searcy, 2012), is analysed through the impacts of business on communities. The integration of social sustainability into supply chain management is often seen through corporate social responsibility (Mani et al., 2016). The environmental aspects "measure evaluates the extent to which firms reduce their environmental impact through a reduction in hazardous materials, resource consumption, greenhouse gas emission, waste disposal and waste water drainage" (Massaroni et al., 2015; Wong, 2013, p. 125).

A general description of the sample is provided in the following Table 1.

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[1]The territory of Zimbabwe presents particularly fertile ground for the extraction of gems and minerals. From the 1990s until 2006, De Beers was granted an exclusive prospective order (ETO) by the Zimbabwe Government. After 2006, the UK-based company African Consolidated Resources received the revocation of rights for diamond exploration and mining. Subsequently, the diamond fields have been operated under the government-affiliated Zimbabwe Mining Development Corporation.

Table 1 General overview of the companies included in the research

Producer	Headquarter/year of establishment	Operations	Short description (focus)	Website
De Beers Group of Companies	London, United Kingdom, 1888	35 countries, mining takes place in Botswana, Namibia, South Africa and Canada	Diamond exploration, mining, retail, trading and industrial diamond manufacturing sectors (international corporation)	http://www.debeersgroup.com/
Lucara Diamond Corp.	Canada, 2004	Operating in southern Africa 100% owns Karowe mine	Diamond exploration and mining	http://www.lucaradiamond.com
Rio tinto Group	– London, United Kingdom (Global headquarters & Rio Tinto Plc) – Melbourne, Australia (Rio Tinto Limited) 1873	Operates 3 diamond mines: the Argyle Diamond Mine in Western Australia (100% ownership), the Diavik Diamond Mine in the Northwest Territories of Canada (60% ownership), and the Murowa Diamond Mine located in Zimbabwe (78% ownership)	One of the world's largest metals and mining multinational corporation	http://www.riotinto.com
Dominion Diamond Corporation	Canada, 1994	Own the world's highest rock value diamond mines—Diavik and Ekati	Diamond mining	http://www.ddcorp.ca

Table 1 (continued)

Producer	Headquarter/year of establishment	Operations	Short description (focus)	Website
Alrosa	Russia, 1992	Its main mining and processing operations are located in two Russian regions: The Republic of Sakha (Yakutia) and the Arkhangelsk region in the northwest of the Russian Federation. Alrosa is also launching prospecting and exploration works in Angola and Botswana. Alrosa operates in the Republic of Angola. Mining in the Luanda SulProvince on the basis of the Catoca kimberlite pipe takes place through Sociedade Mineira de Catoca (Catoca Ltd.), the largest diamond producer in Central Africa, 32.8% shares owned by Alrosa	diamond exploration, mining, manufacture and sale	http://eng.alrosa.ru/

(continued)

Table 1 (continued)

Producer	Headquarter/year of establishment	Operations	Short description (focus)	Website
Mbada Diamonds Ltd[a]	Harare, 2009	Its mines are located in the Marange area of Mutare in the Manicaland	Mbada diamonds Private Ltd was the first company to enter the joint venture with the government of Zimbabwe. Zimbabwe Mining Development Corporation (ZMDC) holds 50% of shares on behalf of government investor, the remaining 50% is held by the Grandwell Holdings (Mauritius). Mbada Diamonds had the highest exports shipments among the companies taken over by the ZMDC (Chimonyo, Mungure, & Scott, 2016), is the biggest company in the Marange area, and it holds the largest concession in Marange. The Mabada raised an interest among researchers (Mathende & Nhapi 2017; Maringira & Masiya, 2016; Muchadenyika, 2015; Kamhungira, Mugova, & Kachembere, Mutanda, 2014; Maguwu, 2013; Madebwe, Madebwe, & Mavusa, 2011). Kamhungira et al. (2014)	https://www.pindula.co.zw/Mbada_Diamonds_Private_Limited#Corporate_and_Social_Affairs https://www.newzimbabwe.com/mbada-diamonds-ltd-revenues-top-1bln/

Source Company websites/reports

[a]The data for the description of Mbada Diamonds were integrated with the scientific literature

4 Results

Table 2 explores how the analysed companies, members of the RJC, have integrated social and environmental issues into their business (economic interests are considered as sine qua non and as a driver for the promotion of any of the above-mentioned initiatives).

4.1 Discussion

The results show that the dominant paradigm for the various companies is the mechanistic one; in fact, the various projects and/or actions concerning sustainability are strongly specific and focus on a maximum of a triple-bottom-line dimension. In reality, the three dimensions must be understood through a circular relationship, whereby the environment represents all the resources, the economy represents the laws that tell us how to use the resources, and the society represents the result achieved by using the resources in compliance with the specific rules (Barile, Pels, Polese, & Saviano, 2012). This circular notion means that the local and global levels cannot be separated. The global tends to incorporate, and even to define, the local aspects; at the same time, the local agents are solely responsible for the emergence of the totality (Barile, Carrubbo, Iandolo, & Caputo, 2013).

Achieving sustainability across the supply chain is not an easy task, as it requires close cross-functional and inter-company cooperation to address issues such as the following: environmental protection, improved productivity, risk minimization, and innovation. Obviously, all actions must be aimed at satisfying the expectations of the relevant suprasystems (Golinelli, 2010), mapped according to the indications given in the methodology.

This reading facilitates the adoption of sustainability in a company as an intrinsic necessity of the system's survival conditions in its own viable context. In particular, it allows us to return to a unitary and broad perspective of sustainability and the conditions of equilibrium of the system at different levels of observation.

In the actions of the viable system, as we hoped, it becomes increasingly clear that the determinants of the processes are not only mechanistic but also of a finalistic type. In the succession of system-related events, considering the choices of the decision makers who govern the addresses, the identification of the goal and the tendency to achieve the same determine conditioning at least as important as that deriving from the choices made in the past.

In this representation, dynamically, the viable system seeks to preserve stability through phases of balancing and rebalancing (Table 3). In some cases, the solution can be found in a simple extension of the functional capacity of the component (elasticity). When the need for adaptation exceeds the specific role played by the components and concerns the function performed, the case of transformation arises. The intervention requires "flexibility", that is, the ability to revise the role on the basis

Table 2 Initiatives for social and environmental sustainability

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
De Beers Group	– Developed 7 pillars for socio-economic development: (*local procurement, local employment, employ volunteering, external capacity development, enterprise development, synergies with infrastructure, corporate social investments*) – HIV/Aids programme – Member of the World Diamond Council delegation respects UN Guiding Principles on Business and Human Rights (GPBHR) and the Voluntary Principles on Security and Human Rights (VPSHR) – Internally integrated processes for human rights due diligence into the Social Way and BPPs – In 2016, in partnership with the Limpopo Department of Transport, launched a road safety campaign pilot called "Choose life" – They focus preventative efforts: Noise, airborne pollutants (Respirable Crystalline Silica, and coal dust), Musculoskeletal diseases (absenteeism related to ill health decreased to 1.91% compared with 2.18% in 2015) – In 2015, launched a "Leader as Coach" programme to help address areas identified for improvement, including communication and leadership	– Launched the programme researching the potential of carbon-neutral mining – *Good to Great (G2G)* is an improvement plan, running from 2013 to 2018 (safety, occupational health, environmental and social performance disciplines) – Six's Diamond waste water treatment system (*saved 0.3 billion liters of water, 0.8 million gigajoules of energy and 73,000 tonnes of CO_2 emissions since 2014*) – Cut energy usage (*saved US$10.6 million*) – Signed a partnership agreement with #Oab Energy to install a wind farm (will provide 17% of Namdeb's total electricity use) – Developed a native seed collection, propagation and planting partnership at Victor mine in Canada – "*Project Terra*": addresses key water, energy and carbon emission challenges through a set of long-term impact reduction targets: by the 2020 to reduce water usage 20%, energy use 8% and carbon emissions 9% – "*Project Minera*": favors the carbon neutral mining – Hosted or attended a number of forums for the Biodiversity and conservation (i.e. The Biodiversity Mitigation), Hierarchy Workshop, The IUCN World Conservation Conference 'Planet at the crossroads' (submitted an i-poster)	'Our economic and social Impact report Building forever", 2016 available at https://www.debeersgroup.com/content/dam/de-beers/corporate/building-forever/RtS/DeBeers_RTS_2016.pdf. downloadasset.pdf

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
Lucara	– *Behaviour based safety* (BBS) program – Promote a "*Stop & Fix*" policy to encourage the people to address or report risks as soon as they are spotted – Launched a campaign called "*Clean Slate*": encourages employees to manage their lives in the areas of health, safety and wellbeing; it covers four main themes: (1) Stress-free environment (2) good state of mind (3) good financial wellness (4) zero harm – Developed (updated 2016): "*Karowe Diamond Mine Cardinal Sins*" (Reckless Driving, Overtaking on haul roads, Engaging in physical fighting, Rendering safety devices inoperable, Concealing an incident or injury on duty, Operating plant without authorization or failing to complete pre-start checklist, Working on equipment/machinery willfully without lockout or isolation, Coming to work under the influence of intoxicating substances) – Created a culture of health promotion for all employees and workers in an effort to prevent workplace injuries and occupational diseases. Topics covered include: HIV/AIDS, tuberculosis, diabetes, and hypertension (*No noise induced hearing loss or other occupational diseases cases were recorded in 2016*)	– The environmental policy includes: conduct all activities in compliance with the *Environmental Management Plan*, applicable legislation and other requirements, apply international best practices in the absence of legislation (guided by the Equator Principles and International Finance Corporation Guidelines), integrate the management of environmental, social, cultural and economic issues into company business practices and planning, wise use of resources, prevention of environmental impacts, including pollution prevention, implement, maintain and improve environmental management systems, communicate openly with government authorities, employees, local communities and the public on our environmental commitments and performance – The environmental management plan is developed in accordance with Botswana's Environmental Impact Assessment Act (2011) and EIA Regulations (2012) (updated in January 2016). The plan is aligned to ISO 14001 – In 2005 founded, the Lundin foundation: strengthening resource governance, Education and skills training, Local procurement	"Lucara Diamond Sustainability Report", 2016 available at https://www.lucaradiamond.com/assets/docs/responsibility/Lucara%20Diamond%202016%20Sustainability%20%20Report.pdf

(continued)

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
Rio Tinto Group	– Invests in people throughout their careers, offering diverse and inclusive employment prospects, development opportunities and competitive benefits clearly linked to performance – *Critical risk management programme*- crucial to achieving fatality prevention goal – Work with local governments and health organisations to educate employees, contractors and communities surrounding our operations about vector-borne and infectious diseases such as tuberculosis, Ebola, malaria and HIV/AIDS and Zika – Implemented the code of conduct "*The way we work*" – Their approach is consistent with the code of conduct, local laws and International Labour Organization standards. – The *Communities and Social Performance (CSP) standard* guides how they maintain their community relationships. These are aligned with international guidelines, such as the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability and ICMM's Position Statement on Indigenous peoples and mining. – Created *Developing East Arnhem Limited* DEAL to generate new economic activity in the East Arnhem region following curtailment of the Gove Alumina Refinery – Launched the second Reconciliation Action Plan (RAP): outlines how deeper engagement between Indigenous communities is built – They have our own human rights policy and have made voluntary commitments to the OECD Guidelines for Multinational Enterprises, the UN Global Compact and the Voluntary Principles on Security and Human Rights (VPSHR) – The human rights approach is consistent with the UN Guiding Principles on Business and Human Rights (UNGPs)	– In 2015, the GHG emissions intensity target was extended (*to a 24% reduction by 2020*) – Learns how to integrate renewable energy sources with small and remote power grids through the 1.7 MW Weipa solar farm project in Australia – Participates with the International Emissions Trading Association, ICMM, the Minerals Council of Australia and the US-based Center for Climate and Energy Solutions (C2ES) – Support research into carbon capture and storage and low emissions technologies for coal by contributing to the Cooperative Research Centre for Greenhouse Gas Technology and the Australian COAL21 Fund – Contributes to the Australian Coal Association Research Program which conducts research into the production and use of black coal, including low-emissions coal use – During 2016 further improved the water governance and planning processes following a detailed analysis of the water-related risks – Minimizes the biodiversity impact through the approach which is consistent with the Cross-sector Biodiversity Initiative's (CSBI) guide for implementing the mitigation hierarchy of avoidance, minimisation, restoration, and offsets – Uses the Integrated Biodiversity Assessment Tool before seeking tenure for exploration – In collaboration with the International Union for Conservation of Nature (IUCN) they documented and shared the NPI learnings with past partners (will be soon available for wider communication)	Partnering for progress Sustainable development report, 2016 available at http://www.riotinto.com/documents/RT_SD2016.pdf

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
Dominion Diamond Mines	– Upholds an integrated approach to corporate responsibility that encompasses all aspects of responsible business. The commitment is guided by the principles of social responsibility, environmental stewardship and economic sustainability – Every CanadaMark™ diamond is: Responsibly mined in Canada's Northwest Territories; Natural and untreated; Tracked through audited processes at every stage from country of origin to polished stone; and Meets specific quality standards – People are believed to be the most important asset (the company is fully committed to the health, safety and well-being of employees and to establishing strong, lasting and respectful relationships with the people and communities) – Works collaboratively with Aboriginal and local community leaders, stakeholder groups and governments by sharing information and engaging to better understand their needs and expectations	– The Company is fully committed to ensuring our northern mines continue to be an important cornerstone of the Northwest Territories economy – They report regularly on our progress in fulfilling our obligations to stakeholders – As part of the overall commitment to excellence, they set measurable goals, improve performance against those goals over time and report that performance in a transparent and timely manner	https://www.ddmines.com/responsibility/ Sustainability report n/a
Alrosa	– Contributes to the sustainable development of the regions where they operate, and to the wellbeing of their communities – Three key strategic sustainability goals, integrated into the business: minimizing the negative impact of industry on the environment; *rational use* of mineral resources; resource conservation; and compliance with international ecology and environmental protection standards, taking responsibility for social issues including safety, health, and professional staff development; the social and economic well-being of the population; and supporting local communities and charities – Social investments focus on providing targeted support for children's institutions, cultural and sports facilities, education and academic communities, and public health. (RUB 3.6 bn)	– Allocated over RUB 60 million to establish a protected territory, the Living Diamonds of Yakutia Natural Park – Under the "Restoration of Biological Diversity' program" introduced populations of beavers, musk oxen and buffalo into Yakutia – Long-term Development Program of ALROSA for 2012–2021 involves the following priorities of the Company's environmental activities: *development of projects* and construction of sites for the accumulation and storage of industrial and consumption waste in accordance with the environmental requirements in all subdivisions of the Company; *selection and implementation* of technologies for recycling and disposal of industrial and consumption waste; further large-scale implementation of schemes for dry stacking of concentration tailings	http://eng.alrosa.ru/sustainability/ Sustainability report n/a

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
	– Supports the "diamond province" in the performance of agricultural and traditional fishing and hunting activities aimed at the revival of national cultures and preservation of historical values – By providing financial assistance to municipalities, and by organizing charitable campaigns for the children in sponsored uluses, ALROSA promotes employment of the population and their higher earnings making a considerable contribution in improvement of the social stability in the whole rough diamond production region – Supports tribal communities of reindeer herders and fishermen: annual financial assistance is provided for agricultural activities, support and development of traditional fishing and hunting activities, procurement of off-road vehicles, fishing gear and hunting equipment – In 2016, for the purposes of charity ALROSA transferred RUB 20 mn to the Administration of Olenek Evenki national district municipality for construction of the Ethnocultural center in the village of Olenek – In order to provide rational employment to indigenous rural residents (in the villages of Arylakh, Syuldyukar and Taas-Yurakh), the company structure includes a multipurpose farm—the "Sovkhoz Novy" that is engaged in production and supply of organic "live" milk, eggs and meat to satisfy the needs of employees of the company, as well as the needs of kindergartens and schools, including free sale of the products to the population of the area – Developed a policy aimed at recruiting local personnel, programme of pre-university career guidance, training and re-training of employees in accordance with the company technical development programme – Continuously educate the personnel on the basis of a corporate staff training and education system	– In 2016 ALROSA signed an agreement with the Ministry of Natural Resources and Environment of the Russian Federation, the Federal Service for Supervision of Natural Resources and the Government of the Republic of Sakha (Yakutia) on collaboration in organizing and implementing the environmental measures associated with the Year of Ecology in 2017 in the Russian Federation (*the Company is planning to invest RUB 71.6 mn in the construction and reconstruction of water protection deposits*) – In 2016, the Company approved the *Energy Efficiency Improvement Program* of PJSC ALROSA for the period of 2016–2019 (*considerable reduction of fuel and energy resource consumption and the expected economic effect*) – At production sites of Mirny and Aikhal, automobile gas-filling compressor plants have been put into operation making it possible to fuel more than 1000 vehicles (which has a positive effect on the atmospheric air indicators in the region of the main production activities) – ALROSA participates in the activities aimed at preservation of the traditional lifestyle of the small-numbered indigenous peoples of the North and maintenance of biodiversity of local ecosystems – Near to the Company's structural subdivisions, there is a Yakutia Diamonds Live natural park created as a result of an agreement with the Ministry of Nature Protection of the Republic of Sakha (Yakutia) (The Yakutia Diamonds Live is the main project aimed at preservation of the biological diversity in the region of main activities of the company) – In 2016, the Company provided financial assistance for preservation of biological diversity (amounting to RUB 6.3 mn, including *RUB 3.7 mn for operation of the Yakutia Diamonds Live natural park and RUB 2.6 mn for reservoir fish stocking*)	

(continued)

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
	– Has an extensive social package including some benefits and privileges inscribed in the collective agreement, well beyond and above Russian laws – Works with young specialists, fringe benefits and privileges for young employees, which are inscribed in the collective agreement, and social programmes and infrastructure (kindergartens, cultural and sports facilities, etc.) – Since 2017, promotes the voluntary medical insurance of employees (*in 2016, 289 million rubles were allocated to finance the «Health» program*) – In accordance with the *"Wellness and Recreation of Employees and their Children"* program the employee has the opportunity to get a preferential ticket for health resort treatment and recreation in health institutions (*corporate vouchers for wellness and recreation were used by 14,350 people), including* feud children's recreational outings to leisure resorts situated on the Black Sea coast (*more than 200 million rubles are allocated annually for organization children's recreation*) – In 2016, social investments in personnel under the program "Wellness and Recreation of Employees and their Children" (*amounted to 1.018 billion rubles*) – In accordance with the Mortgage lending program for ALROSA (PJSC) employees for 2011–2018, employees who purchase housing at their own expense receive targeted corporate support which includes compensation for expenses related to payment of mortgage interest for acquisition of ownership living quarters. (*There are 476 participants in the mortgage lending program. In 2016, company's employees were provided with expenses related to payment in the amount of 57.1 million rubles*) – The Cultural and Sports Complex of ALROSA includes 14 sports facilities, 8 cultural institutions, and 6 facilities for children and adolescents having a rest in summer (*in 2016, 146.9 million rubles were allocated to finance the "Culture and Sports" program*) – The *Private Pension Plan program* (*In 2016, 18,597 people received ALROSA's non-state pension. The average monthly pension amounted to 5268 rubles*)		

(continued)

Table 2 (continued)

Firm	Corporate responsibility for the social sustainability	Corporate responsibility for the environmental sustainability	Source
Mbada Diamonds Ltd[a]	– Distributed food to Chiadzwa and Mukwada Communities for $500,000 – Distributed farming inputs to the 7000 families in Chiadzwa & Mukwada Wards to alleviate hunger for $350,000 – Installed 60 boreholes for the Chiadzwa/Mukwada Community for $420,000 – Constructed Mafararikwa School in Marange for $200,000 – Maintained and refurbished access roads for $100,000 – Offered schools supplementary feeding for $100,000 – Supported orphanages from Chiadzwa and Mukwada – Procured the company daily needs from suppliers in Manicaland – Employed all the unskilled labor from the local villages – Donated food and blankets for the disabled children at the school	– n/a	www.reclam. co.za/pdf/ mbada_csr_ report.pdf

Source Our elaboration based on websites, sustainability reports and online researching

[a]The website of Mbada Diamonds Ltd. is not published online; neither domains registered Mbadadiamonds.co.za and Mbadaholdings.com) cited by the Global Witness (2017) are available nor the information about efforts towards environmental responsibility are evidenced. After the Zimbabwean government took over the operations, all mining operations were consolidated into one company called Zimbabwe Consolidated Diamond Mining around 2015/2016. The activities here reported are extracted from the online report. In the unique Mbada CSR Report available (at http://www.reclam.co.za/pdf/mbada_csr_report.pdf) the social aspects, that often lead to its philanthropic understanding, are extensively reported by Mbada Diamonds, it seems that the environmental aspects are the priority for Mbada Diamonds. Probably because, as shown by Chimeri (2016) they are not mandatory; however, the mismanagement of mineral resources, environmental degradation, pollution of water systems caused by the mining industry are known to all operators

Table 3 The steps for the rebalancing of viable systems

Adaptation	*Elasticity*—Action on the specific structure
Transformation	*Flexibility*—Action on the expanded structure
Physiological restructuring	*Plasticity*—Action on the general organizational scheme
Pathological restructuring	*Conservability*—Action on the business idea

Source Barile, Saviano, Polese, & Caputo (2015)

of the function performed. It is important to note that interventions in flexibility, once they are experienced, create new patterns (new skills), and they tend to be counted among the "available benefits" arising from new features. These new features change the traditional design logic-specific structures aimed at obtaining a certain result and introduce new resolutive methods (Saviano, 2015).

The rebalancing of the viable system can also be achieved by more drastic approaches than those of adjustments and transformations. In the case of physiological or pathological restructuring, the principles invoked are respectively those of plasticity and conservability.

We suggest interpreting SSCM as a pathological restructuring of firms because the idea of sustainability requires a profound change to allow a paradigmatic leap. Restructuring involves re-examining the strategic focus against the backdrop of a changing business environment. True long-term success depends on forging an approach that balances essence and power and acts as a scheme that reinterprets the triad proper into modal logic, necessity, possibility, and effectiveness. A review and possible refocusing of the supply chain will ensure that all the operational measures support the strategic goals. At the same time, flexibility and the ability to respond swiftly to new developments are essential for all business functions (i.e. for the accounting function, the necessity to adopt "integrated reporting"; see Cucari & Mugova, 2017). A good example of this kind of strategic refocus is also occurring at the board level with a greater awareness of environmental and social governance issues (Cucari, Esposito De Falco, & Orlando, 2018; Nielsen & Noergaard, 2011; Tang, Hull, & Rothenberg, 2012). The results confirm that the producers have understood the importance of this relevant change and interpreted the challenges as a strategic goal (i.e. Alrosa—"As a member of the international community, we understand that the assessment of the overall performance depends on the extent of our responsibility before society and the environment").

The analysed companies participate in the relevant global, national, and regional organizations, initiatives, sustainability standards, and management approaches to improve the performance activities promoted by the industry as a whole (i.e. membership of the RJC and adherence to the Kimberley Process Certification Scheme), and they are among the founding members of the Diamond Producers Association (DPA). They communicate their engagement with the corporate citizenship and sus-

tainable development through the release of sustainability reports (De Beers, Lucara, and the Rio Tinto Group) or by creating sustainability sections on their websites (Alrosa and Dominion Diamond Mines). The efforts are implemented within the companies and in their supply chains. De Beers's "Best Practice Principles programme", based on partnership logic, permits it to benchmark activities across the value chain and ensure that the supply chain is free from diamond conflicts. Dominion Diamond Mines assures the integrity of the supply chain of Canadian diamonds from mine to retail through the CanadaMark™ ("Dominion Diamond Mines is committed to ensuring that all aspects of its business—including diamond mining and the sale of rough diamonds—reflect the highest standards of conduct"; Alrosa—"The Company is committed to operating in a sustainable manner and with the utmost integrity to enhance the positive economic, environmental and social impacts of its business while maximizing the resources it mines"). The companies maximize local procurement (i.e. in 2016, 82% of Lukara's goods and services were sourced from Botswana; De Beers created a 7-pillar socio-economic programme) as well as local employment. The companies care about long-term socio-economic benefits for the communities in which they locate their operations (Alrosa—"We see social policy as core to our operations", Lucara—"Corporate responsibility is central to our strategic and operational thinking"; De Beers—"We focus on creating lasting socio-economic benefit wherever we operate"; "The Social Way requires that operations are aligned with a human rights 'lens' in assessing and managing social risks and impacts"; Dominion Diamond Mines—"We maintain a high standard of environmental stewardship throughout all phases of our operations"). This significant involvement in the social and environmental has been recognized by external entities. In March 2016 Lucara received a major international award for environmental and social responsibility, the Rio Tinto Group partnership with the Northern Territory Government, Developing East Arnhem Limited (DEAL), won a National Economic Development Excellence Award for best rural and remote initiative, and in 2015 Namdeb (Namibia De Beers) was declared the winner of the Chamber of Mines Safety Competition, recognizing the company's safety commitments and achievements. However, the research on the company operating in Zimbabwe's diamond sector was strongly compromised. Even though Marange is considered to be one of the world's biggest deposits of diamonds, thus constituting a profitable area for the mining of diamonds, it has been characterized by many conflicts in recent years. Unfortunately, as stated by Mbada Diamonds' chief security officer, Jabulani Mkoko, "Marange's potential has been overshadowed by violence, smuggling, corruption and most of all, lost opportunity" (Zimbabwe Situation, 2018).

5 Conclusion

From this first exploratory analysis some conclusions can be drawn. Observing the positive trend in the global demand for the diamonds and raising awareness of the consumers, the efforts of companies toward the corporate social responsibility will

be constantly more required. Due to the necessity of implementation of CSR strategy in the mining sector, we propose a study of analyzing initiatives of CSR of six diamond producers, members of Responsible Jewellery Council. In this way, results show a set of initiatives that producers operating in the diamond supply chain may implement in order to contribute to the corporate social responsibility. Based on this assumption, the perspectives of sustainability and viable system are intertwined in this viable system approach highlighting not a few trade-offs that certainly make complex Sustainable Supply Chain Management. What has been said so far does not claim to express conclusive conceptualizations with respect to the possibility of developing a new perspective of an investigation, capable of explaining decisional dynamics and managerial choices. However, it is believed that the coherence guidelines found are not negligible and therefore sufficient to favor the possibility of a further commitment by a community of scholars with interdisciplinary skills and competencies, to explore the frontiers of knowledge related to dynamics of organizations. Future work might improve this framework by taking a different research methodology perspective. This might allow specific features to be identified in greater detail.

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Theory and Practice of Corporate Social Responsibility in a Developing Country Context

Kameswari Peddada and Nawal Abdalla Adam

1 Introduction

CSR was a term coined in early 1970s, but the underlying concept dates back thousands of years. The ideal 'Confucian Entrepreneur' of China, who followed profit with integrity and commitment to community's progress, the spirit of social service rekindled with advent of Buddhism in India, and 'Zakat' system of social security introduced in the wake of Islam in the Middle East are some examples. The spirit has followed arrival of Christianity and then industrialization in the West.

Various concepts and themes overlap the CSR, like corporate citizenship, sustainable business, environmental responsibility, triple bottom line, social and environment accountability, business ethics, and corporate accountability (Jana Foundation, 2014). Profit maximization is the primary motive of capitalist economy. Co-operational capitalism is newly emerging, where focus is on cooperation, accountability and social values, besides profit. Profit optimization became more important than profit maximization, with shift in accountability from shareholders to stakeholders (like employees, consumers, local communities and society). It is realized that long-term business success can be achieved only by companies that recognize economy as an "open subsystem of the earth's ecosystem, which is finite, non-growing and materially closed".

CSR is a corporation's initiatives to assess and take responsibility for the effects of its activities on environment and wellbeing of local community (CSR-Investopedia, 2017). It includes efforts beyond requirements of regulators or environmental protection groups. It involves costs without immediate financial benefit to the company,

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but promotes positive social and environmental changes. There are several definitions of CSR by the World Business Council for Sustainable Development, European Commission and the I.S.O. (World Business Council for Sustainable Development, 1998; European Commission, 2002; I.S.O., 2002), but none is precise and universally accepted (Tilakasiri, Welmilla, Armstrong, & Heenatigala, 2011; Sandhu, Pathak, & Pathak, 2013). Going into the intricacies of CSR definition is beyond the scope of this chapter.

There are some glaring examples of corporate irresponsibility. Large multinational corporations are immensely powerful. They have the potential to harm nations, local communities, environment and climate. Some examples include: the U.S. business interests deposing the Queen of Hawaii' in 1893 and annexing it into US territory, the decimation of local vulnerable communities as in Amazon rain forests, and the harming of eco-system through oil spills and chemical effluents by petroleum and chemical industries. Smaller companies in developing nations are also follow this.

Some companies began balancing the pursuit of profit with commitment to an ethical conduct, like giving money to charities, pressuring governments and companies to treat people and resources more ethically, investing in local communities to offset negative impact of their operations (like building schools, a medical facility, or improving irrigation and sanitation), and investing in research and development in sustainable technologies. These are accounted for in the "triple bottom line" (social, environmental and economic consideration). Supply chains have now emerged as the focus of CSR. There is a gradual shift in CSR outlook from mitigation of the damage inherent in doing business. Many consider profit and socio-environmental benefits to be inextricable. Many large companies devote time and money to sustainability and social welfare programs. In 2010, the International Organization for Standardization released ISO 26000 standards to help companies implement CSR.

Despite preexisting in concept for several centuries a shift in the focus of CSR occurred from charity and philanthropy to direct engagement in development, and concerns for disadvantaged groups in society. Societal progress was realized necessary for sustainable business growth. Ideal CSR has ethical and philosophical dimensions, and is more relevant amidst gross disparities in income, standards of living, and socio-economic status among sections of people in developing countries.

CSR has different perspectives. It is a new business strategy to reduce investment risk and maximize profits by taking all stakeholders into confidence (a business perspective). It is both a value and a strategy for long-term sustainability of markets and businesses through social and environmental stability and sustainability (an eco-social perspective). It stresses accountability and transparency as stakeholders' right, and social and environmental investment as its major features (a rights-based perspective).

CSR is not a burden, but a prerequisite for success, as it: (a) strengthens relationship between companies and stakeholders, (b) enables improvements and encourages innovation, (c) attracts the best industry talent being socially responsible, (d) motivates employees, (e) mitigates risk through effective corporate governance framework, and (f) enhances ability to manage stakeholder expectations.

CSR is "the ethical principle that an organization should be responsible for how its behavior might affect society and the environment". It progressed from traditional economic and legal aspects to ethical and philanthropic aspects and for its fulfillment all the four responsibilities should be sequentially met. CSR is "a company's sense of responsibility to the community and environment", both ecological and social, in which it operates (as per Business Dictionary). Supply chain is the process wherein several organizations, including suppliers, customers and logistics providers, work together to provide a value package of products and services to the end user, the customer. CSR in supply chain is a hot topic.

1.1 Corporate Social Responsibility Initiatives

- Corporate philanthropy: direct or indirect donations for charity, like cash, goods and services
- Community volunteering: by employees for a non-profit organization
- Socially-responsible business practices: like ethically produced products
- Cause promotions: company-funded advocacy campaigns
- Cause-related marketing: donations to charity based on product sales
- Corporate social marketing: company-funded behavior-change campaigns.

1.2 Common Corporate Social Responsibility Actions

- Environmental sustainability: like recycling, waste management, water management, renewable energy, reusable materials, 'greener' supply chains, reducing paper use and adopting Leadership in Energy and Environmental Design building standards.
- Community involvement: including raising money for local charities, providing volunteers, sponsoring local events, employment for locals, supporting local economic growth, and engaging in fair trade practices.
- Ethical marketing: higher value on customers and not trying to manipulate or falsely advertise to potential consumers.

1.3 Assessment of Business Benefits

Businesses should adopt non-financial measures of success. While benefits are hard to quantify, some found correlation between socio-environmental and financial performances. Business benefits include triple bottom line, human resource benefits, risk management, brand image, reduced scrutiny, and better supplier relations.

1.4 Criticism and Concerns Over Corporate Social Responsibility

- Some feel that Governmental regulation and enforcement is a better alternative, as decision making and resource allocation are in public domain. Others feel that government-mandated social responsibility programs interfere with individual plans and preferences, distort resource allocation, and increase irresponsible decisions.
- Distraction from ethical questions on core operations and reputational benefits show the hypocrisy of a company's CSR approach.
- CSR is motivated by manager's personal interests, but at the cost of shareholders.
- CSR provides legitimacy to businesses. A high-cost socially undesirable behavior is offset by a small CSR spend. Philanthropic acts of tobacco, alcohol and arms companies, which harming consumers and environment, complicate their CSR assessment.
- A social movement against unchecked corporate power is being transformed into a 'business model' and 'risk management' device for a capitalist legitimacy.
- Feigning interest in CSR while pursuing questionable activities: Combining corporate and social responsibilities is an oxymoron to some, while others feel that CSR is a distraction from lawful pursuit of profits and hurtful to the bottom line. While some others feel that responsible initiatives increase brand loyalty and profits amidst a spreading ethical consumer culture.

2   Corporate Social Responsibility in the Developing Country Context

Studies of theory and practice of CSR in developing countries are scarce (Jamali & Mirshak, 2007; Tilakasiri et al., 2011). Valid conclusions and suggestions from the available studies shall benefit developing countries in their CSR programs.

Applicability of research findings and practices of developed countries to developing nations is limited (Tilakasiri et al., 2011) due to the differing roles for businesses and different national priorities. Reasons for adaptation to developing country needs include: 1. Dynamic changing economies, 2. Many social crises and environmental disasters, 3. Impact of globalization, economic growth, investment, and business activity, 4. Different tradeoff issues between development and environment, job creation and higher labor standards, and strategic philanthropy and political governance, and 5. Other problems being faced, like HIV/AIDS, bad working conditions, lack of basic services, poor supply chain integrity, and rampant poverty. The players deciding the CSR priorities are 1. State (by suitable legislation for health, safety and environment through factories act, mines act, and pollution control act), 2. Community (supervision through organizations, like NGOs), and 3. Markets (ensuring ethical business practices).

2.1 Basis for Developing Country Corporate Social Responsibility Standards (Tilakasiri et al., 2011)

1. Formal practices by large national and international companies
2. Company issues, like fair trade, supply chain, HIV/AIDS problems, and sector-specific issues
3. Philanthropy (education, health, sports, development, environment, and community services)
4. Social impact through economic contributions
5. Business view of CSR as a government responsibility
6. Cultural values and religious concepts.

Developing country CSR would be a catalyst for new CSR frameworks and business models. Activists, corporate entities, funding agencies, standards-bodies, and media (participants in developed world CSR) should be cautious when dealing with developing countries (Visser, 2003). Multi-National Corporations (MNCs) should realize CSR as a grassroots activity, set own development priorities and responsibilities, and be aware of developing world contexts.

3 'Myths' Regarding Developing Countries (Tilakasiri et al., 2011)

1. "Economic growth not good": Developing countries, unlike the developed ones, still need growth to improve social development and environmental sustainability.
2. "MNCs, the biggest sinners": MNCs, in media scanner and the reach of law, get slammed for any transgressions, which are exceptions and not the rule. They have great potential for good.
3. "MNCs, the biggest saviors": MNCs are neither worst offenders, nor saviors! Micro, small, and medium enterprises, being labor-intensive and by location, have greater impact on local development.
4. "Developing countries hate MNCs": Developing countries, struggling to come out of mere subsistence and self-sufficiency, need MNCs for better goods and services of choice.
5. "CSR is the same all over": Priorities of development differ for developed and developing worlds. Imposing the former's over the latter would be out of context and disastrous.
6. "Developed countries lead in CSR": Developing countries have lead in some areas by inherent strengths (level of public participation and stakeholder engagement at community level).

7. "Codes ensure responsibility": Global codes are good, but ignore pressing needs and grass-root conditions in developing countries. No good performance can be expected from enforced compliance!

3.1 Reasons for Distinctiveness of Developing Country Corporate Social Responsibility

The 5 reasons identified for distinctiveness of CSR in a study on the developing countries (Jamali & Karam, 2016) were: (1) Institutional factors, (2) Macro-level factors, (3) Multiple actors involved in governance, (4) Hybrid forms of CSR, and (5) Consequences.

3.2 Institutional Pressures on Developing Country Corporate Social Responsibility

Developing world Companies have to mold their CSR (Willi, 2014) in response to:

1. Coercive pressures from local MNCs, international markets, and the state (to least extent)
2. Normative pressures from institutes for sustainability, accreditation, evaluation and standards, chambers of commerce, industry associations, MNCs and the state
3. Cultural-cognitive pressures from (a) Immigrants, family traditions and religious values, and (b) Globalization, global trends and new generations.

4 Corporate Social Responsibility Practices Among Some Developing Countries

For the theory and practice of CSR in the developing country context, an Asian country of the Middle East, Lebanon, and a resource-rich African country, Nigeria, were chosen for comparison with Zimbabwe (of southern Africa).

4.1 Lebanon

Lebanon is a small Asian country in the Middle East, which has suffered civil wars, Syrian occupation and influx of Palestinian and Syrian refugees. It became fully independent in 1945. It has a parliamentary democracy that includes confessionalism, in which high-ranking offices are reserved for members of specific religious

groups intended to deter sectarian conflict and to represent fairly the demographic distribution of the 18 recognized religious groups in government. An assessment of corporate social practices in 8 selected CSR-active organizations in Lebanon (Jamali & Mirshak, 2007) has concluded 1. A lack of a systematic, focused, and institutionalized approach to CSR, and 2. CSR still being viewed in the philanthropic context. None had clear targets, rigorous metrics, and due diligence in pursuit of CSR. Lebanese post-war scenario with fiscal imbalances, private companies struggling to survive, limited regulatory capacity, and nascent community organizations did not provide motivation for a sustainable CSR. Badly needed private sector initiatives were derailed by unfavorable socio-economic and political conditions. To take CSR forward, Lebanon needed a more systematic planning and stronger determination of private sector, concerted effort and collaboration between the private, public, and NGO sectors, and leveraging of the strengths and resources of all partners.

4.2 Nigeria

Nigeria is the most populous African country. Poverty amidst plenty, environment negligence and corruption characterize its economy. CSR studies were mainly on MNCs and a few on indigenous firms. An exploratory study without any normative stance (Amaeshi, Adi, Ogbechie, & Amao, 2006) was conducted on CSR.

Nigeria was an amalgamation of tribes, cultures, languages and religions. Internal tensions flared up between tribes into a civil war from 1967 to 1970. Tribal militarization left it low in all indices of development. Nigeria had abundant natural and human resources. Large dependence on oil resource has destabilized the strong economic base of the country, and devastated the areas of oil extraction, especially the Niger-Delta region. Main sources of people's livelihood, rivers and farmlands, were polluted and destroyed, often leading to conflicts between oil firms and host communities. Nigeria has poor human and infrastructure development. Public sector was very weak and corruption was quite high. Constraints to business deterred foreign entrepreneurs from investing. Many Nigerians took their money and skills abroad. Government and oil MNCs ignored social justice and environment protection.

The findings of the study were:

1. Distinctive features of the Nigerian society had significant impact on CSR, as firms were socially embedded.
2. Dependency of local businesses in Nigeria on the Western models impacted the understanding and practice of CSR.
3. Some Nigerian banks having presence in other African countries appeared to invest more on CSR. It would be interesting to see how internationalization would impact their CSR practices in Zimbabwe.
4. MNCs and local firms modeled after MNCs, being not embedded in the society and culture, viewed the local society as arena for philanthropy and nothing more.

4.3 Zimbabwe

Zimbabwe is a landlocked country in southern Africa. It is resource-rich with 66 minerals, including gold, platinum group metals (with some of the world's largest platinum reserves), diamonds, chromium ore, nickel, copper, iron ore, coal, coal bed methane gas, natural gas, Uranium, vanadium, tin, lithium, pegmatite minerals, vermiculite, graphite, chrysotile asbestos and dimension stones (Zimbabwe's Mineral Potential Brochure, 2018).

4.4 Zimbabwe and the Marange Diamond Fields

Zimbabwe (Political Context-Zimbabwe, 2010) was a British colony (1888–1964). Then there was a universal Declaration of Independence in 1965 by a White Minority Government. After a prolonged civil war against the illegitimate Government, the country became independent in 1980. It became a republic with a presidential form of government and under Robert Mugabe's authoritarian regime (1980–2017) human right violations were widespread. Economic decline started in the 1990s, with financial crises and hyperinflation. The nation went through 3 periods of wide policy swings after independence (Methende & Nhapi, 2017): 1. Interventionism (1980–1989), 2. Economic Structural Adjustment Program (1990–1999), and 3. Reactive Management (2000–2017).

Marange Diamond Fields (Marange-Wikidiamond, 2017), discovered in 2006, were considered the biggest diamond find of the century, one of the largest diamond projects with 12 million carats production in 2014.

Special Features of Marange Mining: It is spread over 377 km^2 in Chiadzwa, Mutare District, in Manicaland Province. The fields had alluvial deposits, where diamonds on earth's surface were easily collected with light mining equipment, like shovels, sieves and even bare hands. Other large projects (open-pit or underground) required advanced engineering and heavy equipment worth billions of dollars. But alluvial projects have a shorter life span (Kitco, 2014). Marange, discovered in 2006 and formally mined in 2008, has already been facing diminishing yields. Equipment upgrade was not economic. The diamonds were among world's least valuable on per-carat basis, with a large percentage fit only for industrial use. Because of small size, lower quality and trade sanctions, they traded at a discount. After surface diamonds get exhausted, the projects might not be viable.

Controversies Surrounding Marange Diamond Fields (Marange- Wikidiamond, 2017): They were due to illegal mining and frequent government raids. Numerous entities sought to exploit the mines, ignoring the interests of original inhabitants. In December 2006 the Government took over the mining rights, displacing the African Consolidated Resources. Illegal mining became still more rampant. Both Government and private companies were blamed for disregarding human rights. Militia forces (police/army sponsored) raided several times killing hundreds of civilians and

committing various atrocities around 2008. Many were forced to work under atrocious conditions (claimed by NGOs; denied by the Government). The Government pledged to remove militia from the area, and stated that the Marange diamond fields would soon be transferred to a private entity. Formal commercial mining in Chiadzwa caused environment degradation and human displacements without resettlement or social management plans.

Studies on CSR in Zimbabwe (Methende & Nhapi, 2017): There were no comprehensive studies since 2000. A study was undertaken on four resilient sectors of the economy (extraction, retail, telecommunications, and banking) in two communities with CSR programs. The objectives related to CSR were: 1. Historical analysis, 2. Investigation of push and pull factors, 3. Experiences of communities on programs, and 4. Recommendation on best practices. Relationship between financial and non-financial determinants of social responsibility was analyzed. It elucidated the trajectory taken by and the limitations of CSR in Zimbabwe and examined dominant CSR narratives marred by implementation complexities.

The economy was too weak to provide for social welfare of the people. Irresponsible capitalism by foreign investors was reported. Investors, especially Chinese, were blamed for 'reaping without sowing' and causing 'wanton environmental destruction' for 'primitive accumulation of capital'. They failed to improve the lives of local communities or protect the environment, and adopted a 'militarized capitalism'.

Some corporations still undertook CSR programs without mandate. Mining was instrumental in development of rural communities and many towns. If mining companies were incentivized to take on more social responsibility, a lot could have been achieved.

Many companies operated without "social license", and implemented no significant CSR projects causing resentment among community members. Mbada Diamonds, despite surpassing US$1 billion in profits since beginning operations in 2010 had only invested a little over US$1 million into surrounding communities. They only completed 100 housing units for relocation of affected families, but refused to compensate families forcibly relocated by the Government, nor fulfilled the promise of drilling boreholes for all relocated families. The schools built had few classrooms and lacked adequate furniture. The villagers were languishing in poverty. Infrastructure was primitive with gravel roads and dilapidated schools. It was a common sight to see young males (called panners), some in early teens, risking life and limb for diamonds, and then squandering illegally acquired gains on alcohol and sex.

The mining firms (Marange Resources, Mbada Diamonds, Diamond Mining Company, Anjin and Jinan) pledged an initial seed money of $1.5 million, when the Zimuto/Marange Community Share Ownership Trust (CSOT) was launched in mid-2012. They were supposed to contribute $50 million, at $10 million each, to the trust. It was reported that only Mbada and Marange deposited a combined $400 000 into the trust's account by 2014. At the launching of the trust a cheque of $1.5 million was given, but the money never materialized. Out of the $417,598 (including interest from the deposit) the six-member trust leadership spent over $45,000, $31,000 of which was for transport, allowances, and board fees. Despite such obscene perks they didn't fulfill entrusted responsibilities.

Headman Mukwada, with oversight over 18 villages, was harsh on mining companies displaced by the Government. They promised a lot of things, but fulfilled none. Yet diamonds were leaving the area continuously. The move to consolidate the companies into one entity might be welcome, if it delivered on promises. The Government was hoped not let the people down, unlike the companies. Lack of proper CSR legislation left no incentive for responsible behavior.

After discovery of precious stones at Chiadzwa, illegal panning has flourished (Gumbo, 2016a). Later the panners were banished to restore order and eight companies were given licenses. Ten years after conventional mining, companies and individuals made money, but the Government was still the loser, demonstrating "how not to run a diamond industry". Only very few companies discharged their CSR, while the majority non-existing companies were still engaged in mining. Questions on corrupt allocation of mining contracts, secret sale of diamonds, failure to declare dividends and other underhand dealings bypassing procedures were raised, but none were answered. This exposed Government's/ministers' role as onlookers or active colluders.

The mining companies and villagers of Chiadzwa attended an investigation on $15 billion alleged leakage of funds from diamond sales and prosecution of culprits (Gumbo, 2016b). Villagers wanted the companies to fulfill $50 million payment pledged to the Zimunya-Marange Community Share Ownership Trust. The Anjin Investments claimed that their mode of operation made any leak of diamonds or revenue difficult and they had only realized $325 million in the last 5 years. The villagers were unconvinced. They wanted benefits from whatever was left, while finding culprits could take its course. They wanted development in return for their sufferings during resource exploitation. They felt let down with scarce benefits. Some said that of all the mining companies Mbada stood out as best in terms of CSR.

The discovery of significant alluvial diamond deposits in 2006 should have been a blessing for a bankrupt country (Sokwanele, 2011), but it led to greed, corruption and exploitation on mass scale, use of forced labor (adults and children), human rights abuses, killings, environment degradation and massive enrichment of a select few.

Initially, De Beers had full exploration rights, which expired in March, 2006. Then African Consolidated Resources (ACR- UK registered) has registered for exploration claims. On declaration of diamond find in June, 2006, the government evicted them, seized 129,400 carats extracted, and opened a free-for-all. 15,000–20,000 illegal artisanal miners started working and selling diamonds to foreign dealers. The Government launched a nationwide police operation "Chikorokoza Chapera" (end to illegal panning) in November, 2006, followed 2 years later by Operation Hakudzokwi (no return) in October, 2008 involving Zimbabwe National Army, Air Force and Central Intelligence Organization. The aim was to restore some order and allow army access to riches in times of national bankruptcy. Both the operations involved human rights abuses, corruption, extortion and smuggling. The army killed at least 214 miners. After firm control by November, 2008 its top brass formed syndicates, often using forced labor.

In July, 2009 the Ministry of Mines accepted expressions of interest from companies willing for joint ventures under the Zimbabwe Mining Development (ZMD) Corporation. This resulted in the incorporation of two new companies (with 50% ZMD shares): Mbada Diamonds and Canadile Miners. Transparent procedures were not followed. On 4 November 2010 five officials from ZMDC and a director from Canadile were arrested over US$2-billion fraud. Canadile's operations were suspended, its equipment confiscated and its directors barred from entering the country. The ZMDC assumed total control of Canadile. The government then granted licenses to a joint commercial entity between Chinese government and Zimbabwe, Anjin, and Pure Diamonds, a Lebanese firm. All revenues from the joint diamond venture with Anjin over the next 20 years were mortgaged against US$98 million loan to build vast Robert Mugabe School of Intelligence outside Harare. Every day millions of dollars worth of diamonds leave Zimbabwe. But none of it benefited the country's desperate poor. The beneficiaries were the high-rank politicians of ruling party, bureaucrats, the army and the police (Mundenga, 2016).

The Kimberley Process Certification Scheme (KPCS) should have made an impact. Lack of political will and outdated, obstructive procedures prevented it from fulfilling its mandate of preventing diamonds from fueling violence and human rights abuses. Its response to the violations in diamond fields of Zimbabwe ranged from ineffectual to complicit. Despite credible reports of abuses, decision to ban Marange diamonds outright was not forthcoming. The government and the mining companies failed to provide basic facilities for re-settlement of evicted families. Some, who have been moved to Arda Transau farm, live in disused tobacco barns with no ventilation, electricity or water. The Marange environment was fragile and very dry with few rivers. Forest cover was gone. Dams were silting from the indiscriminate activities of mining companies. River Odzi was polluted and silted by the Canadile.

Zimbabwe is now among the top 10 gem-producing countries and could recover from a decade of economic ruin with good governance. NGOs demanded the removal of the army from Marange district, demilitarization of the diamond industry and a return to the rule of law. The Mining Laws have to be overhauled for greater transparency. Zimbabwe government's actions brought disrepute to the world's diamond industry.

5 Conclusions and Recommendations for CSR in Developing Country Context

The conclusions and recommendations would apply to Zimbabwe as well as other developing countries with some modifications based on the peculiarities in socio-economic conditions, culture and civilization, history, religion, climate and geography, and the level of development.

5.1   Conclusions

The best endowed country in terms of natural resources might still be poor in wealth, development, and CSR, if the resources and the wealth are not properly managed and distributed. Democracy, rule of law, value for life and human rights, strong and functional democratic institutions, and honesty and discipline among people and institutions would ensure an equitable, inclusive socio-economic growth. Good governance, not merely having a government, is required. On the reverse, authoritarianism, lawlessness, selfishness, corruption, greed, and dishonesty among people and institutions, and an absence of trust-worthy institutions for support would leave a country poor, and underdeveloped forever.

Educational institutions developing honesty, discipline, and character in pupils are needed. The products of such education would build institutions based on the same traits, which would again contribute to inclusive and sustainable development. Suitable legislation and enforcement of laws, rules and regulations to regulate, stimulate and discipline public and private sector institutions, businesses, companies and entities to be sensitive and responsive to social and environmental needs of communities and the country.

CSR initiatives would connect companies to the society, and foster relationship. Businesses that take active interest in the community's well-being enjoy the support, loyalty, and goodwill of the community. Commitment to sustainable development by working with employees, their families, local community, and society at large would improve their quality of life and benefit the business and the community. CSR would also act as catalyst for industrial growth.

5.2   Recommendations

Legislature has a role in suitable legislation on environmental protection, prevention of pollution, social responsibilities of companies, and return of favors to local communities for benefits enjoyed.

Public institutions dealing with environmental management, social justice, and human rights should craft robust policies and plans and implement them without fear or favor. They should be independent enough to be trusted by the public to guarantee social justice.

The challenges, like compartmentalized understanding of development issues, reconciling the competing demands of economic and industrial development, resource conservation, and capacity enhancement of government departments to integrate environmental concerns in their plans and strategies, have to be met based on sound information and honest execution.

Grass-root communities participating in CSR initiatives through incrementally cascading programs using the successful bottom-up approach would be ideal, where the Government's and private sector's roles are limited or disappointing.

Developing country public institutions remain paralyzed from shortages of qualified personnel, inabilities to formulate and implement policies, unmotivated staff, and the slow diffusion of technology. This results in inefficient business procedures, weak intergovernmental relations, policy inconsistencies, weak interaction between public and private sector and bureaucratic bottlenecks. For CSR effectiveness, this paralysis needs to be fixed.

Social workers and non-government organizations (NGOs) have an important role in ensuring environmental soundness and social implications of corporate activities, guaranteeing of shareholding for local communities, whose natural resources are being exploited by businesses, and discovering the social needs and individual expectations of citizens.

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Labour Management Issues in Marange Diamond Mines

Blessing Kanyumba and Shame Mugova

1 Introduction

Conceptually, labour management plays a pivotal role in the management of human resources in organizations. Labour management is one of the pillars that supports the industry of a country or region. The impact of labour relations is not just felt in the relations between workers and employers; but also its impact directly influences the industry and the economy. In modern society, labour management issues are often treated as relations that rule economic activities and social living. Employees support progressive labour relations policies, safety, financial security, and workplace amenities. McWilliams and Siegel (2001) describe employees as a form of stakeholder demand for CSR Labour unions often play a critical role of encouraging firms to adopt the CSR policies (McWilliams & Siegel, 2001). Corporate social responsibility (CSR) movements against labour abuses has gained momentum globally (Yu, 2009). CSR encompasses a wide range of practices, from respect for the environment to the elimination of discrimination and abuse in the work place. Fuentes-García, Núñez-Tabales, and Veroz-Herradón (2008) further reveal that the recognition of and respect for basic human and workers' rights established by the various international bodies and it is crucial for organisations to adhere to the policies to protect the workers' rights.

Employees are a human resource that must be treated with dignity and respect (Carroll, 1991). Carroll (1991) further states that management must seek out fair

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dealings with employees. Firms that satisfy employee demand for CSR may be rewarded with increased worker loyalty, morale, and productivity (McWilliams & Siegel, 2001). Moreover, many consumers are not willing to purchase products from companies that do not respect the human rights of their workers or employ children in factories located in other parts of the world (Fuentes-García et al., 2008).

Internal dimensions of CSR, such those related to relationships with employees and responsibility in processes and product quality, can improve labour performance and labour efficiency, thereby contributing to a better corporate performance and a better society overall (Sánchez, & Benito-Hernández, 2015). CSR should serve as a link between human resources management, and issues of equity, fairness in employment and society. This chapter takes a broad view of CSR to describe the labour management issues at Marange diamond mine in Zimbabwe.

In developing countries like Zimbabwe labour-related investments might not be considered CSR initiatives. Firms and stakeholders should understand that the engagement in labour issues a CSR activity though the firm's engagement in labour issues may not be effective for improving economic performance but its absence can worsen performance (Nakamura, 2015). The rise of CSR has significant implications for human resource management practice (Preuss, Haunschild, & Matten, 2009), ranging from ethical standards in dealing with important stakeholders through employment practices that attract employees to social involvement in the form of employee volunteering (Lockwood, 2004). One of the most visible CSR tools, the UN-sponsored Global Compact, explicitly refers to minimum labour standards as one of the principles companies must subscribe to.

Von Otter (2007) states that labour management refers to the rules and policies which govern and organize employment relations, how these are established and implemented, and how they affect the needs and interests of employees and employers. Pendleton and Gospel (2006) state that labour management is defined broadly to cover a set of major decisions and resulting outcomes. The three main areas covered by labour management include work relations, employment relations as well as industrial relations. Pendleton and Gospel (2006) further define employment relations as dealing with the arrangements governing aspects such as recruitment, selection, training and reward systems. Work relations concern the way work is organized and the deployment of workers around technologies and production processes. Industrial relations are defined to cover the voice aspirations of employees and resulting organizational arrangements, namely; consultation, collective bargaining and workplace forums.

From a sociological perspective, Hazama (1997) posits that labour management is a management method utilized by organizations to make its employees work effectively and efficiently towards achieving organizational objectives. Hazama further states that labour management is never static, but its nature is determined by various internal and external conditions surrounding specific companies in a given period of time. Firms may hire additional staff to advance CSR through affirmative action, improved labour relations, and community outreach (McWilliams & Siegel, 2001).

Traditionally, many companies have viewed employees as a cost in relation to the business and may attempt to minimize costs through tight labour contracts and

provision of the bare minimum of health and safety standard human capital has been identified as a very important resource category for building a sustained competitive advantage (Barney, 1991; Dyllick & Hockerts, 2002; Schuler & Jackson, 2005). The costs of personnel devoted to CSR and additional CSR-related benefits provided to workers increase the overall labour costs of firm (McWilliams & Siegel, 2001).

Sustainable management of firms requires that CSR is used as an effective tool to attract potential employees. If organizations are willing to provide sustainable HRM practices they can become an employer-of-choice. Meanwhile research has provided evidence that job seekers choose organizations with socially valued characteristics (Albinger & Freeman, 2000). Therefore, the organizations should consider using sustainable HRM practices (e.g., diversity, work-life balance) and become an employer-of-choice. The fact that CSR today has been largely driven by NGOs, trade unions, consumers and shareholders in the North has important implications for the issues which have taken centre stage. The concerns of such groups tend to be environmental impacts, working conditions and human rights. However, Yu (2009) argues that workers have no real influence over trajectory of CSR movement for their own. Therefore, Companies and other stakeholders determine the way CSR is to be achieved in organizations. UK's Department for International Development (DFID) states, 'By following socially responsible practices, the growth generated by the private sector will be more inclusive, equitable and poverty reducing'. When it comes to Marange the companies which operated included Kusena Diamonds, Anjin Mining, Jinan Mining, Diamond Mining Corporation (DMC), and Mbada Diamonds. These companies did not have good CSR practices and this led to the violations of human rights (Human Rights Watch, 2009).

2 Labour Legislation in Zimbabwe

Madhuku (2015) states that labour law refers to the collection of legal rules which govern the employment relationship. In a broad sense, labour law covers not only the rules which govern the employment relationship but also embraces the rules regulating the existence and operation of all the institutions of the labour market, such as trade unions, employers' organizations, the State in its dual capacity as employer and regulator and the labour dispute resolution entities (Madhuku, 2015). Yu (2009) cites O'Rourk (2003) who stated that labour-related codes of conduct usually specify norms and rules by which to evaluate labour practices at workplace.

The history of labour law in Zimbabwe effectively begins with the colonial occupation of the territory. Sachikonye (1985) states that before colonialism, the feudal economy of the various kingdoms and territories that constituted what is now Zimbabwe, had no wage labourers so there could be no law regulating the rendering of services in return for wages. It has been said that: The contract of employment moved towards the centre of the legal stage only with the advent of capital and large scale employment in factories (Madhuku, 2015). According to International Labour Organisation (2015), the Labour Act of 1985 amended in 2005, sets fundamental

rights of employees, general conditions of employment and defines unfair labour practices. It regulates trade unions and employers organizations, as well as industrial disputes and collective action. The act also establishes and regulates institutions of Advisory Council and minimum wage setting, Workers Committees, Employment Councils, the Labour Court, and Employment Agencies.

The labour law in Zimbabwe also encourages the creation of workers' committees in enterprises where less than 50% of workers are unionized. These committees exist in parallel with trade unions. Their role was to negotiate on shop floor grievances, while that of the trade unions was to negotiate industry level issues, notably wages. According to the U.S. Annual Country Reports on Human Rights Practices, the parallel body has been regarded by trade unions as an arrangement that employers could potentially use to undermine the role of the unions.

3   Marange Diamond Labour Issues

Anjin Investment, a Chinese-Zimbabwean joint venture with Zimbabwe army's Defence Industries (ZDI) was accused of breaking labour laws, and committing human rights abuses that the Zimbabwe government turned a blind eye to, regardless of the many reports by human rights watch groups (Farineau, 2013). The company profited from the militarization of the diamond greatly from a period of civil unrest, punctuated by rape and other human atrocities that culminated in the October 2008 massacre (Farineau, 2013).

Some of the employees working as security guards interviewed by Centre for Research and Development (CRD) said that they worked up to 12 h a day and they were no facilities to shelter them from bad weather conditions. Some workers at the mine were observed by the CRD team working without helmets and safety shoes. Some of the employees complained that they were travelling thirty kilometres to and from work because the company had no accommodation. However, the mine later on provided transport after one of its employees was mugged and killed by criminals during the month of September 2011.

In an Interview with a councillor in Marange, CRD (2014) revealed that when mining operations began, locals were recruited to work in the mine but soon corruption started creeping in and most people from the Birchenough Bridge area began to work at the mines because company management were housed at Birchenough Bridge Hotel (CRD, 2014). Management sought for bribes in the form of goats for locals to gain employment. The Chairpersons of villages 1, 2 and 3 when interviewed by CRD confirmed that the company was no longer employing locals as before and no local women were employed at the company even though they were directly affected by lose of land for growing crops to feed their families.

Research conducted by Human Rights Watch (2009) revealed that the Zimbabwean police working at Marange formed syndicates thereby forcing local miners to join syndicates also violating Zimbabwe's obligations under the ILO Convention 29, which prohibits forced or compulsory labour. Residents were forced by the soldiers

and police to dig the diamonds. Human Rights Watch (2009) revealed that soldiers ordered everyone in the Marange village to dig diamonds for them under armed guard for several days. In violation of international law, children in Marange were being forced to work without pay under the most arduous of conditions. Children from the ages of 12–17 worked at the diamond mines. A 15-year-old girl told Human Rights Watch that the work in the diamond fields was hard, and soldiers provided no food or water to everyone working on the fields.

It was reported by human rights watch (2009) that the former president Robert Mugabe's army was compelling villagers to dig for gems, and the revenue was syphoned off by senior Zimbabwe African National Union-Patriotic Front (ZANU-PF) lieutenants (Smith, 2009). A Human Rights Watch investigation found that hundreds of children were being forced by Zimbabwe's army to dig for diamonds to bankroll senior lieutenants of ex-President Robert Mugabe. The Human Rights Watch reported that the army rapidly formed syndicates, often using forced labour. It is estimated that up to 300 children continue to work for soldiers in the diamond fields. A 13-year-old girl said: "Every day I would carry ore and only rest for short periods. We always started work very early in the morning, before eight, and finished when it was dark, after six. All I want now is to go back to school" (Smith, 2009).

Zimbabwe is using child labourers to mine precious minerals including at the army-controlled Marange or Chiadzwa diamond fields in the east of the country, according to a US Department of Labour report. The report by the US Department of Labour said Zimbabwe was among eight African countries guilty of using under-age children as labour in the mining, agriculture, tourism and construction industries in violation of international regulations. The Zimbabwean (2009) revealed that minors worked sometimes for no pay, in illegal mining activities. Children engage in the mining of diamonds, gold, chrome, and tin, as well as illegal gold panning with their families according to the report.

Few Chinese corporations have a good reputation and suitable CSR practices with mining communities in Africa (Rawwot, 2016). The people in Chiadzwa continued to fall into the uncovered pits, losing limbs and lives in 2016. The artisanal miners and their communities were harassed and tortured, money continues was looted, forced labour went on whilst the rivers got filthier because of pollution (Rawwot, 2016). Outrage over Chinese Labour Practices (2012) reported that Chinese employers who are used to cheap labour practices, are often accused of overworking, under-paying and ill-treating their employees in Africa. Whilst labour disputes are a common feature of labour under capitalist conditions, what draws global media attention to China in Africa is the sometimes brutal boss-employee model practiced by the continent's new imperial masters.

With China's heavy involvement in Africa's booming economy, words like "exploited" and "corrupted" replace rosier depictions of the region's activity (Farineau, 2013). Recently, phrases such as "human rights abuses", "volatile race relations", "unsustainable trade", and "labour violations" have resonated with oppressed diamond miners in Zimbabwe, subjugated copper miners in Zambia, and global watchdogs who had hoped the world had seen an end to the horrors of neo-colonialism.

Farineau (2013) reported that testaments to Chinese abuse in the Anjin Marange enterprise surfaced in 2013. 1500 miners were dissmissed for striking to raise the minimum wage of 235 dollars a month, and many of the workers claimed to have been repeatedly sodomized by Chinese managers (Mining Global, 2014). One mining watchdog group said, "There are credible indications of gross human rights abuses against workers by Anjin management" as "workers have been beaten with clenched fists, kicked around and called racist names by their Chinese employers. There were also reports of sodomy against the locals by the Chinese. These [crimes] ought to be investigated and if found to be true, perpetrators must be brought to book" Farineau (2013).

In 2014 more than 400 mine workers were being laid-off by Chinese diamond mining companies operating in Marange, Zimbabwe, due to alluvial deposits running out. The move caused an outcry by trade unions because workers were being dismissed without any retrenchment packages. Reports in several African publications said Chinese companies Anjin and Jinan were among the firms who scaled back operations because alluvial diamond deposits were depleted. Trade unions reported that workers were given notice and laid off without any benefits.

Rawwot (2016) further reveals that in 2012, the lowest paid worker at Anjin was earning US$235 per month when the Zimbabwe poverty line stood at US$560. The companies have attributed the unhappiness over long working hours to "cultural differences" as Chinese nationals often work long hours. Some of the employees working as security guards interviewed by CRD (2014) highlighted that they worked for long hours of up to 12 h a day and they were no facilities to shelter them from bad weather conditions. Some workers at the mine were observed by the CRD team working without helmets and safety shoes. Some of the employees complained that they were travelling thirty kilometres to and from work because the company had no accommodation. However, the mine later on provided transport after one of its employees was mugged and killed by criminals, CRD (2014).

In 2012 the Labour Minister Paurina Mupariwa branded Chinese business operations in Zimbabwe "the darkest side of capitalism". She threatened that her party could urge Zimbabweans to boycott Chinese products in protest. "Over the last few years, there has been an influx of Chinese businesses of all forms in Zimbabwe (Rawwot, 2016). Instead of aiding development & growth of the economy, the Chinese have brought nothing new except exploiting the locals and overshadowing them" Paurina Mupariwa (Moyo, 2012). The Minister from the opposition Movement for Democratic Change-Tsvangirai (MDC-T) claimed abuse of Zimbabwean workers by their Chinese employers.

4   Lessons to Be Learnt from the Marange Situation

One lesson that is learnt from the Marange situation is that despite laws in place human rights violations is still rife in African countries. Poor governance and a lack of transparency and accountability by mining companies leads to the violations

of employee rights since the companies will not be held responsible. If the policy makers do not incorporate community rights in the mining policy document in order to protect citizens affected by mining activities from human rights violations at the hands of powerful mining ventures, the situation at Marange Diamond mine will occur in other areas as well. Incorporation of Corporate Social Responsibility in the mineral policy should be made compulsory to companies so that the communities would benefit from being employed and not exploited. The absence of strong law enforcement leads to the abuse of the employee rights. What needs to be learnt from the Marange situation is that employees need to be informed of their labour rights and the law enforces should be willing to assist employees who report their cases. From the Marange scenario, employees were being abused every day and nothing was done to protect them.

5 Conclusion

The CSR and labour issues in Marange diamond mines are marred with employee rights violations and abuses. The workers are not empowered to fight and advocate for their rights. Zimbabwe being a country with high poverty levels and unemployment, workers often endure the rights abuses to keep their jobs. Chinese foreign owned entities in the Marange Diamond fields were amongst the human rights offenders and the security forces such as the police and army. The government of Zimbabwe does not have strong labour institutions to ensure that employee codes, practices and laws are not being violated by employers. Diamond mining firms neglected their labour CSR obligations and concentrated on exploiting the resource. There is no movements and advocacy against labour abuses from pressure groups Zimbabwe. The employees' lack of knowledge about their rights and the firm's obligations mean that employees are weak stakeholders to demand CSR.

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'The World Against Us': The Vulnerable Group, Marange Diamond Mines and the Corporate Social Responsibility Question

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1 Introduction

Since Zimbabwe (formerly known as Rhodesia) got her independence on 18 April 1980, mining has been one of its major sources of income. At least over 49 minerals are mined in Zimbabwe, the most popular being gold, copper, asbestos, nickel, chrome, coal, iron ore, lithium among others. This endeared the country to foreign conglomerates principally: Lonrho, Rio Tinto, Anglo-American Corporation, Messina, Transvaal, Johannesburg Consolidated Investments, Turner & Newell and Union Carbide; together these multinationals control 80% of the country's mining sector (Uwechue, 1991). However, the successful exploration of diamonds provided the country an additional mineral resource with internationally availed market. This

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also acted as an avenue for any multinationals to invest certain amount of its generated revenue back into the community where it is taking from with the hope of assuaging the conditions of the community where such resources is exploited and fulfilling its Corporate Social Responsibility (CSR). Corporate Social Responsibility is defined as:

> What is or should be the relationship between global corporations of countries and individual citizens. More locally, it is concerned with the relationship between a corporation and the local society in which it resides or operates. It is also the relationship between a corporation and its stakeholders. (Crowther & Aras, 2008)

However, rather than these multinationals or corporations fulfilling their relationship with these stakeholders, they collaborate with a section of the stakeholders, often with the government and other international forces in the neglect and impoverishment of the major stakeholders—the people of these communities. Scholars have examined issues of CSR in all prisms (Beesley & Evans, 1978; Jonker & Witte, 2006; Crowther & Aras, 2008; D'Amato, Henderson, & Florence, 2009; CEBC, 2010) among others. On the Marange Diamond Mines, scholars have also given various perspectives of the situations, (Nichols, 2012; Saunders & Nyamunda, 2016; and even Organisations such as: HRW, 2009, 2010; Partnership Africa Canada, 2012). While most of these perspectives have focused more on the economic and political facets of the phenomenon, very few have examined the vulnerable populations who have been the most affected.

Against this background, this study intends to examine how the vulnerable groups have fared amidst the turmoil of the Marange diamond crisis and how the world has treated them. The 'world' in this context includes the government officials, the international community and international stake holders in diamond business across the world. The significance of this study will not only provide the circumstances of the vulnerable group in Marange but also act as a lesson for business leaders of developing countries, leaders of multinational corporations, stakeholders and humanitarians on the conditions of the vulnerable groups in extractive areas in developing or developed societies.

2   Corporate Social Responsibility, Diamond Companies and Marangeans

The root of the earliest corporations in CSR in early nineteenth century were chartered with public goals and interest objectives as well as private business objectives in mind, but as events such as the world wars, the cold war, and globalization unfolds in the twentieth century, CSR moved beyond philanthropy, although this is not certainly embraced by all business leaders (CEBC, 2010). No doubt that the world is in a state of transition. This transition has further placed more unforeseen demands on the shoulders of businesses and covers a wide range of topics including health, human rights, renewable energy, child labour and eco-efficiency (Jonker & Witte, 2006: 1).

These wide range of topics are important because they help the business community understand that their responsibilities are not just finance or economic but also in various ways including mass and girl child education, electoral awareness, social welfare, respect of religion and human person among others. However, in coping with these new and emerging new roles, they must be aware that such acts must be sustainable, in that while trying to meet the needs of the present generation, the future generation must not be compromised (D'Amato et al., 2009, 1). In other words, when these businesses strive to fulfil their objectives of making profit and giving back to the society where the profit has been made, the future of the society must be considered. For instance, there were reports that Government and Zimbabwe African National Union-Patriotic Front (ZANU-PF) got US $35 million as CSR budget from Mbada Diamonds. Did any part go into Marange? If it did, was this money truly for Marange or to fund the ousted Robert Mugabe's lifestyle and that of his cronies? How responsible have these mining businesses been to Marangeans? Who is reaping and who is sowing: the Marangeans, Zimbabwe government and officials or the diamond mining businesses (PAC, 2012)?

The people of the entire area known as Marange are petty traders, fishermen, mat weavers, and small scale farmers. The Chiadzwa chieftaincy was both the head of the traditional and customary authority over the Marange area and has been able to manage the resources and people through traditional mechanisms including sanctions and incentives including the protection of sacred sites such as the *Ushonje* range, where active diamond mines began. The area where the Chief *Chiadzwa* had authority over is enclosed between *Agoni* Stream to *Singwizi* River, from *Save* River and *Chisawe* Stream to *Odzi* River down to its confluence with *Save* River (Chimonyo, Mungune, and Scott, nd). Since the 1990s when South African mining conglomerate, De Beers began prospecting in the Marange area, around south west of Mutare province, the people and its territory were not popular, and by early 2000, a breakthrough was struck in diamond discovery but on 28 March 2006 when the exploration certificate expired, De Beers did not renew (HRW, 2009).

By June, 2006, the United Kingdom's African Consolidated Resources (ACR) continued the exploration and discovery of diamond, locally known as *Ngoda* in Marange, the lives and livelihood of Marangeans had never been the same. Initially, the villagers had thought that this discovery would industrialise and assuage their conditions; unfortunately, it has brought more problems (EJOLT, 2012). The discovery coincided with the downturn in the nation's economy- hyperinflation, which inadvertently led the people to also seek alternative to farming by engaging in mining the *ngoda* locally. While the ACR tried to guard this treasure jealously by making perimeter fencing, the government through the Minerals Marketing Corporation of Zimbabwe (MMCZ) was planning to regain popularity by wrestling the ACR (Madebwe, Madebwe, & Mavusa, 2011) and declaring the treasure as free for all, perhaps to score political point. Subsequently, artisanal miners, merchants and dealers stormed the area for the diamond rush without submitting to local authority, culture and lifestyle (Chimonyo et al., nd: 6). Little wonder, Welly Marezu observed that, "…but no sooner had the alluvial diamonds been discovered than the place started attracting thousands of artisanal miners, bringing along them murderers, thieves and

prostitutes….." (Shumba, 2017). This in itself was another form of neo-colonialism and neo imperialism as the customs and traditions of these people including the so called sacred sites were desecrated by the invaders. In an attempt to end illegal mining, operation *Chikorokoza chapera* was launched by the government whereby security and enforcement agencies were stationed to enforce the law in November 2006. Yet, some of these agencies got involved in the illegal deals by retaining some artisanal miners and collected kickbacks from others (HRW, 2010).

By 2007, unemployment had reached 80% (Maguwu and Arimatsu, 2012) and in October 2008, illegal mining activities peaked, with more than 35,000 people from Zimbabwe, South Africa, Botswana, DRC, Mozambique, Equatorial Guinea, Nigeria, Lebanon, Pakistan, United Arab Emirate, Belgium, India, and other countries getting involved in the illegal trade (HRW, 2009: 14). This period also marked the defeat of the ZANU-PF by the opposition; the Movement for Democratic Change (MDC) but after Mugabe forced a run-off election which Morgan Tsvangirai withdrew from, after government's clamp down on oppositions which the international community including the Southern African Development Community (SADC) and Africa Union observer mission frowned at. It took South Africa's Thabo Mbeki's intervention before a government of national unity was formed but all hopes were soon dashed when Mugabe sidelined the opposition in key appointment including the army, finance, treasury, police and even mineral resources (Christie, 2016: 35). Meanwhile, Africa generated around US \$1 trillion of minerals, accounting for 38% of the continent's Gross Domestic Product have been extracted from Africa (Forstater, Zadek, Guang, Yu, Hong, & George, 2010), while Zimbabwe's supposed estimated yield from Marange diamonds would have fetched the country between US \$1 and 1.7 billion per annum (Towriss, 2013). In February 2009, after the coalition government was formed, Mugabe and then Minister of Mines, Obert Mpofu secretly granted special grants to *Mbada* and *Canadile* Miners in July 2009 (Maguwu, 2011). A period when Zimbabwe's mining sector grew to more than 30% as the average contribution of the mining sector to the Gross Domestic Product (GDP) rose from 10.2% in 1990s to 16.9% between 2009 and 2011, overtaking agriculture. Mineral export also rose to about 230% over 2009 and 2011, making it the leading export sector (Ministry of Finance, 2013; Dhliwayo, 2013). On 9 November, 2010, three more companies, Sino-Zimbabwe Company, *Anjin* and Pure Diamond (a Lebanese firm) were granted license to mine diamonds in Marange. Indeed, mining had become the new goose laying the golden egg of the Zimbabwean economy. But did the mining companies part some of their golden eggs to the Marangeans?

The Diamond mining companies in Marange as part of their CSR promised to invest back into the society especially in terms of social welfare through the construction of bridges, rehabilitation of roads, and provision of health centres among others. With these companies and the government on a 50-50 percentage sharing, it was assumed that losses, profits and responsibilities would also be shared the same way. In fact, government and some of the mining companies (*Mbada* and *Candaile*) had set aside about US \$5 million for the resettlement as part of relocation of the community. Unfortunately, these were not done (Mtisi et al., 2011) as espoused by Dr Mushohwe, Member of Parliament, Mutare West (ZELA, 2017: 2). Little wonder,

the United Kingdom's, Sunday Times (2010) queried, "every day millions of dollars' worth of diamonds leave Zimbabwe from the world's richest diamond field. But none of that money reaches the country's desperate poor. Who are the men plundering a nation's future?" While the question seems to have new answers daily, the conditions of the desperate poor remain greatly abandoned. In November 2011, Mpofu apart from dismissing calls for ministerial responsibilities, was also attributed to have averred that he had no responsibility to ensure that diamond revenues reach the public (PAC, 2012: 2). Some of these businesses apart from not remitting to the government treasury, let alone fulfilling their CSR obligations, usually refuse to also pay taxes, citing that until they recoup their investments which are also over bloated (Ibid: 9). This was supported by the revelation of the then Finance Minister, Tendai Biti that the total Diamond sales for 2012 was US $800 million but only US $45 million was remitted to treasury. This was made in July 2013 (Mushava 2013 in Maguwu 2013: 75).

By 2014, there were about seven companies in Marange. They were: Diamond Mining Corporation, *Anjin*, *Jinan*, *Mbada* Diamonds, *Kusena* Diamonds, *Gyae Nyame* Resources and *Marange* Resources but attempt to checkmate the non-compliance and decay in the activities of the mining companies' necessitated some of their licenses not being renewed and government consolidation of the Diamond Mines in 2015 by forming the Zimbabwe Consolidated Diamond Company (ZCDC). With the government's share of the stake and regulating these companies, it was expected that CSR would not just be done timely, but that it would be observed humanely. Unfortunately, neither the government nor the businesses have lived up to expectations. Indeed, diamond rush and mineral discovery like in most part of Africa, rather than bring succour to Marangeans who have been the victims of these atrocities such as, extra judicial killings, injustice, abuses, torture, rape, environmental degradation and pollution of their areas. What they have got in return has inextricably affected the population and their livelihood. Among this population, certain groups have even become the most affected. These are the vulnerable groups.

3   The Vulnerable Group and Their Ordeals: From Marange to ARDA Transau

The Vulnerable group comprises children, pregnant women, elderly people, malnourished people, and people who are ill or immunocompromised, are particularly vulnerable when a disaster strikes, and they take a relatively high share of the disease burden associated with emergencies. Poverty-and its common consequences such as malnutrition, homelessness, poor housing and destitution is a major contributor to vulnerability (WHO, nd). The World Health Organisation (WHO) goes on to define vulnerability as the degree to which population, individual or organisaton is unable to anticipate, cope with, result and recover from impacts of disasters. Be that as it may, children and women remain the most affected. This state of vulnerability explains

the challenges of the people of Marange since their land became the darling of the government and foreigners as a result of their naturally endowed resources.

In late 2008 when more than 200 panners were massacred in operation *Hakudzokwi* 'you will not return' (Global Witness, 2010: 6; PAC, 2010) by government's agencies, this singular act has not only created fear but also attendant problems for the vulnerable group. Although the number may not be known but with *Mutare* hospital receiving about 75 corpses, hospitals in *Manicaland* province including *Rusape*, *Chipinge* and *Chimanimani* also received theirs (Chimonyo et al., nd), no doubt that the number of dead were more. It should be noted that some of the lives lost were fathers, bread winners, and heir apparent among others which has, till date engraved an unhealed wounds in the hearts of the families of the deceased. The massacre in 2008 was one of the many atrocities on civilians in Zimbabwe and the first of its kind on Marange after many years of settlement in the area. A woman who lost her husband and teenage son informed how livelihood and care for the six children left behind had been difficult especially with the state of the country's economy. She averred that:

> Since the killing where I lost my husband and son, life has been difficult for me and the remaining children left by my deceased husband. To eat have been from hand to mouth and except my daughters go and sell *mushumba (Diospyros mespiliformis),* we cannot eat. And to my last two daughters, they have also suffered abuses from the hands of the soldiers who molest and harass them before buying from them. (Anonymous interview, 2016)

Mavis Karenyi who lost her husband in 2002 also suffers same fate of catering for seven children after her livelihood-cattle sales had declined. Aside widows, abuse is just one of the many atrocities suffered by this vulnerable population-children. The issue of child labour also rears its ugly head as pressure to generate income for survival has spawned child labour as children of school age have to skip school to gather and vend for firewood at the nearest shopping centre in *Odzi* Township, 10 km away as there are only three schools in the newly relocated ARDA Transau Farms (Shuma, 2017). It was also reported that more than 300 children were forced to work illegally by the security agencies at Marange without reward (HRW, 2009). There are two primaries and one secondary school around the new Farm. The bigger of the two primary schools, *Chirasika* has children learning in makeshift classrooms exposed to vagaries of bad weather, pollution, insecurity and an unfavourable learning environment.

The effect of pollution on the population and the vulnerable can also not be de-emphasised. Although the mining companies were supposed to do an Environmental Impact Assessment before embarking on their activities, this was neglected. While China and India produces the highest around the world, the gradual impact that the mining of diamond is having on Marange seem to be swept under the carpet. However, it should be noted that these pollution has taken different dimensions; water, land and air as a result of the commercialization of mining activities in Marange. The *Save* or *Sabi* River which used to be the source of drinking, laundry, bathing and even source of food for people and livestock in Marange was desecrated by mining activities. Aside environmental impact, fishes were also reported to have died, thereby

affecting food and increase in typhoid as a result of the air pollution (Maguwu and Arimatsu, 2012: 4). If fishes are natural resources, what about hundreds of livestock which died mysteriously? (Karenji, Shupani and Jena, Interview). More so, the river used to act as a place of comfort and recreation for the vulnerable youths and young children. Unfortunately, what these children have is just the memories of a legacy they once cherished. As a boy puts it, "I loved following my mother to the *Save* River because I heard a lot of stories about it but now that we have relocated to ARDA *Transau* farm, I miss the river". This shows that, although the river served domestic purposes including drinking, bathing, chores, recreation, etc., it is also a symbol of identity. Air and Noise pollution have also contributed to the menace faced by the people as a result of heavy duty trucks but there is more to this than imagined. Another vulnerable life is wildlife, which has lived in their natural habitat in the forest of Marange before the expansion by these mining companies (EJOLT, 2012). Cattles and calves production are in decline and extinction causing loss of family's symbol and livelihood (The Zimbabwean, 2014).

In 2009 when the first relocation began and before the Houses were built in ARDA (Agricultural Rural Development Authority) *Transau*, the relocated families had to first put up in old tobacco farm barns with no schools or clinics which also violated their fundamental human rights (Dhliwayo, 2013: 9) and dignity of human person. Undoubtedly, this makes them liable to insecurity, abuses and homelessness. In 2010, despite the promises of the government that the armed forces stationed at Marange would be removed, abuses still continued. These abuses were targeted at no other than some of the vulnerable groups, such that a girl was forced to work by gun wielding soldiers. As she puts it:

> In February alone, three different groups of soldiers forced me, together with several other villagers, to dig for diamonds and hand them over to the soldiers. Soldiers with guns guard us as we dig. (cited from HRW, 2010)

Kasambala (2010) revealed that women were even stripped and fingers dipped into their private parts to search for hidden diamonds. Two cases of rape were also recorded in March 2010 and scores of physical molestations (Global Witness, 2010: 8; PAC, 2010: 18). It should be noted that in cases like these, aside from infringement of the human rights of the vulnerable group, this can also affect the victims psychologically and even their womanhood which may cause low esteem, *phallophobia* (fear of penis) or *androphobia* (fear of men). Aside these cases, the subsequent plan to relocate more than 4207 families to an identified "farm" for more excavation to take place around the area also sent chills to the people who have lived in that area for years and who have regarded the area as their ancestral home. An interview with an elderly woman in Arda Transau revealed that leaving her home in Marange was like leaving her identity and culture since her house left behind was like a memory of her life, where she even delivered all her six children. She also informed how the condition of her late husband's grave, buried somewhere behind her house in Marange is gradually hunting her (Interview with Margaret [not real name], 2017). In a corollary, 96 year old Welly Marezu shared similar experience that having lived most of his lives in

Marange, leaving the land of his birth for a new area late in his elderly life to face a future full of uncertainty and insecurity was painful (cited in Shumba, 2017).

One of the problems faced by women as a vulnerable population has also been tied to empowerment. For so many reasons, women have continued to be sidelined, consciously or otherwise in terms of job opportunities. This phenomenon is notable across the world, despite their contributions to the economies of developed cities and countries throughout the world. The case among Marange population is therefore not new as the 49% of the available total staff of the job opportunities for the newly formed Zimbabwe Mining and Development Corporation (ZMDC) recruitment especially among women can be seen as disproportionately low as compared to their male counterparts recruited from the area according to the information provided below:

Department	Females	Males
Engineering	1	78
Finance	1	12
Geology	0	14
HR and administration	15	27
Mining	2	33
Plant	17	199
Security	3	38
Total	39	401

Source (ZELA, 2017)

From the above table, it reveals that women as one of the vulnerable population do not enjoy equal opportunities with their male counterparts in terms of job opportunities; given the fact that some have emerged as the new bread winners after the loss or incapacitation of their husbands or male guardians especially after the 2008 massacre. Despite the plethora of the problems, the situation may seem to be in a continuum as the Secretary of Mines and Mining Development, Professor Gudyanga had reiterated that assistance to local community may be hindered as a result of low productivity at the mines (ZELA, 2017: 2).

But it seems while the government focuses on the people, the conditions of future generation which are predominantly babies and pregnant women have not been duly considered. Just recently, the United Nations Children's Fund (UNICEF) revealed that 17 million babies across the world are breathing toxic air which could be damaging the development of their brains, although the most cases are from South Asia (UNICEF, 2017), the activities of mining, oil exploration and gas flaring in Africa may not be unconnected as that of Marange where mining activities have also to an extent affected some babies. A woman informed that while they were at *Chiadzwa*, her baby usually have catarrh and cough but she would use local herbs. Even after having been relocated, it was reported by one Tawanda Mufute that since the roofs of the houses were hurriedly built so that the families could be relocated, about 20 houses had their roofs blown away by violent storms in 2016 (Shumba, 2017).

In cases like this, there is no doubt that some of the families with babies exposed to cold weather or such conditions could be one of the children exposed to such environmental hazard as espoused by the UNICEF Report.

The nursing and pregnant population is not exempted. The lack of provision of health facilities by these mining companies after relocating them from Marange has also led to the increase in home deliveries. The negative effect of home deliveries especially in the hands of unskilled birth attendant cannot be over emphasised as some women have lost their lives (TellZim News, 2016), coupled with a sharp increase in still births and infant mortality (Senior Parliamentary Reporter, 2014). Aside, women have also developed diseases that could not be shared with their husbands or male counterparts (Interview with Celia Shupani in ZELA, 2015 Documentary).

Moreover, women continue to be caught in the cross fire even after most of them have been relocated to a modern housing facilities. But the architectural designs did not also take into cognizance of the traditional family settings which were often provided for polygamy. This is because such settings have been largely disrupted and created some sort of conflicts in the homes. A woman observed that with the three bedroom flat, and a separate kitchen-managed by all, this has made her fellow wives to poke into whatever she prepared and more often, ensued in conflict since their relocation. One of the elderly chiefs shared complementary view that the job he did to take care of his wives before relocation was farming and domestication of animals but since relocation, the disturbance fee has been exhausted and other allowances expected have not been paid, and this has inextricably affected the management of his home, his wives and children. As if this was not enough, a man who took a new wife after the relocation and first payment of allowance shared his own side:

> When they paid the disturbance allowance and promised other ones, I took a new small wife I was courting hoping by the time they pay the rest, I will invest and make her happy, but with this, I cannot fulfill what I promised her especially with this economic situation in the country. I may let her go to her father's house till things are better since she is a young girl in the midst of the older ones. (Anonymous, interview at Arda Transau, 2015)

The situation painted above show that provision of hastily built new facilities by the companies and government may be akin to a devil's gift. It has brought the people into modern lifestyle as the cost of building a single housing unit was estimated by government and the companies at about $50,000 (Shumba, 2017), but it has not changed their being or economic level which was averagely fair before the relocation and recent complaints of crack in the walls and structures are prevalent.

Besides, water has even become scarce in Arda Transau, that companies now demand US $5 per month from the residence (Mbiti, Mapunga, Majuru in ZELA, 2015 Documentary). The scarcity of water has also had a multiplier effect on public and maternal health. It led to water borne diseases, six to seven death daily, cattle dying, food insecurity, etc. (ZELA, 2015). For example, the health centre has not been able to cater for maternal patients as pregnant women are asked to bring a bucket or drum of water to clinics before delivery (Ibid). This reaffirms the presence without essence of these facilities and the state of the vulnerable in Marange. Again, who suffers the most? There is no doubt that they are: Women, children, elderly,

unemployed, the sick among others who make up the vulnerable group. Against these plethora of cases especially narratives from those who fear that more revelations may trigger a sort of discouragement from government and mining companies to fulfil their promises, what has the world done to assuage the conditions of these people as posed by the woman, who said it seems the world has abandoned them (the Marangeans). But who is the 'world' in this context and how has it abandoned the Marangeans?

4 The World Against Us: How the 'World' Ignored the Vulnerable Groups in Marange

A woman yet to be relocated but whom some of her extended families said, "It seems the world has forgotten us here in Marange". Another woman known as Musaamba puts it this way:

> Seeing my family after almost three years was like I had come back from another planet or from the dead. I sometimes cry when I think about them. The government has failed to protect us; the constitution and authorities should be the guarantor of our rights. **'Us' here translates to: The authorities, international community, International Criminal Court, Africa Court of Justice and the United Nations** [emphasis ours] (cited in Shumba, 2017).

By these statements, they meant the government and those who have disturbed their once peaceful and ancestral land due to the discovery of diamonds. But can Musaamba be right? In order to refute or support these allegations, efforts of stake holders including the mining companies, government; its officials and agencies and international partners in this scenario are examined. The activities of the mining companies provoked a CSO member when she asked, "So now you're taking the money, you are killing the people…polluting the river with sewage (interview from Jena in ZELA, 2015). This is a reflection of what has been sowed by these companies and reaped by Marange and Marangeans. The companies are also fingered to have also bribed some of their local leaders against standing up for their rights of the communities.

One of the principal sources of problem of Zimbabwe, *Marangeans* together with the vulnerable population is the Constitution as instituted by the women above. Its lopsided and haranguing nature gives absolute power to the president. For instance, the Zimbabwe Mines and Mineral Act (ZMMA) vests the minerals in the President, meanwhile in Botswana, the Botswana Mines and Mineral Act (BMMA) refers that the minister act in the public interest whereas the ZMMA requires the Minister to act according to the order of the President. This alone show that the interest of the president is paramount than that of the people (CNRG, 2013a). The import of this is that the discovery of mineral rather than serve the people and assuage the vulnerable population's conditions, demands that the interests of the president must be considered first. What about those who should protect these groups?

It is unfortunate that the security agents in Zimbabwe from the National Army, Air Force, Central Intelligence Organisation, Police and other non-uniformed officials have also been fingered not only in the human rights abuse but also in the exploitation of the situation to enrich their pockets. The HRW (2009) revealed the nature of lawlessness and massive shady activities of these agencies in Marange rebuff human rights violations, including extrajudicial killing, beatings, torture, forced labour and child labour and smuggling of diamonds. The cases of harassment, groping and molestations were rife but that of rape appears scanty, as a result of the silence and fear of military and police reprisals and brutality. Perhaps, in the future, more cases such as forced homo-sexuality may even be revealed. The Human Rights Watch (2009) revealed that some women volunteered themselves to the police for sex in order to get into the diamond mines so they could mine and get some diamonds for sales. Be that as it may, most victims of such exploitations remain, children and women.

Around, 2010, the African Consolidate Resources (ACR) Advisor, Greg Sebborn and ZANU-PF Chair of the Parliamentary Committee on Mines and Energy, Edward Chindori-Chininga had alleged that the decision to halt the auction of about 300,000 carat by Mbada was made by the acting Minister of Mines Emmerson Mnangawa while the actual Minister, Obert Mpofu was on leave. Sebborn speculated that Mnangawa, who is notorious for having profited from Zimbabwe's plundering of mineral resources in the Congo after Zimbabwe's incursion in 2008 acted either because he saw the auction, in violation of Government of Zimbabwe procedures and the Kimberly Process action plan as a potential embarrassment to Zimbabwe, or because he had not been getting a cut from mining profits. Chindori-Chininga accused Mpofu of characteristically being a 'crook' and 'thief' who had unlawfully entered into partnerships with Mbada and Candile (Ray, 2020). This shows that government agencies, rather than do the right thing by encouraging how the people and vulnerable population could benefit from these resources, the contrary in form of self-aggrandizement was the order. Although in November 2012, government unveiled a diamond policy to address some of these salient challenges with the main aim of promoting the sustainable development of the diamond industry for the benefit of all Zimbabweans but despite its noble idea, it lacked the political will and did not address so many fundamental issues such as transparency, gender, environmental impacts, traditional leadership roles, lack of separation of power, community participation, investor identification among others (CNRG, 2013b). If the government seem to have failed in neglecting these people, what about the international communities?

Amongst the unending list of the international communities are the neighbours through regional SADC, The African Union, the Kimberley Process, the International Criminal Court (ICC), the UN and its various agencies. The Kimberley Process Certification Scheme (KPCS) set up in January 2003 in the wake of a brutal diamond conflicts across the mineral rich areas of Africa: Angola, Sierra Leone, Liberia etc., with the aim to cushion the trade in conflict on diamonds and effect of human rights abuses (Global Witness, 2010) and crimes against humanity in the process. It further hoped to exclude conflict diamond in the international market. In order to hit the ground running, it began its Review mission in Zimbabwe in June 2009 after the report

of the *Hakudzokwi* campaign and found evidence of human right abuses, racketeering, smuggling to Mozambique, a non KP-participant among other shortcomings. Against this backdrop, it recommended the country's suspension for six months (Kimberley Process, 2009; Global Witness, 2010: 6). In fact the mission's head, Liberian Deputy Minister of Mines Kpandel Fayia, advised:

> Minister, on the issue of violence against civilians, I need to be clear about this. Our team was able to interview and document the stories of tens of victims, observe their wounds, scars from dog bites and batons, tears, and on-going psychological trauma (cited in Global Witness, 2010: 7).

A statement as incriminating as this ought to have been taken seriously and acted upon. In fact, it is an indictment on the government's side of serious abuses but despite this plethora of evidences among others, Zimbabwe continue to be a member and when some of the members of the KP, especially the CSO protested against such affront (PAC, 2012; Smillie, 2013), the KP former Chair, Bernard Esau argued that the KP is not a human rights organisation (cited from Independent Online, 2009 in Global Witness, 2010: 9). If this is true, what then is the aim of the KP or was the KP shying away from its responsibility? At its November 2009 annual plenary in Swakopmund, Namibia, a Joint Work Plan was proposed to address rather than suspend the country after more than 150,000 petitions were received (Global Witness, 2010: 10). No doubt that this is not just a case of negligence but double dealing whereas, the blood of the innocent still seek justice while the cases of abuses and neglect of the Marange population together with its vulnerable population which includes children and women continues to seek justice. No wonder, Nichols (2012) called for a redefinition of blood diamond to include rape, murder or human rights violations.

South Africa, being a regional power bloc in Southern African which was even involved in the transition after the 2008 election could not do much as a result of the question of sovereignty (Maguwu and Arimatsu, 2012: 5). In fact, in June 2011, South Africa's Mines Minister, Susan Shabangu demanded during the KPCS intercessional in Kinshasa that despite the irregularities committed by Zimbabwe, the country's sanction should be lifted since Zimbabwe was compliant with the KP's minimum requirement. Subsequently, it was alleged that Shubanga subsequently purchased diamonds worth US$1 million from Zimbabwe (Rawoot, 2011 in Maguwu, 2013). This raises another question, should the issue of 'minimum requirement' supersede human rights abuse? More so, the SADC which could force Zimbabwe to respect international best practices and correct human rights abuses including displacement without adequate provisions associated with the entire people including the vulnerable groups of Marange through sanctions has also been handicapped. This was exacerbated when the SADC Tribunal was shut down by Mugabe after its ruling in favour of the White Farmers (Ibid, 6). London has been conspicuously quiet on these situations too (Ibid). But why is the almighty London quiet?

Despite being one of the acclaimed defender of rights across the globe, a responsibility she had taken up since the anti-slavery campaign in the nineteenth century, London seem to be one of the safe havens where most of the corrupt, proceeds and

beneficiaries of the diamond find itself. Lord David Chidgey of the United Kingdom's House of Lords confessed that London remains the choice for such looting in the Crimea, Zimbabwe and even bauxite mines of Guinea (The Insider, 2016). Some of these monies are stashed in London banks and the acclaimed defender has not asked how this blood and ritual money got into her economy or even make efforts to sanction the depositors and their accomplices. Aside London, these diamonds have also found its market in India, China and United Arab Emirates and other countries as well (Ibid, 7) and on walls and bodies of consumers and retailers who have not bothered to ask the kind of diamond used, just ornamental or blood? Even the United States which had supported the KP administrative decision adopted on Zimbabwe in November, 2009 (Brooks-Rubin, 2010) and having taken over the KP in January 2012, although condemned the Zimbabwe's political violence but her subsequent silence following the lifting of the ban tests the true stance of the US (Nichols, 2012: 680), for the diamond or Marange justice? And despite her pledge to defend the country's 2013 election (US Senate, 2013: 5), this again was a chasm. Perhaps a credible election under the US supervision would have changed the Marange script. The European Union is not exempted either. This is so because in September 2013, Belgian and diamond officials successfully lobbied the EU to lift sanctions on Marange Diamonds which allowed the diamonds to be sold in Antwerp, Belgium (Zimnisky, 2014).

Conclusively, Zimbabwe's government and the mining businesses promised that they would not relocate the people until social amenities and buildings were provided. Although lately done, efforts at building a standardised 'model 3', three bedroom apartment, a detached toilet and kitchen were made (Dhliwayo, 2013: 9). More so, the government of erstwhile President Obama through sanctions intervened in the political and human rights situation in Zimbabwe, likewise some Non-Governmental and Civil Societies Associations such as the Zimbabwe Environmental Law Association (ZELA), Chiadzwa Community Development Trust (CCDT) among others. Despite the efforts of these stakeholders, justice has not been done to the death of more than 200 people who lost their lives in 2008 as well as the fulfilment of the CSR of these businesses not only through remittance but respect of humanity. Justice will not be done until the government starts by looking in the mirror, likewise fulfilment of happiness and sustainable livelihood of the Marange displaced population and vulnerable groups. But how can this be actualized when the ousted president Mugabe confessed that although since 2008, about $15 billion had been made, only $2 billion had only reflected in the treasury besides, and that lots of smuggling and swindling had taken place and the companies that had been mining [have] robbed the nation of its wealth, likewise the people appointed to be the eyes and ears of government in Chiadzwa had been complicit in the looting (Christie, 2016). Is there then hope for the people and vulnerable population of Marange?

5   Conclusion

A resource that should be a source of happiness is now a curse leading to the gross loss of agricultural and grazing land, grappling with deforestation, water and air pollution, people being forcibly evicted and relocated without fair and adequate compensation, and are not able to share the benefits created by mining ventures (Dhliwayo, 2013) their identity, culture, livelihood and history also affected. This is coupled with the effect on their sustainable future. Articles 21 and 22 of the Africa Charter on Human and Peoples' Rights of 1981, the UN Article 48 on Human Rights, Article 10 of the European Union Human Rights Convention of 1950 among others are clear on issues of indigenous resources, especially human rights which supersedes any other right, likewise the Child Rights Act of 2003 to protect the children and recently the Sustainable Development Goals on sustainable cities, development, production and energy all appear threatened. Despite some of these charters and conventions that have reiterated the right of man and *ipso facto* that of the Marange People especially the vulnerable population, the world have done little in terms of intervention and assuaging the sufferings, neglect and abuse of Marangeans. Hope is only what the Marangeans can continually dream of. The recent installation of an erstwhile Mugabe's hatchet-man, Emmerson Mnangawa of the Lacoste group against that of Grace Mugabe's Generation 40 or 'G40' is another debilitating factor. It is hoped that government's acknowledgement of the 2008 massacre could be the first of a reconciliatory and healing move. On human rights abuses and violations, is torture not a crime against humanity? If this is so, why has the International Criminal Court, the UN and other stakeholders remained quiet about the massacre of 2008 and forced displacement in Marange without adequate notification? On the CSR question, government and other stakeholders must hold themselves accountable, rather than trade blames and give excuses of low production caused by its sheer negligence and remorseless to the cry of the future of Marange people and its vulnerable group. Except this is done, it will be trite to truly say, "The world is against the Marange people, together with its vulnerable population".

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Corporate Social Responsibilities: A Comparative Study of the DRC, Zimbabwe and South Africa

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1 Introduction

Corporate Social Responsibility (CSR) is relatively a new concept especially in Africa because the culture and the enabling institutional infrastructure has not been as fully developed as in the industrialized economies of the north. In the Southern African Development Community (SADC) region, current CSR debate is focused on how policy and practice would be enhanced and enforced to benefit the populace. The SADC countries share a similar history of colonialism, racism and the accompanying economic imbalances. The development of CSR in the respective countries share similarities in post-colonial interventions to address historical economic imbalances. The emerging debate is premised on the issues of political freedom and economic liberation. Large businesses are dominated by multinational corporations (MNCs) whilst the indigenous locals have been advocating for affirmative action. In South Africa one opposition political party, Economic Freedom Fighters (EFF), holds a philosophy and ideology based on fighting for locals to benefit through participation in an economy previously dominated by the white minority.

The Zimbabwean government in trying to address colonial imbalances adopted the radical policy of indigenization meant to empower locals. Unfortunately, this well-intended policy caused capital flight and low foreign direct investment. The local communities in mining areas such as Marange in the Eastern province of Zimbabwe did not benefit from the diamond resources in their area. The policy of part-ownership of the diamond mines through Community Share Ownership Trust Schemes (CSOTS) were not successful. Foreign firms were required to cede 51

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percent of their shareholding to indigenous Zimbabweans with 10% of the 51 percent reserved for the community. The community trusts were supposed to spearhead developmental projects in the community and represent the community's interests on the board of directors of the mining firms. Though the indigenization laws in respect to other sectors of the economy were repealed in 2018, in the mining sector the indigenization laws remain in two resources platinum and diamonds.

Botswana, a country neighboring Zimbabwe and South Africa and belonging to SADC region, has benefited from its diamond resources and has gained political stability, democratic government, and remarkable economic growth which has eluded Zimbabwe. In South Africa mining companies contribute about eight percent to the country's GDP, but in both Zimbabwe and the DRC, owing to corruption, maladministration, and lack of transparency the contribution of mining activities to the betterment of the economy and lives of ordinary citizens is insignificant.

The three countries DRC, Zimbabwe and SA were chosen for examination here because they all have important deposits of mineral resources including strategic resources such as platinum, diamond and gold. The three countries are all members of the SADC which in Africa is one of the most powerful international and developmental umbrella organizations. The three countries maintain favorable diplomatic and economic relations with China, which within the BRICS group remains the main power shaping the world as far as international trade and cooperation are concerned. South Africa is actually also a BRICS member.

These countries present important similarities and dissimilarities about the state of affairs of CSR. All three countries have own struggles in terms of implementing evaluating and innovating CSR for the benefits of many. Because of their geo-political and geo-strategic importance, it is believed by the researchers that they can serve as a model in studying CSR issues in the direct area of influence, the region and the continent. The present study examines CSR in DRC and Zimbabwe overall, before further analyzing the challenges of economic transformation in SA and the role of CSR in addressing the socio-economic imbalances. The methodology for this paper is qualitative in nature. A systematic review of CSR literature in the three countries was done. A comparative approach was followed to elucidate the key challenges. Policies and factors in the countries influencing CSR are analyzed reflecting their contextual occurrence. The literature review and analysis is used to document and deepen understanding of CSR in the respective countries.

CSR debate focuses on the context of the Southern African Development Community (SADC) a regional bloc consisting of DRC, Zimbabwe and South Africa and other countries in Southern Africa. Within this community countries possess historical and current challenges affecting their inhabitants which are different amongst them but could allow a fair comparison to be undertaken. While South Africa has a diversified economy and organized CSR in accordance with the legislation, DRC has a long way to go on the issue. Zimbabwe has weak institutions which require development and a change of the governance culture from the system of patronage and corruption. The Zimbabwean currency crisis adds to firms' difficult economic environment making implementation of CSR policies especially challenging (Table 1).

Table 1 Comparative data on countries of focus

Name	South Africa	Zimbabwe	Democratic Republic of Congo
Date of independence	27 April 1994	18 April 1980	30 June 1960
Area	1221,037 km^2	390,308 km^2	2,345,000 km^2
Population	48,832,000	14,009,000	81, 331, 050
GDP per capita	6160.73 USD	1079.61 USD	457.85 USD (2017)
Industries	Metallurgy, mechanical, chemistry, automobile, textile and agriculture/food & beverage	Agriculture, mining and manufacturing	Agriculture, mining and service industry
Minerals	Gold, platinum, diamond, chrome, copper, etc.	Gold, chrome, coal, nickel, steel, silver, tin, cobalt and platinum	Copper, cobalt, diamond, uranium, coltan, gold, petrol, etc.
Mining as a percentage of the economy (%)	8	5	4.6
Corruption perception index rank	71	157	161
Ease of doing business rank	82	155	184

2   Corporate Social Responsibility in the DRC

The DRC was once known as the Independent State of Congo (Etat Indépendant du Congo). In 1885 during the Berlin conference, Congo became a private property of King Leopold II of Belgium. In 1908, because of international condemnation of royal brutality, "genocide of Congolese by the Belgian administrators" and exploitation of natural resources, the King decided to donate Congo to the Kingdom of Belgium, hence the country became known as Belgian Congo as opposed to the neighbouring Congo-Brazaville (a French colony).

Already by 1916, after Congo fought in the World War I in (1914–1918) and conquered the German-dominated Burundi and Rwanda, then called Ruanda-Urundi, Congo was supplying natural resources to imperialist countries as "*effort de guerre*" (Dixel, 2010). This supplying was also the case during the World War II in 1945–1949. As the country is a "geological scandal" owing to numerous mineral deposits, it is not surprising that foreign invasions in search of minerals became the currency of the day such as the Franco-Belgian and Rwanda-Ugandan invasions, forcing the late President Laurent Desire Kabila to call upon Namibia, Zimbabwe and Angola to support his war of "liberation" against Rwanda and Uganda (Dixel, 2010) backed by the imperialists are understood in that light.

There is still limited research on CSR in Africa (Muthuri, 2010; Muthuri & Gilbert, 2011), much less on CSR in the key resource extractive industries of the countries in focus here. According to Musendu (2017), CSR is not only a new concept in the DRC but it is also an ambiguous one, due to the lack of clarity on the matter as it is defined in the current mining code. This situation is a missed opportunity. CSR is a concept that would lead to better management of mineral resources if fully implemented, particularly in a country endowed with mineral deposits such as the DRC.

In South Africa the government has exclusive control over the issuing of mining licenses and is often corrupt despite the existence of a public protector. South Africa's public protector however is better in fighting corruption compared to equivalent the Anti-Corruption Commission in Zimbabwe. The Zimbabwe Anti-Corruption Commission does not serve its purpose because is not allowed to operate as an independent institution as required by the constitution. It is controlled by the politicians who are the major culprits in corruption. Zimbabwe has a relatively new constitution which was passed in 2013 but has not been fully implemented. DRC does not have an institution such as the public protector nor an anti-corruption commission. Rather, the government is in charge of the monitoring and evaluation of all mining activities. Despite the government's efforts very few benefits have been realized because of the lack of transparency caused by the involvement of political elites as players in the mining of diamonds and other precious minerals.

The DRC is one of the most populated, large and diverse countries in Africa. Its mineral deposits are numerous. The resources, however, have not benefited the general populace as much as a few who are politically connected. Individuals who have shares in the mining sector are closely linked to the ruling party. The political culture in DRC does not promote best CSR practice. The country suffers from political instability and illegitimate institutions thereof. The lack of sufficient CSR interventions has resulted in poor infrastructure, high unemployment and lack of community development. There is economic frustration in the country because of lack of jobs and opportunities which leads to rise in crime.

Federation des Entreprises du Congo (FEC, 2016) explains that CSR is the response given to global (climate change issues, nature preservation, social and information technology innovation) and domestic challenges (job creation, professional training/on-the-job training, entrepreneurship, improving the standard of living, as well as culture promotion). International organizations have a critical role to prescribe and recommend CSR practices that would help to solve global challenges such as climate change. A country's government, its laws and institutions should therefore promote CSR practices that can solve domestic challenges. A conference on "*Responsabilité Sociale des Entreprises*" (RSE), French for CSR; titled "*Responsabilité Sociale des Entreprises: de la théorie à la pratique*" [Corporate Social Responsibilities: from theory to practice], in Kinshasa, DRC in 2017 held that the general population of Congo should be sensitized on the issue of CSR. If people know and understand their rights they can therefore organize themselves as advocacy groups which will enforce CSR practices to solve domestic challenges. The people living in mining communities are stakeholders who should have a voice pertaining to operations of the industry which exploits resources in their communities.

Roberts (2017) presents a case study on how effective CSR can be put in place in a sustainable manner by responding to the *desiderata* of the communities. Muyumba (2006) examines CSR in the mining sector in the DRC in general and in particular in the eastern province of South-Kivu. While CSR may be a concept is novel in Congo, Muthuri (2010), states that CSR is now a global phenomenon. Apart from enumerating the many activities that form the CSR in the context of this resource-rich country, the study stresses that monitoring and evaluation of initiatives is still a problem (Muyumba, 2006).

Govender (2011) studied the problems posed by insufficient or ineffective monitoring and evaluation of CSR initiatives in SA. While big companies and MNCs strive to inculcate the culture of CSR in their mid-to-long term plans, Small to Medium Enterprises (SMEs) as well as Small, Medium and Micro-sized Enterprises (SMMEs) struggle the most to accomplish this acculturation. In the DRC, artisanal mining takes precedence on industrial (extractive) activities as far as coltan mining is concerned, and SMEs have a share in this sector. Small enterprises challenges such as the lack of resources and other capabilities leads to insufficient CSR initiatives.

Anixter (n.d) asserts that another way of helping the society overall is by refusing to do business with companies accused of corruption or maladministration. There are MNCs operating in the DRC who have impending lawsuits internationally and recently many companies were linked to politicians and government officials in non-transparent ways. However, the fact that emphasis is put on companies' own procedures or initiatives on the issue, with little regulatory or monitoring and evaluation from neutral and competent entities is a cause of concern. Most big mining corporations in the DRC are foreign-owned. Anixter (n.d) lists a number of minerals classified as blood minerals regardless of their origin, on condition that they have been used to fund armed groups fighting their respective governments. These minerals are: columbite-tantalite (coltan); cassiterite; gold, walframite and their linked varieties such as tantalum, tin and Tungsten. It is argued here that in reality the above list is not exhaustive, although all are mined in the DRC and all have been fueling armed conflicts in one way or another in the DRC (Rapport des travaux, 2017; Isheloke, 2009).

The notion that certain companies try to prevent themselves from entering business deals with individuals or organizations alleged to have used or using blood minerals is only good rhetoric. In practice, little is done to stop the hemorrhage of blood diamond and conflict minerals. The lack of many reports about blood diamonds in the media does not mean the practice is less prevalent. There is no freedom of speech and press freedoms in DRC, information access is restricted and censored. Media freedoms help to enhance transparency and accountability thereby enforcing good CSR practices amongst the business society. If CSR is implemented fully by firms in the mining supply chain it can help to discourage illegal trade of minerals, and thus limiting conflict in the mining communities.

There is no doubt that institutions that will oversee CSR must be strengthened in the DRC, Zimbabwe and SA. What is applicable in these countries could be applicable with some adaptation to other African countries with possibly some exceptions. US President Obama once said that Africa does not need strongmen; it needs strong

institutions (*Sunday Times*, 2009). Anixter (n.d) advocates that business deals should respect human rights, ethical codes and observe environmentally friendly practices. In view of the above, voices have been heard to oppose any move to blindly incorporate the European CSR model in Africa, as in other developing countries. Scholars such as Argandona and Hoivik (2009), Devinney (2009), Dobers (2009), Dobers and Halme (2009) challenge the "uniformisation" of CSR.

In Africa overall and in the DRC, in particular, the problem lies in the lack of what is termed here the three "Ls": the Lack of government regulations on CSR; the Lack of government capacity in understanding and enforcing CSR policies; and last but not least, the Lack of commitment to enforce CSR regulations in the DRC. In view of the above, Muthuri (2010) is of the view that the civil society can play a positive role in complementing the actions of the state.

Legal compliance is part of CSR. DRC law obliges mining companies to respond to their CSR responsibilities such as the preservation of the environment and their participation in community-based initiatives. The revised mining code is therefore the basis of any sound analysis of CSR in the DRC, and the code speaks to socioeconomic aspects as well. The legal framework includes the labor legislation, the Ministerial Decree no. 2008/002 as well as the ISO 26000 (FEC, 2016:18). ISO 26000 seeks to contribute to sustainable development, health and societal well-being in terms of stakeholders' expectation.

3 Corporate Social Responsibility in Zimbabwe

Zimbabwe is a landlocked country which used to be the breadbasket of Africa, and had one of the highest literacy levels in the continent. Robert Mugabe who led the country for over three decades post-independence until November 2017 ruined the economy which was once described as the jewel of Africa. In 2008, the president was accused of rigging the presidential elections although Morgan Tsvangirai was declared the winner of the legislative (Dixel, 2010). Mugabe stepped down after a military takeover and proceedings of his impeachment. Emmerson Mnangagwa took the oath of office in November 2017 as president of the military controlled government. The demise of the despot was wanted by the people and led by formerly loyal generals of the very leader.

In 2018 Zimbabwe had elections which were not endorsed as free and fair by international observer bodies such as the European Union, United States and British Commonwealth. Nonetheless, US Congress extended the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) as a vote of no confidence in reforms required to lift the targeted sanctions.

Arli and Lasmono (2010) examined the challenges of CSRs in developing countries and argued that the rationale for focusing on CSR in developing countries are different from those justifying CSR in the developed world. Developing countries have rapid economic expansion which is mainly based on agriculture and extractive industries. The extraction of natural resources often lead to acute social and

environmental crises in host communities. Developing countries have economic and CSRs challenges which are quite different from the economically developed countries. Mugova et al. (2017) states that according to Carroll (1991), corporate social responsibility CSR involves the conduct of a business which is economically profitable, law abiding, ethical and socially supportive. To accomplish these, a balanced approach is required with economic, social and legal pillars. The exploitation of Zimbabwe's economy by Mugabe occurred in collusion, overtly and indirectly with MNCs, particularly those from China.

Zimbabwe has remained with the same economic and political problems despite the change of presidents. The promises made by the new president Emmerson Mnangagwa have failed to translate into economic projects aimed at uplifting the lives of ordinary citizens. Human rights abuses and economic mismanagement have continued and democratic space has been squashed. The cultural and colonial history affected how CSR is conceptualized in Zimbabwe, the country is a former British colony where businesses were largely dominated by multinational corporations. The country embarked later on ways to address historical and colonial imbalances through laws such as Indigenization Act. Politics shaped the understanding of the rights and duties of both the government and the industry in terms of CSR implementation, monitoring and evaluation. There is poor service delivery by the government. Private sector firms and Not-for-Profit Organizations (NPO) regularly assist the people of Zimbabwe to fight challenges such as cholera, drug shortages in hospitals, provision of clean water and drought relief.

Zimbabwe has a weak institutional environment and poor governance structure that require innovation, integrity and ethical behavior on the side of business to champion their CSR initiatives (Burlea, Vertigans, & Idowu, 2017). The country was under a dictatorial regime of Robert Mugabe for over three decades, corruption and absence of the rule of law has worked against CSR as it is always the case elsewhere, both in the public and private sectors. The World Justice Project Rule of Law index ranks South Africa on number 44 in the world whilst Zimbabwe is ranked a distant 108. CSR entails legal compliance but also going beyond what is required by the law. For example creating an environment that encourages business development and entrepreneurship is more than a matter of laws. Yet, Zimbabwe is also ranked amongst the worst in the world in terms of doing business. Its business environment is said to be very uncompetitive which has resulted in failure to attract foreign direct investment.

4   Corporate Social Responsibility in South Africa

The history of SA just like that of the DRC and Zimbabwe dates back to pre-colonial, colonial and post-colonial. South Africa was under apartheid governance and then transformed into a democracy. The country is more economically developed than both DRC and Zimbabwe. CSR was more a matter of government oversight duty pre-1994. In parallel, MNCs (including extractive firms) did very little to uplift the

economic situation of the communities at large, except that historically white citizens were more privileged than their black counterparts, albeit not exclusively. In post-apartheid SA, subsequent to the liberation led by Nelson Mandela the government introduced the Broad-Based Black Economic Empowerment (then called BEE) - a positive discrimination that aimed at emancipating mainly blacks and to redress the economic imbalances of the past (Golden Consulting, 2012). Positive discrimination could be regarded as a type of CSR in the context of SA. In this light, benefits meant that CSR could now reach all the population rather than the only few as was the case when it was a profit-business oriented activity under Apartheid.

5   Limitations of Post-apartheid CSR Efforts

South Africa attained democracy in 1994, however, to date the system of governance has failed to emancipate the poorest of the poor and other groups who were previously disadvantaged. The ruling elite is involved in corruption especially to do with awarding of contracts and procurement irregularities. In SA, CSR falls under corporate governance as the legislation does not force companies to engage in CSR (The companies' Act 71 of 2008).

The discovery of diamonds in Kimberley in 1877 revolutionized the economy of SA as it propelled industrialization with all its developmental consequences (urbanism, immigration, mining (ghost) towns, etc.). On the political arena, SA was influenced, albeit in the negative manner, by discriminatory policies such as the Native Land Act of 1913. The system of apartheid as it was later known culminated in the regime prohibiting interracial sexual intercourse or marriage, segregation of residential locations, human rights violation against the black majority as well as economic discrimination to the detriment of the people of colour (Dixel, 2010). Income disparity in SA was caused by apartheid and further exacerbated by gender-related challenges perhaps owing to the patriarchal nature of the society (Isheloke, 2013, 2017; Fajardo & Erasmus, 2017; Folbre, 2006; Klasen & Lamanna, 2009). It is argued here that income disparity could be addressed by enforcing CSR programs in Africa. Companies must make not just pursue profit but above all they must create opportunities and long-term wealth which benefit the local communities they operate in.

Dixel (2010) explains that many illegal immigrants and other groups from Lesotho, Swaziland and Botswana came to SA to look for jobs in the mining sector. However, the conditions were very discriminatory and oppressive to workers who appeared to come from disadvantaged communities such as the poor and African immigrants from the SADC region. The wages and salaries were very low but the situation of poverty and marginalization gave the job-seekers had little choice in a country where unemployment reaches 40% of active population in search of job opportunities (including those who are unemployed but who have now ceased to look for job, citing the lack of opportunities as one reason making them fed-up). The rate of unemployment is currently estimated to be 27, 5% which is considerably

high. In SA government policies influenced CSR during the colonial period and the post-independence government has sought to reverse the legacy of apartheid.

Muyumba (2006) enumerates a number of activities that fall under CSR. South Africa has an advantage over the DRC and Zimbabwe on CSR matters owing to its institutional infrastructure and political will power of the government. Perhaps as the new law was promulgated (Liffran, 2017), DRC could experience a better future if political interference does not become a further blockage going forward.

In the mining sector, CSR is costly as companies deal with daily challenges in their operations. South African economic disparity as a result of government failure in service delivery and to some extent lack of CSR policies especially issues of gender inequality. A negative relationship between gender and economic growth has also been established as found, the lower the gender gap, the better economic development is spurred (Klasen & Lamanna, 2009). Mugova et al. (2017) focused on the case of Zimbabwe on CSR issues and make use of relevant case studies to illustrate that despite the challenging economic environment CSR is practiced by some firms operating in the country. The following synoptic table presents the major issues of contention and the rapport among the countries state of affairs on CSR. It is held that CSR is a relatively new concept in the DRC (Muyumba, 2006) as it is in Zimbabwe. In SA, it can be said that CSR as an activity that seeks to benefit both blacks and whites equally is a fairly new concept and is in its adolescent age.

Davies (2017) spoke about the 4th industrial revolution whereby digital technology will become a much sought after professional skill. Thus, the use of Information Technology (IT) becomes imperative for effective CSR nowadays. Mugova et al. (2017) examine more cases in a very inclusive way than a selective approach undertaken for the Katanga (DRC) study. Specific to this source is a level of philanthropy which is seen as part and parcel of CSR. Parallel to this view, FEC (2016) posits that CSR has nothing to do with philanthropy. It is suggested here that the two views can hold true depending on the situation. The low levels of economic development and high levels of poverty makes the philanthropy CSR more appropriate to developing countries compared to developed countries. Resolving the difference of CSR focus for developed and developing countries could be a useful direction for future research.

Dobers and Halme (2009) in corroboration with other authors found that the Low-Income Countries (LICs), as much as they differ, also present some dis/similarities with the Western world as far as culture is concerned. Blowfield and Frynas (2005), Fox (2004) and Frynas (2005), as cited in Mugova et al. (2017) critique CSR as not being attuned with the realities in developing countries. Thus, a contextualized CSR is advocated by many scholars.

A universal approach to CSR is subject to criticism and deemed irresponsible, null and void by some. Crotty and Marie (2014) elaborate on the need to contextualize CSR policies and practices. Mugova, Mudenda, and Sachs (2017) agree with Crotty and Marie (2014) on the need to contextualize CSR in Africa. Last but not least, agreeing with Mugova et al. (2017: 207), "CSR needs to be adapted to local issues, different cultural contexts and the weak institutional environments, such as

in developing countries." In the literature survey, CSR in the three countries under study was analyzed from different perspectives and using different lenses.

South Africa has the Public Protector Office as an institution that gives it a competitive advantage over its SADC counterparts in general, the DRC and Zimbabwe in particular. The particularity of the Public Protector Office as an institution in SA is that there is seldom a situation where similar power to protect the general population against abuse by state and other institutions is found to be as independent as is in SA (The importance of the Public Protector, 2016: 1–2). Its prominence is also the determined fight against corruption (Public Protector, 2017). The rule of law is another competitive advantage of SA as a country according to several statistics. The DRC and Zimbabwe are known to have very corrupt courts where the government often dictates its will as it applies the law selectively jeopardizing political opponents (Anti-Corruption Helpdesk, 2014: 1–11; Business Anti-corruption Portal, 2016). This affects good governance, political stability and the independence of the judiciary amongst the other things.

6 Conclusion

This study discussed CSR from a comparative point of view, addressing the situation in the DRC, Zimbabwe and SA. From a historic and contextual perspective, CSR was reviewed in the three African countries. An analysis of the literature allowed to appreciate the depth and width of theories, concepts and knowledge at the researchers' disposal on CSR and how best to apply them in the context of the studied phenomena, thus responding to the need to extinguish both epistemological and ontological curiosity. It emerged that just as there are many definitions of CSR, there are several uses to be contextualized to the needs and wants of countries involved. The novelty of CSR in Africa in general and in the studied countries, begged the question: is there a room for innovative ways and more efficient ways of dealing with CSR concepts applicable to the three SADC countries?

Future research should focus on how politics and legal infrastructure influence firms' CSR policies. A comprehensive review of CSR policies and initiatives by the private sector and public sector will provide a deeper insight of the issues which has shaped CSR practices in Africa. A more complete review of literature from the three countries will help to inform theory and practice of CSR. The policies and institutions developed by each country influences the path of CSR and economic development. SA is doing well in curbing corruption cases through its courts and the public protector due to institutions being stronger and better developed than in the other two countries. Zimbabwe and the DRC should learn to enhance and solidify their democratic institutions to harness the implications of the study and to look into the whole CSR discourse profoundly.

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Environmental Impact and CSR Responsibilities

Steven Kayambazinthu Msosa and Jeevarathnam P. Govender

1 Introduction

In recent times, corporations have been facing external pressure to act responsibly towards the environment and such pressure has been coming from various stakeholders and also as a result of environmental regulations, media attention, customer sensitivity and awareness of good environmental practices (Flammers, 2013). In addition, society expects companies to be responsible and at the same time, companies have an obligation to get involved in actions that promotes and protect their brands. Thus, it is beneficial to do good things and be seen to be doing them. Companies that have engaged in bad practices have in the past paid a heavy price such as public embarrassment (Ruggie, 2002). The reality is that business in the modern world is expected to take responsibility for the decisions that they make. Therefore, every decision taken must be seen in the context of that kind of responsibility. Corporate Social Responsibility (CSR) entails that corporations have to weigh the benefits to be gained against the costs of achieving those benefits. There is a perception that both firms and society stand to benefit immensely when the firms actively strive to be socially responsible. While corporations benefit in enhanced reputation, society benefits from the social projects executed by the corporations (Adeyanju, 2012).

The concept of CSR is believed to be based on moral grounds and several arguments have been presented to support this narrative. For instance, CSR as a sustainability concept means that companies will place the importance of their operations on environmental and community stewardship. In addition, companies have to operate in a way that enhances their long-term performance while avoiding the risks associated with environmental or societal concerns (Young & Dhanda, 2013). Currently, there is a concern in the era of globalisation that multinational companies might be

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reaping profits at the expense of vulnerable groups and environmental degradation. As a result, multinational companies (MNCs) have taken a proactive stance of operationalising CSR initiatives as business organisations (Edwards, Marginson, Edwards, Ferner, & Tregaskis, 2007).

CSR is an evolving concept that has been defined differently by scholars. Generally, CSR is construed as being a tool used by organisations to integrate social, environmental and economic concerns into their business strategy and operations in a manner that ensures transparency and accountability, thereby establishing better practices within the organisation that eventually lead to the creation of wealth and an improved society. Sustainable development has taken the centre stage of business management such that how businesses plan to address it has become a very important aspect of CSR (Hohnen & Potts, 2007). Thus, CSR refers to a whole range of fundamentals that organizations are expected to acknowledge and to reflect in their actions. It includes, but is not limited to care about the sustainability of the environment, respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizens in the communities and fair trade with business ethics (Kumar & Balakrishnan, 2011).

The concept of CSR was embraced in the 1990s pursuant to which companies sought to responsibly address social and environmental issues which arose in the course of business through implementation of international norms and sustainable business practices. The norms and sustainable business practices are not limited to broad-based human rights, labour rights, and the rights of indigenous people, environmental stewardship and transparency (Smith, 2008). In addition, CSR focuses on philanthropic activities and transformation of the ecosystem. With respect to philanthropic giving, organisations can concentrate their CSR activities either in the form of direct funding to non-profit and community service organisations, employee community service projects or in-kind donation of services to underserved communities. Corporate philanthropy may be made to express social and environmental priorities of the owners and managers but exclusive of profits or direct benefits to the organisation (Rangan, Chase, & Karim, 2012).

CSR simply means the integration of corporations into their local setting. Corporations contribute to the welfare of local communities by providing jobs, wages and other benefits. On the other hand, corporations depend on the health, stability, and prosperity of the communities within which they are operating. For example, they recruit most of the workers from the local or nearby communities such that they have interest in the availability of skills locally (Brew, Junwu, & Addae-Boateng, 2015). The proponents of CSR believe that it seeks to balance the multiple needs or demands of communities and the need to preserve the environment while realising the profit maximisation objective (Jenkins, 2004:24). Thus, in this context, CSR is viewed as a concept that is beyond philanthropy. It is regarded as a global movement that encompasses social and environmental standards established in the global arena (Warnaars, 2012). Thus, CSR has been defined by the European Union (EU) as a concept which allows companies to integrate social and environmental issues in their business operations and interaction with various groups voluntarily (European Commission, 2001).

2 CSR Dimensions and Responsibilities in the Mining Sector

The reason for including the CSR model in the mining sector is that it provides a framework for achieving sustainable development and addressing environmental concerns and community development vis-à-vis commercial extraction (Gilberthope & Banks, 2012). Despite the varied approaches, it is however not to say that a common ground cannot be found. As the world continues to become a global village, the actions of a business enterprise in one part of the world may have an impact in other part of the world. Hence, organizations must act within the ambits of accountability, transparency and sustainability even though the parameters to measure these indicators may vary from country to country or society to society. From the current discussion, it can be said that CSR is a concept which enables corporations to consider the plight of society by taking responsibility and evaluating the impact of their operations on various stakeholders, as well as the environment. This obligation goes beyond the statutory requirement to adhere to legislation and creates an enabling environment which compels companies to take initiatives aimed at improving the quality of life for inhabitants within the jurisdiction of their operations. Corporate social responsibility is sometimes referred to as the corporate "triple bottom line". This means the totality of the corporation's financial, social and environmental performance in conducting business (Mwangi & Otieno-Mwembe, 2015).

Corporate responsibilities are three fold viz. economic responsibility, social responsibility and environmental responsibility. CSR may include projects in education, health and infrastructure which are closely linked to sustainable community development. For instance, in India the government promotes CSR to finance and fulfil sustainable development (Ray, 2013: 127). Figure 1 highlights corporate responsibilities using the triple bottom line and sustainability framework.

As shown in Fig. 1, CSR is a multidimensional concept encompassing social, environmental and economic aspects. These aspects are also consistent with the dimensions of the triple bottom line viz. people, earth and profit. The social dimension is linked to human rights, labour rights and company projects aimed at uplifting the community. The environmental dimension is linked to programs aimed at reducing the negative environmental impact and developing technologies that are friendly to the environment. The economic dimension is linked to the economic upliftment of the community, accountability, payments to national and local authorities, the use of local labour and local suppliers of goods. Given the volatile business environment they operate in, many organisations are aware of the direct economic benefits that can be derived from CSR. For instance, organisations that initiate programs that impact society positively are able to enhance the organisation's reputation. This does not only assist them to make more profits, but also enables the business to position itself for the future (Gechevski, Mitrevska, & Chaloska, 2016).

The economic dimension of corporate social responsibility encompasses profits, economic growth, cost savings, and research and development in a firm. The profit characteristic should be viewed by the frim as the economic benefit to the community
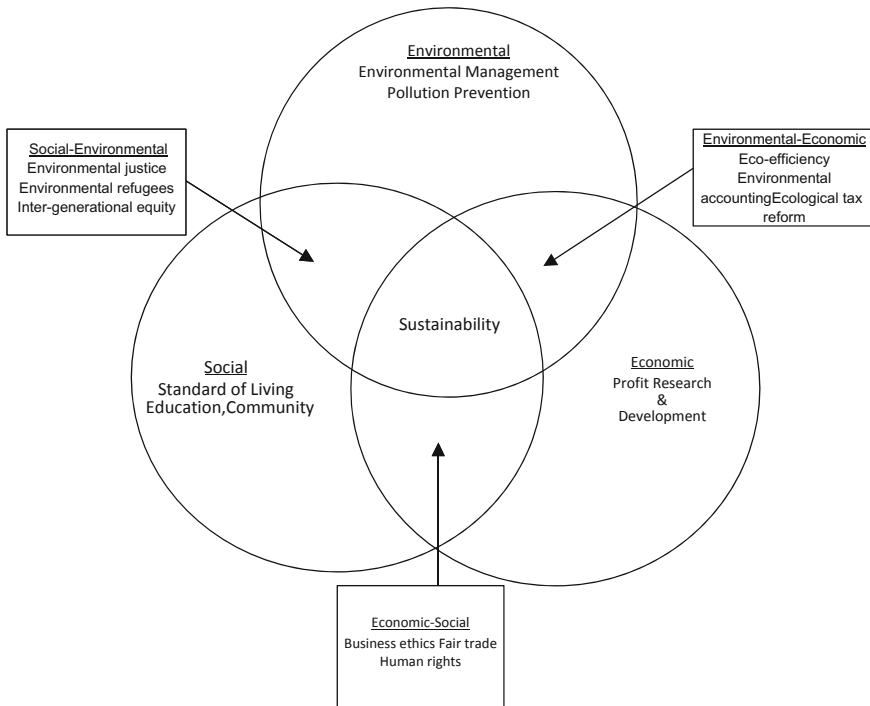
Fig. 1 Triple bottom line and sustainability framework. *Source* Rodriguez, Roman, Sturhahn, & Terry (2002: 8)

in which the firm is operating. When the economic aspect is integrated in the social aspect (economic-social aspects), it leads to what is known as business ethics, fair trade and worker rights. This implies that the triple bottom line approach is inclusive such that it does not only promote activities that benefit the organisation but also focuses on social profits where the ethics, behaviours and practices are taken into consideration in profit maximization, thus helping to maintain the social and economic accountability and also creating a balance between economic and social elements. The environmental aspect refers to the prudent use of natural resources, management of the environment, and prevention of water and air pollution as highlighted in Fig. 1. It is aimed at preserving the available resources. The environmental-economic aspect is linked to the prudent use of energy, or incentives that promote the efficient and sustainable use of natural resources so that they are conserved for posterity (Bahadur & Waqqas, 2013).

Another school of thought suggests that sustainability is viewed to have emerged from the environmental aspect and deals with how organisations use physical resources so that they can be used by future generations. Thus, economic sustainability refers to how well the organisation performs economically. A broader concept of economic sustainability encompasses the organisation's contribution to the eco-

nomic framework in which it operates. It must be noted that development, from a social perspective has not been swift as compared to the environmental and economic perspectives. The main issue for consideration when dealing with sustainability from the social perspective is social justice. In this regard, one may be persuaded to conclude that economic and environmental sustainability which are an integral part of the concept of externalities are mostly engendered in the importance identified by comparatives of social responsibilities (Adeyanju, 2012).

There has been public concern regarding inequalities and unanswered questions on the environmental and social impact of globalisation. These issues are putting members of the mining sector under the microscope from customers, shareholders and governments. Consequently, organisations are being subjected to new business risks. The discussion that corporate globalization assists in addressing economic disparities through job creation, education and improving the standard of living of the people, or assist in reducing inequalities, is a matter that has to be taken seriously by businesses. Thus, in order to obtain a social license to operate in the extractive sector, it is important to facilitate the promotion of environmental and social normative standards. This is critical, particularly where companies operate in countries that have weak governments with no political will to fulfil their responsibilities. The irony is that in such cases, various stakeholders look up to companies to fulfil their corporate social responsibility (Smith, 2008).

3 Corporate Social Responsibility in the Context of Environmental Protection

Companies operating in the mining sector face similar CSR challenges encountered by companies in other sectors. The challenges are not only limited to environmental, corporate governance, transparency, and worker rights issues, but also concerns regarding human rights. In addition, the players in the mining sector also encounter some distinctive challenges. Unlike manufacturing companies, which can use their discretion in terms of the place where they would like to conduct their business operations based on a number of predetermined business variables, companies operating in the mining sector have no option or choice in terms of where minerals such as gold and diamonds are located. The reality is that sometimes these precious stones or minerals found in countries that marred by conflicts, poor governance, no rule of law and massive corruption. Furthermore, these resources may be located in hard to reach areas or in areas inhabited by local people. The aforementioned issues create problems for companies that are seeking to be socially and environmentally responsible (Smith, 2008).

A company's reputation at its business location and the good image it portrays as an employer is critical for its competitiveness. The reality is that companies interact with the local environment. Some companies rely on the provision of a clean

environment for their production or provision of services that produces clean air, water and roads that are not congested. Another relationship can be found between the local physical environment and the ability of business to attract workers from other regions to a place where the business is located. Conversely, businesses can be agents of pollution such as noise, water pollution, air emissions and soil contamination which eventually lead to environmental degradation due to the inappropriate disposal of waste. Several companies also become involved in programs aimed at uplifting the community by, among other things, the provision of vocational training places, assisting environmental charities, recruitment of marginalised people and making donations to charitable activities (Brew, Junwu, & Addae-Boateng, 2015).

The mining sector has had a significant impact on the physical environment as well as the social environment. As such, there is an increased interest from the general public on the activities of the extractive sector due to environmental disasters and human rights violations that are associated with mining. This has led to a public outcry for companies in this sector to be socially and environmentally friendly. The response from the sector has been good; however, CSR activities have largely focussed on issues such as health, education and infrastructure (Ranangen & Zobel, 2014).

Another school of thought suggests that the focus of CSR in Africa is mostly on activities that add to infrastructure or economic development of communities through the creation of jobs. However, environmental sustainability is a key emerging perspective in CSR. This entails the management of physical resources so that they are conserved for the future (Dartey-Baah & Amponsah-Tawiah, 2011). One of the issues associated with mining in the developing world is the inability to assess the potential of water contamination due to lack of methodological rigor and the cost of clean-up. The problem emanates from lack of objectivity of EIA firms (Slack 2012).

When an organisation engages in activity which has an impact on the external environment, the environment is affected in many ways that are not reflected in the accounting books of the organisation. Thus, the environment can be affected in a positive way through for example landscaping, as opposed to being negative by the creation of heaps of waste from a mining operation (Crowther & Aras, 2008). In this regard, environmental protection needs to be comprehensive and should encompass rational water and waste water management, air and soil protection from pollutants and noise protection. Furthermore, corporate ecological responsiveness is very important and it refers to initiatives by the organisation aimed at reducing the impact of the operations of the firm on the environment. These initiatives may include reducing energy consumption and waste reduction, using ecologically sustainable resources and implementing an environmental management system (Seroka-Stolka, 2013).

Mining companies need to be cautions of their actions on the environment because the evolution of CSR has come about with a cost that several organisations have had to pay. Media attention emanating from public scandals involving issues such as environmental pollution, child labour and racial discrimination have forced organisations to embrace CSR which in some circles is viewed as an attempt to avoid reputation damage (Cedillo Torres, Garcia-French, Hordijk, Nguyen, & Olup, 2012). Companies that are involved in practices that are harmful to the environment may decrease

their competitiveness and risk reputational damage which may in turn prevent customers and strategic investors from associating with the business. Thus, the clean-up and legal costs may soar and affect the business substantially (Flammer, 2013).

4   A Global Perspective of the Impact of Mining Operations on the Environment

There are several ways in which negative social and environmental impacts manifest themselves in the extractive sector. These include industrial accidents, environmental degradation, health and safety issues, impact on living standards of local villages and human rights violations (Mutt, Yakovleva, Vazquez-Brust, & DiMarco, 2012). The extractive sector faces the challenge of the need to minimise costs and at the same time accumulate capital. As a result, companies operating in the extractive sector have disregarded environmental regulations and in some cases, with the help of the host country governments. This development, therefore, has, at times, contributed to severe social and environmental degradation in catchment communities (Maconachie & Hilson, 2013). Thus, it can be said that one of the challenges in the mining sector is that the government and mining companies often fail to provide information and engage communities on the negative impacts associated with mining. Without full disclosure, communities often end up with expectations that are farfetched and beyond the capacity of mining companies. The reality is that host communities are often prone to environmental degradation, interruption of livelihoods and invasion of culture with nothing to show as benefits. This predicament creates conflict between local villages and mining companies. In addition, the conflict between the company and community can also arise because the different changes experienced by various stakeholders are not in line with the values and interests of the community (Davis & Franks, 2014).

There is a contradiction that exists with respect to how commitments to operate responsibly and the mechanics of how the industry operates. The consequences of displacing many people in order to dig a massive pit and piling up a huge mountain of waste rock is that it will inevitably begin to leach sulfuric acid into ground water used by local communities and this cannot be seen as being socially responsible by other stakeholders. In the developing world, these impacts or concerns are greater because of the host governments' lack of capacity and political will to regulate mining operations. Thus, there is an inherent tension between the nature of industrial resource extraction and commitments to CSR; a tension that local communities in mining extraction areas can sense intuitively (Slack, 2012).

The extraction of minerals can lead to environmental degradation and extinction of natural resources, water pollution and damaging forests and wildlife on which local communities depend for their livelihood. Mining operations lead to destruction of the environment, erosion of arable land, and pollutes water and the air. Equally, mining can cause displacement of people and cultural shocks to villages or local stakeholders

(Murombo, 2013). Similarly, it has been noted that CSR can be a source of frustration, conflicts and confrontations (Warnaars, 2012). Another source of tensions with respect to CSR is that sometimes CSR standards are designed and subsequently applied without the involvement or input of the host governments or companies in supplier countries. As a result, the created standards may have little impact to facilitate the achievement of social and environmental goals in exporting countries. For example, EU Eco labelling regulation criteria for paper products became controversial in the 1990s because they favoured energy efficiency, not use of renewable energy sources such as hydropower which were important for producers in Brazil (United Nations, 2007). The destructive nature of mining operations is evident in Catalonia, Spain, where land degradation, chemical leakage into the ground, noise and visual pollution have negatively affected environment. However, the pressure from the society for cleaner and sustainable environment has led to mining companies implementing environmental management systems. For instance, waste and restoration plans are mandatory and adopted by all companies operating in the mining sector (Vintro, Sanmiquel, & Freijo, 2014).

Mining activities by nature, take place underground and as a result, the internal structure of the earth is disfigured because of the extensive damage caused by machines which are used to drill and extract minerals. The extracted ore has to be crushed using machines which are powered by chemical substances. The chemicals that are used during the extraction of ore pollute or contaminate the underground water which is usually pumped out to the surface. Furthermore, machines used in extraction of minerals are lubricated with oils which, if not contained, contaminate the underground water. In addition, the excavations that take place in the mining area create pockets of water basins which then become the breeding ground for malaria and bilharzia. Other infections are triggered by air pollution because of particles and other substances that local communities inhale when released into the air. Similarly, skin infections, fever and diarrhoea are also associated with the polluted water used by the communities (Mathe & Phiri 2016).

5   CSR Challenges and Environmental Impact of Mining Operations in Africa

One of the challenges in Africa is the absence of a framework that clearly spells out CSR responsibilities of mining companies. Thus, this absence has led to companies operating as they wish. For instance in Ghana, there is no mention of CSR in the government policies and legislative framework despite having a huge list of regulations, laws and procedures that governs the extractive sector. As a result, communities do not see the benefits of CSR because they have no legal basis or framework to hold companies accountable. It is believed that being explicit about CSR can help communities and non- governmental organisations to hold mining companies accountable (Andrews, 2016). The dynamics in the extractive sector in several African countries

have been adequately covered in literature; however, it is important in light of this study to highlight the complexities in terms of the impact of mining activities on the environment in selected African countries viz. Zambia, South Africa and Zimbabwe.

6   The Zambian Perspective

In the Zambian extractive sector, it has been reported that some of negative impacts of mining on the environment are smoke and dust fumes, emissions from the mines during transportation of products like sulphur and acids, absence of protective wear for mine employees. The challenge is that most companies are fully aware of the negative impacts of mining operations but they prefer not reveal the dangers associated with mining because there is no real evidence to support the claims. Moreover, there are no environmental impact assessments to ascertain the risks associated with living around the mines. In addition, there has been no effort to measure or come up with evidence relating to the impact of the smoke of fumes coming from mining operations. There is also a lack of sensitisation of these issues in the communities. Communities don't have the power or requisite knowledge to confront or push mining companies to conduct impact assessments. Furthermore, the current operating standards in Zambia are not in line with best practices or standards elsewhere in the world because of weak government policies. As a result, mining owners are taking advantage of the fact that the government has no monitoring measures in place to assess their performance and Zambians have subsequently accepted pollution to be the state of affairs (Cronjé, Reyneke, & Chenga, 2017).

While it is argued that the mining companies in the copper belt in Zambia have been seeking to address a number of pressing community level concerns, their approach to formulating a coherent CSR strategy has been ad hoc and fragmented. This is because communities impacted by mining are generally limited in their abilities to hold either companies or the government to account. In addition, there is lack of policy coherence in order to facilitate the alignment of CSR agendas with district, regional and national development objectives. The authors argue that addressing these issues can drive transparency and accountability of both the private and public sectors, while at the same time, build linkages between civil society organizations (CSOs) and communities living in close proximity to the mining operations (Maconachie & Hilson, 2013).

A study conducted on CSR practices in small-scale mining on the Copper belt in Zambia found that due to the complexity of mining operations, local communities are susceptible to water, air and dust pollution, siltation and sedimentation of river beds and landscape disfigurement. Thus, it was noted that mining operations were contributing to environmental degradation in one way or the other (Lungu & Shikwe, 2007). Similarly, Kumar (2016) has noted that the people living in the copper belt are battling with pollution emanating from toxic chemicals and other hazardous substances which undermines their right to good health. The reality is that families living around areas where mining operations are taking place have to endure living

with a wide range of environmental hazards which subsequently affects their health. In addition, it has been noted that the main Kafue River is contaminated with toxic industrial chemicals. Thus, the exposure to different kind of toxic substances have resulted in diseases such as cancer, respiratory problems and weakening the immune system of people living in these areas. The polluted dams have in most cases become breeding spots for mosquitoes which cause Malaria.

The government of Zambia appears to have abdicated its role and responsibilities to the communities when it comes to mining and environmental protection. The lack of firm action from government within the mining environment has resulted in large scale hopelessness and mistrust as reflected in accusations of corruption and all-encompassing poor governance. Furthermore, caught up in the global agenda of investment drive, the government is in a dilemma of how to balance economic benefits with the environmental degradation resulting from mining activities. This is further compounded by lack of capacity in terms of technology and human resource to undertake the Social and Environmental Impact Assessments (SEIA) and these affect the drive for CSR monitoring. As a result, the mining companies have no direction with regard to how to prioritise CSR activities (Cronjé, Reyneke, & Chenga, 2017).

7 The South African Perspective

In South Africa, there has been a significant improvement in terms of the legislative framework and policy developments aimed at enhancing socially and environmentally responsible behaviour in the extractive industry. However, the dilution of mining policies is one of the challenges affecting smooth implementation of CSR activities in the African region. South Africa is viewed as a regional hub of most of the mining companies and as such, most of the CSR initiatives are conceived in the country and rolled out to other countries such as Namibia in a diluted form. The institutional environment in South Africa is different to other countries in the region where legislation to facilitate checks and balance is often weak (Littlewood, 2014).

Mining has several negative effects on the environment. The problems confronting the South African sector have been exacerbated by poor enforcement of mining and environmental laws. Mine dumps are the major features contributing to pollution in South Africa particularly in Johannesburg. The water that comes from mine dumps leaks into local water sources which, when consumed, may cause health problems. For instance, the Vaal, Crocodile, and Olifants rivers and their tributaries, along with the Middelburg and Witbank dams in Mpumalanga province have been affected by pollution because of water leakages from mine dumps. The sad part is that these are major sources of water for the country and therefore causes more danger to human life and animals (Federation for Sustainable Environment, 2018).

Increasingly, sustainable development is facilitating legal changes in the environmental and mining codes. For example, the mining and environmental laws in South Africa have been changed to include good environmental practices aimed at enhancing sustainability. There have been strides to put in place laws and policies relating

to environmental and sustainable development, however, the frequent cases of environmental degradation caused by mining; land, water and air pollution and reduction of arable land for agriculture, are some of the reminders that mining by its nature is unsustainable. For instance, water pollution in Mpumalanga Province of South Africa, acid mine drainage (AMD) in the Witwatersrand basin, Johannesburg, and the constant air and water pollution from mine dumps in Davidsonville, Johannesburg and Bafokeng are some of the examples. Furthermore, Johannesburg is surrounded by mining dumps which contaminate the water and blow harmful substances in the air during summer (Murombo, 2013).

8   The Zimbabwean Perspective

CSR activities can be used to uplift the welfare of communities if corporates can pursue their objectives with transparency, however, a lot of shortcomings and disregard of procedures were recorded in Zimbabwe. For instance, mining operations in Chiadzwa commenced without environmental and social impact assessments. Thus, environmental degradation and human displacements were inevitable. As a result of poor management, there were no resettlement and social management plans. Communities expressed resentment over this act. This entails that the mining companies were operating without a social licence (Mathende & Nhapi, 2017). Thus, failure by mining companies to follow good environmental practices has been a bone of contention in Zimbabwe. For instance, the inhabitants of Chiadzwa through the Marange Development Trust, a community advocacy group, challenged and stopped the government-owned Zimbabwe Consolidated Diamond Mining Company (ZCDC) from conducting mining operations without an Environmental Impact Assessment (EIA) certificate. An EIA certificate is a prerequisite for any mining operations and must be done before commencement of work. It helps to identify the social, economic, environmental and cultural impacts of a proposed mining project and explains the plan put in place to mitigate or minimise the aforementioned impacts. Section 9 of the Environment Management Act (Chapter 20:23), restrict mining owners not to commence operations before an EIA is granted. However, the challenge is that the current fine or penalty for environmental crimes is level 14, which only attracts a $4000 fine, and mining owners prefer to continue polluting the environment because they know it's convenient to pay the $4000 penalty than to comply with EIAs. This blatant disregard of policies is against the spirt of section 73 of the Constitution which advocates for a clean and safe environment for Zimbabweans (Langa, 2017).

    Previous research conducted by the Zimbabwe Environmental Lawyers Association (ZELA) has found that mining companies commit environmental crimes because of the absence of environmental laws. A case study by ZELA on mining operations in Penhalonga found that failure to enforce and implement Environmental Impact Assessments (EIAs) is the main reason mining companies abuse the environment. As a result, people living in areas where mining operations are being conducted suffer from the effects of unregulated mining activities. The Zimbabwean constitution stip-

ulates that any developer of a project such as mining must conduct an environmental, social and economic assessment of the potential impact of a project so as to come up with measures that can assist to mitigate the adverse effects of the operations. Thus, if properly implemented, EIAs can act as a framework or tool for enhancing social and environmental accountability. The expectation is that mining companies should facilitate environmental impact assessment while government bodies should monitor compliance (Chifamba, 2014).

The Reclam report in Zimbabwe noted that mining companies use different chemicals which could be harmful to wildlife and vegetation of nearby communities if not properly discharged. Furthermore, the hazardous materials such as explosives are used in mining operations and solvents are also used to clean, refurbish and maintain mining equipment. Thus, mining activities are expected to be conducted in terms of the laws and regulations relating to environmental protection. Penalties or fines are levied when mining companies exceed agreed limits on emissions. Currently, the fines are small in relation to the cost of environmental protection equipment and mining companies consider it very cheap to pay the fines than to invest in anti-pollution devices. Furthermore, the applicable laws governing the sector do not encourage clean-up of environmental pollutants, and when the clean-up is required, the laws provide no guidance regarding the extent of the clean-up that must be conducted (Mambondiyani, 2012).

In recent times, mining companies have been accused of committing crimes relating to the environment. These include water contamination with chemicals such as cyanide and mercury and air pollution caused by blasting and chimney smoke. The reality is that most areas where mining takes place have deep pits, poor villagers who have been moved to new places without adequate compensation and mining communities with dusty roads and lack good infrastructure which can demonstrate that minerals have the capacity to develop communities and the country at large (Langa, 2017).

One of the challenges in Zimbabwe is that laws governing mining are not properly synchronised. As a result, many projects have commenced without EIA certification from the Environmental Management Agency (EMA). EIA is a tool that is accepted internationally to assess negative effects of the planned projects in order to facilitate the development of ways that can assist to curb or minimise the adverse impacts on the community. For instance, mining companies in Marange have negatively impacted the environment because they commenced mining operations without environmental impact assessment plans. As a result, dangerous substances and waste were deposited into Odzi and Save River because mining companies did not built water reticulation ponds that use the evaporation system. It is estimated that over three thousand livestock from surrounding villages died mysteriously because they had consumed water contaminated with hazardous waste from mining operations (Mapfumi, 2015).

Another school of thought suggests that the challenge in the Zimbabwean mining sector has been the failure by mining companies to conduct EIA assessments. Most mining companies only conducted the assessments when they were confronted by the EMA, which requires mining companies to regularly conduct environmental audits. However, it has been noted that mining companies failed to take into account

environmental concerns. As a result, communities along Odzi River had complained against water pollution. Similarly, mining has caused massive deforestation when the companies were clearing land in order to mine diamond. Land degradation has also been registered in areas where mining is taking place. The Deputy Minister of Environment had made the following remarks when he visited the mining areas: "The environment has been ruined. If we allow panning to continue, the country cannot afford its reclamation. What I have seen is land destruction at its worst. Who will be responsible for filling these shafts? The extent of the plunder is shocking. It is as if these people were using motorized machinery like graders when they were using picks and shovels" (Chimonyo, Mungure, & Scot, 2016).

There have been conflicting reports regarding the failure by mining companies to adhere to environmental impact assessment plans. It has been reported that one of challenges is that the Marange diamond fields are a restricted area and that conducting assessment regarding the commitments made by mining companies by the Environment Management Agency has not been easy. Despite having by laws in place to monitor the performance of mining companies, local authorities have not been doing enough to enforce these laws as the work cannot be left to government alone. Environment Africa communications officer Sandra Gobvu noted that their organisation is concerned with sensitising communities on the harmful impacts of mining and the responsibility of the communities but don't have powers to arrest the people behind such lapses of control. "We do not have the authority to arrest or enforce environmental legislation as EMA are the custodians of this portfolio. As an organisation we are concerned with creating awareness to communities and people about the consequences of bad environmental governance" (Chifamba, 2014).

The impoverished residents who live near the mines have another cause for concern. Cattle that are drinking water from the Odzi River downstream of diamond processing facilities have been dying. Numerous local officials and leaders of civic organizations contend that people who have bathed in the river have developed rashes and other skin ailments, and that other residents have grown ill after drinking river water (Mambondiyani, 2012). This view is shared by Mtisi (2015) who has also noted that diamond mining companies in marange have been accused of causing environmental degradation through pollution of Save River and Odzi River. This is against the background of some companies conducting an environment impact assessment and an undertaking to put in place corrective measures such as recycling water and curbing pollution.

A report by the Zimbabwe Environmental Law Association (2012) has noted that the water quality in the Odzi river has revealed the environmental problems that need to be addressed. Odzi river is heavily silted as a result of mining silt laden water being discharged into the river. In addition, chemical pollutants from mining activities which are discharged in the river have led to the siltation. Similarly, Mathende and Nhapi (2017) have noted that most rivers in Mutoko are heavily silted and there has been serious land degradation due to the mining operations. People and cattle have drowned in open pits left by the mining companies. The local leadership alleges that since 2008, more than six people have drowned in unprotected pits.

9   The Role of Stakeholders in Environmental Protection

The actions of particular business people can be judged against moral principles, which is unsurprising, since business decisions are a kind of human action and all human actions are morally constrained (Altman, 2007). In CSR, there are also some diverse motives whereby the corporations have a bigger scope which includes and not limited to funding of community activities, grants for non-profits/NGOs, environmental sustainability programs to reduce energy and resource use, and comprehensive efforts to remake a business's entire value chain. CSR is characteristically natural, as companies both respond to societal expectations and define CSR in terms of their own organizational and social motives for generous giving and civic engagement (Noor & Maige, 2017).

Currently, there is a growing interest in the role of businessess and the welfare of society. This has gained attention because of the need for organisations to be environmentally and ethically responsible. The implication is that our society is increasingly concerned that the greater influence and progress by companies has not translated into equal effort and desire in resolving social issues including problems of poverty, drug abuse, crime, improper treatment of workers, faulty production output and environmental degradation or pollution caused by the industries as reported by the media over a long period of time (Adeyanju, 2012).

The drive towards the broad policy changes in the extractive sector has not been left to intergovernmental regional institutions alone. Equally, the civil society bodies have been instrumental in mobilising against harmful practices of the extractive sector particulary in Africa. Recently, many civil society organisations have come together to find ways of protecting local communities from the negative effects of mining by powerful multinationals operating in the extractive sector. The central objective of civil society organisations is to promote transparency and accountability. In this regard, civil society organisations have come up with intittatives to persuade and encourage governments to adopt the Extractives Industry Transparency Initiative (EITI) (Murombo, 2013).

According to Xiaoyang and Sun (2016), the countries in Africa have powers to create and enforce requlation on companies operating business on their soil. The fight against environmental degration can only be won if deliberate efforts are put in place to improve regulation. The problems being encountered in Africa cannot solely be blamed on foreign investors but are also largely due to obsolete requlation that are not fit for modern industries. For instance, in other countries, there are no standards for requlating certain industries and in some cases the environmental impact assesment process is riddled by bribery.

10 Conclusion

The mining sector is critical for the development of economies in Africa and for the upliftment of the communities living in areas where mining is taking place. This means that mining companies have a role to play in contributing to the livelihood of people living in the vicinity of mining operations. However, CSR activities by mining companies have largely focused on philanthropic activities rather than sustainable development and protection of the environment. The reality is that environmental protection is one of the areas that mining organisations have to prioritise in order to establish goodwill among key stakeholders such as government, non governmental organisations and communities. This chapter has noted that the challenge is that most mining companies do not want to invest in sustainable development activities or come up with programmes aimed at conserving natural resources. In most cases, mining companies have deliberately undertaken operations without conducting environmental impact assesments which can assist companies to come up with plans or measures of mitigating or minimising the identified negative effects of their operations. As a result, mining companies have unleashed harmful substances on the ground, water and air. The implication is that the quality of life for the inhabitants of these areas is severely affected, thus, making them prone to diseases that may eventually lead to loss of life.

The need for stringent controls, monitoring and an evaluation framework cannot be overemphasised. Sadly, mining companies have the tendency of making profits at the expense of human life. Thus, It is only prudent that the government takes a leading role in setting up policies, laws and enforcing penalties where environmental laws have been flouted or good environmental practices are not being followed. The government is considered as the last leg or line of defence when it comes to environmental protection because local communities do not have the capacity to fight powerful multinational corporations who use resources and connections to manipulate existing systems and eventually, evading justice. In addition, other stakeholders such as non government organisations, pressure groups and community leaders should be vigilant to ensure that mining operations are being conducted within the ambit of the law and that all due processes are being followed. Although, corporate social responsibility is voluntary, organisations have an obligation to be transparent and accountable to the communities where business or mining operations are taking place. Companies that do not follow the set requlations, standards and best practices should be taken to task and their operations halted by using the available legal avenues. It is imperative for companies to recognise that both good and bad environmental practices have a cost attached. Thus, companies that maintain good environmental practices promote sustainable development, and are involved in philanthropic activities, enjoy society's goodwill and do not have to worry about reputational damage or litigation risks.

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Corporate Social Responsibility in Times of Economic Crises

Lucy Tambudzai Chamba and Shame Mugova

1 Introduction

Mining is an essential pillar of Zimbabwe's economy which largely depends on exports of unprocessed raw materials. The mining sector is a key to the country's government revenues through taxes, employment creation and infrastructural development. The communities in which mining takes place are undeveloped and mining firms are expected to contribute to the development of those communities complementing the efforts of local and central government.

The concept of corporate social responsibility (CSR) has been advocated for decades and is commonly employed by companies globally, though developing countries are still lagging behind. CSR in developing countries is largely shaped by either the international customers and the multinational corporation's home country policies and less by the communities where mining takes place. Mining companies in Marange were expected to contribute to the development of the community through their CSR programs by complementing the government. Governments of developing countries like Zimbabwe are often unable to finance development. Hence firms are expected to contribute to the betterment of the societies they operate by providing schools, roads and hospitals and other public services. The private sector should not take role of the government but the needs in the communities compel them to assist and at the same time they should avoid being in conflict with the government by usurping its role.

Views. CSR is a business system that enables the production and distribution of wealth for the betterment of a company and its stakeholders through the imple-

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mentation and integration of ethical systems and sustainable management practices. Stakeholders in the mining community of Marange have not benefited as might have been expected from the discovery of diamonds in Zimbabwe. Customarily, the community is viewed as the owner of the natural resources in their areas. The custodian of mineral resources are a responsibility of the government which has been blamed for abuse and corruption. Community leaders such as headman and chiefs are often used by the ruling party and are usually accomplices of corruption. The diamonds which were expected to benefit disadvantaged groups such as women and the unemployed youths failed to make a difference because of the government's ineptitude. The Marange area is a dry region with poor soils and inhabitants mainly survive through subsistence farming and mostly families are poor the discovery of diamonds was a source optimising for improvement of their local economy. The diamond mining firms that operated in Marange jointly with the government of Zimbabwe since 2009 neglected the environment and community needs. The lack of care for the environment and stakeholders led to a number of cases of pollution which were reported and also human rights abuses by the government and the firms.

Corporate social responsibility is based on the premise that business is sanctioned and promoted by society. Hence, society legitimates business by allowing it to function and use scarce resources (Maphosa 1997). CSR is a social practice which tends to be embedded in a particular economic, social cultural, historical, and institutional structure (Mathende and Nhapi 2017).

Different theories attempt to explain the concept and operations of CSR. The **management theory** postulates a firm goes beyond compliance and engages in actions that appear to further some social good. The **stakeholder theory** on the other hand advocates for corporations to satisfy a variety of constituents such as workers, customers, suppliers, and local community organizations- who can influence the firm's outcomes. The **stewardship theory** by Donaldson & Davis (1991) is based on the idea that there is a moral imperative for corporations to do the right thing without financial consideration. Finally, the **liberal theory** is rooted in the assumption that business and society have a symbiotic relationship (Matunhu 2012). According to Matunhu, this theory of CSR treats businesses as global community citizens with the moral responsibility of championing poverty reduction through corporate transparency and accountability.

Thus for this paper, the liberal theory is more pertinent in the context of African countries as they regard businesses as part of the solution to poverty and underdevelopment, through proactively engaging in the institutional environment in which they operate. The role of companies, is therefore to provide community services such as health and education, previously regarded as the preserve of the state. Though in the course of providing those public goods, businesses do not also want citizens to change their expectations of their government or to have government shirk its responsibilities.

The challenge, therefore, for companies operating in developing countries is that they are increasingly being required to align with societal norms while sustaining themselves financially, regardless of the difficult social or economic situations prevailing in these countries. Businesses' key stakeholders include its employees, cus-

tomers, investors, suppliers, public and governmental officials, activists, and communities. Thus, corporations are expected to develop sustainable strategies aimed at dealing with the intersection between societal needs, the natural environment, and corresponding business imperatives.

Mutisi (2009) argues that CSR should not be viewed as philanthropicy work or hand-outs, but rather as the implementation of projects that go beyond philanthropy, projects that change and develop communities. CSR has been confused with words and phrases such as social investment, corporate citizenship, corporate conscience, and responsible business are used interchangeably with CSR though all these concepts do not mean the same. In Zimbabwe, CSR has in most cases been confused with charity. Charity is normally sporadic and lacks sustainability, whereas CSR is specifically created for sustainable development.

The mining industry still remains one of the most important source of the nation's income in Zimbabwe. Kachembere (2015) states that mining has the potential to contribute to economic development through creation of jobs, attracting foreign direct investment, infrastructure development, and many other social activities. However, despite the potential to contribute to economic development, the mining sector in Zimbabwe has not contributed to the betterment of communities and employees' rights are not respected. Mining takes place in developing countries, where CSR is viewed as charity or philanthropy and companies and as a result companies cannot be held accountable for their actions and cannot be compelled to contribute to society. Despite abundant mineral resources, the indigenous communities living close to the mines have been deprived of the right to directly or indirectly benefit from the mineral resources (Mabhena & Moyo, 2014).

The establishment of Community Share Ownership Trusts (CSOTs) in Zimbabwe was a Government initiative under the indigenization programme aimed at ensuring that communities have shares in foreign companies that exploit natural resources such as minerals in their areas and use the proceeds from the shares to fund development.As part of the policy, foreign mining companies are expected to cede 10% to the communities and fund community share ownership schemes so that communities can benefit from the resources in their areas. In Zimbabwe, CSR is a legal issue and mining companies are not legally bound to contribute 10% of their shareholding to community share ownership schemes (CSOS) which however have proved to an inefficient mode of CSR. There are also poor mechanisms such as workers' union and pressure groups to advocate for CSR. This makes it difficult to realise any benefit from the mining companies especially in times of economic distress as firms tend to neglect CSR initiatives. Mining companies ought to contribute to the development of the areas they operate. Mining companies in Marange did not honour up their commitment to the Marange-Zimunya Community Share Ownership Scheme. To date the Trust only received $400 000 out of the promised $50 million.

The administration of the community share ownership scheme was not transparent. They become synonymous with corruption as the ruling elite played a key role in providing access to diamond looting (Majoni, 2016). There is official confirmation

of the role played by political bigwigs in protecting local and international illegal diamond dealers. The then Mines and Mining Development minister,Walter Chidhakwa said "We want to see the politicians who protected them (the syndicates) to loot this country," (The Role of the Ruling Elite in Zimbabwe's Billion Dollar diamond Leakages, 2018).

The mining firms could also have been negligent because the CSOTs lacked strong institutions with clear accountability, which if they were present the community ownership models could have worked successfully. The companies could not be held accountable because of the involvement and protection by the ruling party elites. In 2015, Zimbabwean President Robert Gabriel Mugabe reported that US$15 billion of diamond revenue could not be accounted for, only US2 billion could be accounted for by the treasury. Tendai Biti's (the then Minister of Finance) during the Global Political Agreement (GPA) period 2009–2013 complained that the treasury was not receiving any revenue from diamond mining. The Movement for Democratic Change (MDC) suspected that the diamonds were being used to finance a parallel government. The Central Intelligence Organisation (CIO) worked with Chinese national Sam Pa to smuggle diamonds out of the country. The government of Zimbabwe in 2015 withdrew operation licences for mining firms that were operating in Marange citing lack of transparency and corruption. The diamond mines were merged to create an entity called the Zimbabwe Consolidated Diamond Mines. The take-over of the Marange mines by the Zimbabwe Consolidated Diamond Mines did not bring significant changes in terms of revenue to the government.

The Zimbabwean economy has experienced a lot of upheavals since the year 2000. Infrastructure such as roads has not been developed in Marange and the adjacent communities have not benefited from the resource either through employment creation or increased economic activity (Chimonyo, Mungure, & Scott, 2013). Most of the mining firms were Chinese-owned with 50% of the government of Zimbabwe shareholding through the state-owned Zimbabwe Mining Development Corporation. Diamonds were airlifted from Marange and often the output was not made public. The notion that the discovery of diamonds in Marange was going to alleviate poverty and suffering and contribute to the development of the Southern African state was not realised. The ruling elites who are well known for corruption and economic mismanagement and the military was involved in the mining of diamonds and facilitating the looting of the precious stones by the Chinese firms.

Crisis comes in various forms. Gundel (2005) identifies four types of crisis: conventional crisis which is predictable and influenceable; unexpected crisis which is unpredictable but influenceable; intractable crisis which is predictable but uncontrollable; and fundamental crisis which is unpredictable and uncontrollable. In the face of crisis, enterprises can either be; reactive, defensive, resigned, or proactive. Organizations that have a proactive CSR strategy will succeed in better coping with difficult and challenging financial and economic conditions (Lee, 2008), while organizations with responsive social responsibility programs will experience problems. Thus, considering that the diamond mining companies have operated in the country

for quite some time and can testify that Zimbabwean economic crisis is of an unpredictable and uncontrollable nature it is of paramount importance that the companies have a proactive CSR strategy to cater for eventualities which they can encounter.

Arevalo and Aravind (2010) propound that the degree of social responsibility integrated into the core strategy of the organization influences the power of economic and financial crisis impact on an organization. Crisis can be viewed as both a threat and an opportunity for any organization's social responsibility activities. When crisis is seen as a threat, in order to survive, organizations are forced to reduce their costs, with social responsibility programs being affected first due to the high implementation costs. However, crisis can also be seen as an opportunity for social responsibility programs, as CSR is a means to manage the difficult financial conditions and to support communities in overcoming the consequences of the crisis. The result will be positive effects both in terms of organization's reputation and the advantages brought for the local communities (Miras-Rodrı´guez et al., 2013).

2 Economic Crisis in Developing Countries and CSR Issues

There are four reasons for focusing on CSR in developing countries. One, developing countries represent the most rapidly expanding economies, and hence the most lucrative growth markets for business (IMF, 2006). Two, developing countries are where the social and environmental crises are usually most acutely felt in the world (WRI, 2005; UNDP, 2006). Three, developing countries are where globalization, economic growth, investment, and business activity are likely to have the most dramatic social and environmental impacts (both positive and negative) (World Bank, 2006). Four developing countries present a distinctive set of CSR agenda challenges which are collectively quite different to those faced in the developed world.

Visser et al. (2007) highlight that the challenge for corporate social responsibility (CSR) in developing countries is framed by a vision of 2000 Millennium Development Goals—'a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better educated children, equal opportunities for women, and a healthier environment' (UN, 2006). Unfortunately, these global aspirations remain far from being met in many developing countries today. These situations, however present an opportunity for businesses to invest heavily in CSR. As Porter and Kramer (2006) declared, "successful corporations need a healthy society and at the same time a healthy society needs successful companies". Thus, CSR can be used by mining companies as a means to address societal needs such as infrastructural development instead of being a social cost to the community.

CSR in developing countries represents 'the formal and informal ways in which business makes a contribution to improving the governance, social, ethical, labour and environmental conditions of the developing countries in which they operate, while remaining sensitive to prevailing religious, historical and cultural contexts' (Visser et al., 2007). However, national institutional environments such as weak and contracted governments, gaps in public governance and transparency, arbitrary

enforcement of rules, regulations, and policies, and low levels of safety and labour standards affect how CSR is conceived and practiced in developing countries. Hence, in the developing world philanthropy is the primary type of CSR and it continues to dominate the business arena. Substantive engagement with other aspects of CSR is the exception rather than the norm.

Developing countries in general are also subject to illicit financial outflow to rich countries further stripping the developing nation of critical resources (Dobers & Halme, 2009). Thus, the roles of businesses in tackling the critical issues of human development and environmental sustainability in developing countries still remains ineffective mainly because CSR activities are more philanthropic than strategic in most companies. A strategic approach would be one which is aligned with relevant and pressing social needs in the country (outside-in strategic approach).

Local engagement with communities and the incorporation of their ideas and practices will strengthen support for, and durability of, initiatives. In so doing, CSR can be adapted to local needs and demands making the outcomes more meaningful for the people most affected.

A recent shift in the CSR debate emphasises a move from strategic processes to organisations that maintain CSR because it is a part of their culture (Matten & Moon, 2008; Asif et al., 2013; Looser & Wehrmeyer, 2015; Lorenzo-Molo & Siloran Udani, 2013). Companies therefore must have business models based on the traditional values of craftsmanship, stewardship, and its concern to contribute to society, build and maintain a business involving the community, and including close relationships with employees, customers, suppliers, and other small firms.

Lindblom (1994) mentioned four possible strategies that companies have adopted in the context of crises: (1) inform stakeholders about performance improvement planned by the organisation to manage the event; (2) modify stakeholders' perception on the facts themselves; (3) distract stakeholders from the issue at hand; or (4) change external expectations vis a vis the performance of the organisation. These are well-honed techniques that competent public relations offices can master and apply in the event of untimely crises. From a deeper and more ethically concerned perspective, protecting the environment, managing human resources, health and security in the workplace, relations with local communities and relations with suppliers are complex issues that CSR can and does address. Thus, responses to crisis will vary dependent on the commitment of organisations to CSR.

Organisational integrity may be considered as the solution to dealing with CSR challenges in developing countries. Organizational integrity means that the organization's values should guide its interactions with internal and external stakeholders (Painter-Morland, 2006).

Authentic CSR leadership can be another avenue for tackling CSR challenges in developing countries. In the framework of leadership studies authenticity emerges as a key factor. Debating on the nature of CSR leadership, Visser et al. (2010) point out that, "We are convinced that without bold and effective leadership—at a political, institutional and individual level—we will fail to resolve our most serious social and environmental crisis" (Visser et al., 2010). A CSR leader is someone who inspires and supports actions toward a better world (Goffee & Jones, 2009). Hence, an authentic

CSR leader orients the company toward the common good and respects the "golden rule" and typical of the Christian tradition, to do unto others what you would want for themselves. Thus, the low levels of CSR activities in most developing countries are an indicator that a leadership gap in CSR exists in most businesses for orienting strategies that are for the common good of the communities.

3 Zimbabwean Economic Crisis and Diamond Mining

The economic decline in Zimbabwe had its genesis in 1997 when the government disbursed huge payouts to war veterans and the Zimbabwe dollar lost 74% of its value in a four hour period on the 14th of November 1997. The government also sent the army into the Democratic Republic of Congo, the involvement in the conflict did not benefit the country but only a few individuals who were involved in the looting of diamonds in that country. The huge government expenditure and external borrowing resulted in the government of Zimbabwe defaulting on debts from World Bank and International Monetary Fund (IMF) in 1999. The fast track land reform in 2000 through seizure of white owned farms without compensation destroyed the agricultural sector and had negative effect on the industry which relied on agricultural inputs and agricultural exports also declined. Through the land reform the country regressed through land fragmentation, destroyed commercial farming and reverted to subsistence farming.

Zimbabwe inherited a controlled economy in 1980. By 1989 large deficits had occurred in the balance of payments in addition to the huge budget deficits (African Development Bank). The government in the 1980s increased civil service employment and spending on social services which led to high taxes and a serious budget deficit which was financed by public borrowing. The reason for Economic Structural Adjustment Programme (ESAP) was budget deficits, and also the chief reason for its failure was the inability of government to reduce budget deficits. The budget deficits of post 2000 led to hyperinflation as the government kept on printing money to finance the deficits which led to hyperinflation.

In 2006 one of the largest diamond finds in recent history was made in eastern Zimbabwe's rural Marange. A find of this scale could have gone a long way towards alleviating the country's serious economic woes (Global Witness 2017: 1). However this is not the case, as Zimbabwe's population generally has not benefited through the mining firms contributing to the treasury. Diamond firms were not compliant to tax laws and also complaints of environmental pollution were documented in the Marange community. The firms which operated in Marange had fifty per cent of government shareholding.

According to Hanke (2008) in November 2008, Zimbabwe experienced the second highest recorded inflation rate in history, when the annual inflation rate reached a peak of 89.7 sextillion (that is 89.7×10^{21}) percent. At this point, prices were doubling every 24 hours. At the peak of Zimbabwe's hyperinflation episode in November 2008, Zimbabweans refused to use the Zimbabwe dollar. With that, the economy

was spontaneously, and unofficially, dollarized. Dollarization is a situation where a country uses another currency officially or unofficially as legal tender (Mugova et al., 2017). Eventually, the government faced this *fait accompli* in early 2009, when they dollarized the economy by accepting the dollar as the unit of account for government finances.

Since 2010, Zimbabwe has officially exported over US$2.5 billion in diamonds according to official figures from the Kimberley Process. According to the limited available government reporting, only around US$300 million can clearly be identified in public accounts. In 2011 the then Minister of Mines and Mining Development, Obert Mpofu, claimed that Marange had the potential to generate up to US$2 billion a year. It was indeed a significant find for the country. Within a few years, the Marange discovery had propelled Zimbabwe into the diamond producing big-leagues. By 2012 Zimbabwe was the world's fourth largest producer of diamonds by volume, surpassed only by Russia, the Democratic Republic of Congo (DRC) and Botswana. By 2013 some analysts argued Zimbabwe had become the world's single largest producer of diamonds, though statistics from the Kimberley Process suggest production had already started decreasing, a trend that has continued ever since. Zimbabwe has, however, remained among the top ten diamond producers in the world since 2010. During this period Zimbabwe's official diamond exports totalled just over US$2.5 billion (Global Witness 2017).

CSR was expected to bring infrastructural development in Marange, but this remains elusive. As Global Witness (2017:3) states, "This valuable discovery should have provided a much needed boost to Zimbabwe's ailing economy and the needs of the near three quarters of the population living beneath the poverty datum line, and still suffering from the effects of political, human rights and economic crises which began around 2000. But despite their early promise, diamond revenues have offered little to the ordinary Zimbabweans." According to Global Witness Report (2017:25) lack of information about revenue flows is the first feature that has allowed Zimbabwe's diamond wealth to disappear. The secrecy that surrounds the ownership of Zimbabwe's diamond companies is the second. After years of obfuscation, former President Robert Mugabe finally acknowledged the gap in Zimbabwe's diamond finances. In a series of statements, he has pointed the finger of blame squarely at the diamond companies operating in Marange, accusing them of having "robbed" Zimbabwe of its wealth. But a narrative that casts the Zimbabwean government as an innocent victim conveniently overlooks the role the government played in establishing and managing this sector, as well as the role it has played in stifling the transparency and accountability that could have prevented it.

The future of Zimbabwe's diamonds now hangs in the balance. Diamonds are non-renewable resource sooner or later the diamonds will be exhausted. Poor management of the resources is an injustice to the generations to follow. The mismanagement emanated from state-sponsored looting and the focus on short-term selfish gains by government officials who ought to be the stewards. Diamond revenues have benefited the political elites and foreign firms which mined diamonds.

The empowerment of local citizens through shared ownership is a noble desire which could have worked if there were good policies and right implementation.

Mining firms should work in partnership with local communities to solve society's challenges and develop the areas they extract resources. The success of mining firms comes from the society's resources for example the minerals, infrastructure, rule of law and consent. Developing countries such as Zimbabwe lack the necessary infrastructure such as roads and communities usually expect firms operating in rural communities to help with infrastructure projects. The Marange community's expectations were not met by the firms which extracted diamonds, the discovery of the diamonds brought hope of betterment of the society and livelihoods which was not realised.

Lack of CSR initiatives in Marange is clearly the result of a lack of organisational integrity and authentic CSR leadership in the mining companies. The lack of transparency, inappropriate and excessive involvement of the military, politicians, foreign firms (particularly from China) who often did not follow ethical business practices contributed to the lack of CSR initiatives in Marange. The relationship between the mining firms and the society ought to result in meaningful development, observation of human rights and social justice. Chinese owned firms who were mining in Marange were also accused of repatriating profits to their home country whilst neglecting the society where they are operating.

The greatest challenge, it seems, to CSR enforcement in Zimbabwe is corruption by government officials and weak institutional infrastructure. Only a few organizations mainly those firms that are listed on the stock exchange comply with international financial reporting standards which require integrated reporting. Zimbabwe's Companies Act, the dominant legal framework binding legal operations of companies, has not sufficiently enforced social reporting. Private firms have no obligation to make their financial statements public available which makes it difficult to enforce accountability by stakeholders and advocate for CSR.

This lack of good governance has worsened the political and economic crisis in Zimbabwe a situation which poses opportunities and threats to businesses. Mathende and Nhapi (2017) assert that Zimbabwe lacks an economy that provides social solidarity throughout the country. Blame has been directed towards Chinese investors, who have been accused of 'reaping without sowing' and causing 'wanton environmental destruction' in their pursuit of the 'primitive accumulation of capital' (Mathende and Nhapi 2017). The notion of irresponsible capitalism by foreign investors in Africa, and Zimbabwe in particular, has widely been reported. Specifically, in Chiadzwa, Chinese companies have failed to protect and improve the lives of local communities and environmental protection, instead adopting 'militarized capitalism' (Chinguno, 2015: 1). This problem is not limited to Zimbabwe; it is a phenomenon experienced by the rest of Africa and the world at large. Global businesses have been struggling with new ethical requirements. Corporations are expected to "to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs" (D'Amato et al. 2009). This is basically the principle of sustainability. In this modern world, where human rights are emphasized, it is no longer acceptable for a corporation to experience economic prosperity in isolation from those impacted by its actions.

Budget deficits are the chief cause of Zimbabwe's ongoing financial crisis in 2019 which consist of cash short shortages, liquidity crises and hyperinflation. The country also has been experiencing trade deficits since 2008 which has worsened the foreign currency shortages. The collapse of the industry in Zimbabwe mean that the country is now importing most of the products the country used to produce. The economic challenges the country is facing has meant that the tax base has been continuously shrinking and the government resorted to borrowing from domestic markets to finance the deficits. The introduction of bond notes (a surrogate currency) to fund budget deficits increased the country's risk profile. Fiscal imbalances lie at the core of Zimbabwe's ongoing financial crisis, the central government's fiscal cash deficit was reported to have moved to 10% of GDP in 2016, up from 2.3% the previous year (World Bank 2017). The tax base has fallen due to company closures and high unemployment which resulted in lower government revenue on the contrary government kept increasing its expenditure. The increase of government expenditure whilst revenues are falling resulted in budget deficits and introduction of bond notes and huge Real Time Gross Settlement (RTGS) balances created by the Reserve Bank of Zimbabwe (RBZ).

The hope is that the mining sector and diamonds in particular should play a key role in Zimbabwe's economic recovery. The challenges of the economy include a currency crisis and irrational policies by the government and the central bank. The policies such as the fixed exchange rate between the US dollar and the bond note and the foreign currency retention policies are the problems which makes business and investment difficulty. The government needs to undertake meaningful economic reforms which which will guarantee property rights and a conducive business environment which will ensure that firms prosper and are able to conduct CSR initiatives without being constrained by the economic crisis. The policies in Zimbabwe needs to be reformed in order to attract foreign direct investment (FDI) which is very critical to revive the mining sector.

4   Conclusion

From the outset of the Marange discovery, Zimbabwe's diamond mining sector has been shrouded in secrecy with poor governance underpinned by a lack of transparency and accountability. Inside a closed industry, chronic mismanagement and diverted diamond proceeds have provided off-budget funds to many who have stifled dissent and democracy in Zimbabwe. Left behind are displaced communities and an undercapitalised industry on the brink of collapse. This whole scenario points to a leadership gap, at political, institutional and individual levels. Leadership in these companies can devise CSR activities that generate competitive advantage for their entities. However, the Marange situation is a clear indication that in times of economic crises, CSR is not a priority for companies and that governments in devel-

oping countries find it difficult to manage the operations of multinational companies probably because of corruption by people who are supposed to be custodians of the nation's wealth.

Authentic CSR leadership may be the lasting solution to CSR problems in developing nations. This leadership is most likely to foster the spirit of organisational integrity which is a sustainable approach to dealing with CSR challenges facing developing countries. This implies that companies operating in developing countries should ensure that their organization's values guide interactions with internal and external stakeholders. Thus, mutual trust between the organization and its stakeholders should be fostered. Hence, CSR should be part of companies' business models.

CSR requires a balanced approach that encompasses the economic, social and legal pillars of business operations. The situation for Zimbabwean companies exemplifies the challenges of maintaining CSR in difficult environments. Zimbabwe is characterized by a weak institutional environment, poor governance structure and various social, economic and political challenges, and like most developing countries is subject to illicit financial outflow to rich countries further stripping the nation of its critical resources. Zimbabwe is not an exception to this stripping as has been evidenced in Chiadzwa diamond mining which has accrued only social costs to the people living in the area.

It is also important to note that the world economy has fundamentally shifted since Zimbabwe's economic heyday in the 1990s. The country cannot expect to re-build in the same model that brought previous prosperity. Fresh thinking is required from domestic policy makers and international partners. Thus, to take CSR to the next level in developing countries, there is need to accord systematic attention to strengthening the institutional drivers of CSR, and putting more pressure on companies to move beyond philanthropy, rhetoric, legitimization, imagery, and public relations to substantive engagement in CSR and genuine attempts at change and development. This can be done, by ensuring that CSR is part of the business' strategy or that CSR integrates all business stakeholders. Thus, CSR must be adapted to the demands of the local communities so that business activities add value directly to the people in the locality, who are also the bearers of the social costs which are a consequence of the same business activities.

To this effect, CSR innovation is the type of CSR which is suitable for developing countries. CSR innovation is based on a recent trend which believes promotes that CSR itself is a source of business innovations. According to Kourula and Halme, the key aspect of this trend is the 'base-of-the-pyramid" (BOP) approach that seeks to solve problems of socially disadvantaged groups within a society, while simultaneously creating new businesses or at least lucrative business opportunities for companies. Another result of this trend, is new service business models based on energy or material efficiency, as well as sustainable energy technologies. In essence, a business enterprise takes an environmental or social problem as a source of business innovation, and seeks to develop new products or services to provide a solution. Contrary to philanthropy, this is a win- win approach, because a business creates revenue

while simultaneously trying to alleviate environmental or social problems. Overall, despite the mis-steps, the Marange situation in Zimbabwe is and can be instructive for the implementation and sustainability of CSR in other developing countries. It is hoped that business executives and political leaders will learn from this case.

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Is a Sustainable Development Affordable in Developing Countries? The Marange Diamond Fields Case

Angela Giovinco

This paper arises from the author' intention to study the impact of *Social* issues in Corporate Social Responsibility and to test the viability of Sustainable Development in less developed economies. Experts in the field have dedicated time and flow of words to the topic. In most cases, the scenarios of analysis have been European countries, which given their level of development have the natural conditions that allow emerging trends to evolve quicker than in developing economies. Focusing on European markets makes it possible to measure in a shorter time the impact they can have and the outcome they can produce. Developed economies and emerging ones go to a different pace. Here, because Corporate Social Responsibility and the *Social* element of the topic is less explored in emerging markets, the author has decided to study it. To better analyze this reality, the paper presents as case study what has been happening in Zimbabwe and in the Marange diamond mine in the last decades. The reason behind this choice is that local and international press, and many humanitarian organizations, have recorded events—trough the testimony of people living in the area—that are considered violations against human rights by most of the parties. Furthermore, the local government and the army have been deeply involved in the abuses against the local communities (Thornycroft 2006; Krawitz, 2008; Irinnews, 2009, The Guardian, March 2016.)

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1   The Marange Diamond Fields: A Violation of Human Rights Instead of an Opportunity

The Marange district is in the Chiadzwa area. It is an isolated arid and mountainous area comprising thirty villages divided in two administrative wards (Mukwada and Chiadzwa). Mutare is the nearest city and it is located 100 km to the northeast. In 2006 a diamond mine was discovered in the district of Marange. It is the third diamond mine in Zimbabwe and it is estimated that it could generate $200 million USD per month. However, instead of revenues its discovery brought chaos in an area characterized by poverty and few economic resources. Zimbabwe has experienced diverse cases of corruption, especially after President Robert Mugabe (Kubatana, 2007) took the power dominating the country political scene for almost forty years, from 1980 to 2017, when he lost the elections and was replaced by President Emmerson Mnangagwa (BBC Africa, n.d.).

In the beginning Zimbabwean mines were managed privately. From March 2002 to March 2006, Kimberlitic Searches operated under two Exclusive Prospecting Orders (EPO) from the government of Zimbabwe. The EPO gave to the exploring company the right to search for minerals in the Marange communal area (Human Rights Watch, 2009, p. 13). The exploration certificates expired on 28 March 2006 and Kimberlitic Searches did not renew them. Soon after, a United Kingdom registered company, African Consolidated Resources (ACR), registered exploration claims over the Marange diamond fields through its four Zimbabwean subsidiaries. The claims gave ACR exclusive rights to explore for diamonds and other minerals in the Marange district (Dixon, 2008).

In June 2006, when the Marange diamond fields were discovered, the right to explore the area was exclusively of ACR. Immediately, the government withdrew the exploring authorization. The police forced ACR staff to leave the diamond field even though the exploring company had a magistrate's order stating that the police should not to interfere with ACR rights and operations (Human Rights Watch, 2009, p. 13). The Minister of Mines, Amos Midzi, then gave the exclusive mining and exploration rights in Marange to a state-owned company, the Zimbabwe Mining Development Corporation (ZMDC) (The Herald, 2009). The Zimbabwean authorities explained that the right to explore the diamond field was granted to a state-owned corporation to put order in the diamond rush which followed the discovery of the precious stones. In February 2007, President Robert Mugabe publicly announced the government's intention to take over the mining of diamonds in Zimbabwe (Human Rights Watch, 2009, pp 13–14).

What the government defined as "the rush" , at the beginning was encouraged by the government itself. When the Marange diamond field was discovered in June 2006, the government authorized all those who wanted to mine the precious stone to do so. A few months later, in November 2006, the authorization was denied. The government decided to withdraw the activity in the whole country considering it as "illegal mining". To ensure that diamonds were not brought out of the mine and traded illegally, the police was called to guard the diamond fields. The illegal miners

were in fact people forced by difficult socio-economic conditions to mine to maintain their lives (Zimnisky, 2014). Many times, diamonds were traded for food and water.

The police interventions were characterized by violence and unprovoked in most cases. According to a report issued by Human Rights Watch which listed the atrocities made in the Marange diamond fields, the "police officers were responsible for serious abuses-including killings, torture, beatings, and harassment (2009, p. 4)."

The period from November 2006 to October 2008 was the worst one for the people living in the area. There was a hard repression of the ones considered "illegal miners". During a police operation called Chikorokoza Chapera (End of Illegal Panning), many of these illegal miners were arrested and gems were seized. Several violations of human rights occurred in those years. Local miners were forced to join syndicates that would share with the police the earnings coming from the sale of the diamonds found by miners (2009, pp. 19–21).

The corrupted local army had a relevant role in this bad scenario of violence. They asked for money before letting people entering the mine and taking out diamonds. They also shot local miners they found in the diamond field. The most brutal event was the Massacre in Chiadzwa. Between the 27 October and the 16 November 2008, five military helicopters flew over Chiadzwa and drove out local miners. From the helicopters, soldiers indiscriminately fired live ammunition and tear gas into the diamond fields and the surrounding villages. The military operations took three weeks. Some witnesses declared that it looked like a war zone. Later, the bodies of people killed were buried in two mass graves in a close cemetery (2009, pp. 30–33). An investigation held by Human Rights Watch highlighted that "the killings appear to have been motivated by more than a desire to rid the fields of illegal miners and smugglers. The use of excessive force by the army seems to suggest that the military aimed to claim the diamonds for themselves and possibly others with connections to the military. The fact that diamond mining and smuggling remain under the control of the army, supports the view that the army had no intention of ending illegal activities in Marange, but rather it aimed to control the gems and determine who got access to them (2009, p. 34)".

Beyond the physical torture inflicted on the suspected miners the abuses and violations of human rights have affected also the environment. With the official excuse to secure the diamond fields throughout the district, the government announced through the press that the communities living in or near the diamond fields would have been relocated to other areas. Behind the official excuse for relocation, there was also the obvious benefit to the government and army of retaining the huge bounty of gems for themselves. An interview with twenty-six families relocated outside the mining area highlighted that those people were not aware of where they were going to go. "They were ordered to pack their belongings and their livestock and to be ready for the day when they would have moved".

The displacement to another area means the abandonment of their roots and is a human rights violation. According to international standards on displacement, local communities should be consulted and have access to information when displacement is unavoidable. Similarly, the Zimbabwe Environmental Law Association (Zela), section 74 of the Zimbabwean Constitution, prevents evictions from homes without

a court order. The UN Guiding Principles on Business and Human Rights clearly establish the responsibility of companies, particularly state-owned companies, to carry out due diligence to respect human rights.

> From the villagers' testimonies, none of these criteria has been respected in the current process. Most of the communities are clueless about the fact that they might have to leave a rural setting to establish themselves in an urban location, where they will not be provided with any land nor title deeds for the houses they will occupy. The communities are to receive a nominal disturbance relocation allowance of $1000. Given the poverty of the villagers and that they are presented no other option, most accept the payment. (Mabenge, 2017)

Relocated families also lost their land and their cultivations. In a country characterized by an endemic poverty this makes still more critical the conditions of those families.

Several abuses at the environmental level have been reported too …

> […] Diamond mining has polluted water sources and deviated rivers where normally women would fetch water. "Now they have to walk longer distances to a borehole using more of their time and energy; time they could allocate to other activities, such as crop cultivation," says one activist. Something similar has happened with collection of firewood, as the forest areas previously surrounding their homes, have been replaced by humongous holes in the ground where diamonds are now, or used to be, extracted. (Mabenge et al., 2017)

2 The Marange Diamond Fields and the Violation of National Laws and International Standards

The mining industry is the most important sector of South Africa's economy. It makes up 9% of South Africa's GDP and 50% of the export earnings depend of it. South Africa is not a resource country and therefore the mining sector is crucial as it creates more than one million jobs (Rohrbein, 2013). It is estimated that Manange diamond fields could generate 200 million of US dollars per month if managed in a transparent and accountable manner. Diamond fields in Marange area have been suffering from corruption. "Government officials accepting bribes resulting in unscrupulous politics and tax evasion. In 2014, the Zimbabwe Finance Minister, declared that the Treasury had not received tax revenue from Marange operations in 2013. In 2012, the Finance Minister was forced to cut the country's national budget from $4 billion to $3.4 billion after $600 million of expected Marange diamond tax revenue was never received (Zimnisky, 2014)". Moreover, instead of generating incomes and supporting the life of families living in the area, the diamond fields have been the theater of a complex case of violation of human rights. Furthermore, the political party ZANU-PF (Zimbabwe African National Union-Patriotic Front) is suspected of having used the money coming from illegal diamond trading as revenue for party senior figures. ZANU-PF was accused of having taken advantage of the lack of regulations and having avoided voluntarily to legalize the exploration and trade of diamonds to fund its senior representatives (Human Rights Watch, p. 2).

The Zimbabwe Mines and Minerals Act (Chapter 21:05), in force since 1961, vests all the country's mining and mineral rights and prescribes ways in which such rights can be acquired by individuals and corporate entities. The act provides that any person may apply for a prospecting license, "Exclusive Prospecting Order" (EPO), to any mining commissioner. The EPO grants the holder the rights to explore and search for any minerals on land opened to exploring, *but not to remove or dispose of any of the minerals discovered*. A holder of an EPO is not allowed to mine for minerals; once a discovery of minerals is made, the area must be registered as a mining location for which a mining lease or a special grants license must then be secured for legal mining (Zimbabwe Mines and Minerals Act, 1961).

The Zimbabwe Mines and Minerals Act (1961) arose close to the end of the British colonization with the intention to protect something that belongs to the inhabitants of that area and prevent future cases of exploitation, but at the end it was abused from the government that after diamonds were discovered provided exclusive authorization for legal mining to a state-owned company, the Zimbabwe Mining Development Corporation (ZMDC) (Human Rights Watch, 2009, p. 13). This decision was justified by a need to put order in the "illegal rush". Furthermore, the Minerals Marketing Corporation of Zimbabwe (MMCZ) was the unique authorized buyer of diamonds until January 2009.

After January 2009, the authorization was passed to the Reserve Bank of Zimbabwe (RBZ) (2009, p. 14). Both entities bought diamonds from illegal miners. As both were controlled by the government it was evident that the government tolerated it (2009, p. 14) violating another country law, the Precious Stones Trade Act (PSTA) (Chapter 21:06) that since 1978 regulates the possession and dealing of precious stones (including diamonds). The PSTA prohibits any person from buying, selling, bartering, exchanging, giving, receiving, or possessing precious stones unless the person is licensed or holds a permit. *A licensed dealer or permit holder can only trade precious stones with persons who can legally possess precious stones*, that is, only the registered miners (Zimbabwe Precious Stones Trade Act, 2016). In addition to this, it has been recorded the creation of syndicates by the police. Such syndicates were group of miners working under the control of the police. The police allowed them to access the mine asking in exchange that the earnings coming from the sale of the diamonds were shared with them (Human Rights Watch, 2009, pp. 21–22).

The Marange diamond fields have been the scenario of several cases of corruption and violation of human rights even though Zimbabwe has ratified several human rights charters as the African Charter on Human and Peoples' Rights in 1986 (2012), which requires States to protect the right to life (article 4) and to property (Article 14). According to Article 5 of the charter: "Every individual shall have the right that the inherent dignity in every human being is respected and that his legal status is recognised. All forms of exploitation and degradation of men, particularly slavery, torture, cruel, inhuman or degrading punishment and treatment shall be prohibited. It ratified also the United Nations International Convention on Economic, Social and Cultural Rights (ICESCR) which states that parties accept the right of every person to have an adequate standard of living for himself and his family, including the continuous improvement of living conditions and prohibition of forced eviction. On 27

August 1998, Zimbabwe ratified the International Labour Organisation (ILO) Convention Number 29, prohibiting forced or compulsory labor. Later, on 11 December 2000, Zimbabwe ratified the ILO's Worst Forms of Child Labour Convention (1999) (ILO, 1999, 2000).

In 2009, in reaction to the human right abuses the World Federation of Diamond Bourses (WFDB) announced a ban on trade of diamonds coming from the Marange area due to the smuggling and human rights violations recorded in the area. The President of the WFDB invited the members of the 28 affiliated bourses to take any measure needed not to trade, directly or indirectly, diamonds from the Marange district.

Zimbabwe is a participant of the Kimberley Process Certification Scheme (KPCS), the diamond industry regulatory body established in 2009 to fight against the trade of diamonds coming from areas where rebel movements used the profits of the diamond sale to finance conflicts aimed at undermining the legitimate government. Due to the absence of armed conflicts and rebel movements, Marange diamonds are not *conflict diamonds* as defined by the KPCS. However, given the human right abuses made by the police, with the veiled collaboration of the government which allows the violation of the international standards concerning human rights, some international organizations as Human Rights Watch have suggested a different interpretation of the KPCS's definition of conflict diamonds to include human right issues. In 2008, Global Witness and Partnership Africa Canada asked KPCS to ban Zimbabwe from trading diamonds and to integrate the human rights in KPCS mandate (Human Rights Watch, 2009, pp. 51–54).

3   Ethical Behaviour and Sustainable Business

An analysis elaborated by the UN PRI in 2015, described the mining sector as one of the most impactful industries on daily lives because of the impact it has on its workers and the communities located near the operations. The impact on communities cannot disregard the impacts on land, livelihoods and employment, water quality and access to water, the preservation of cultural heritage, and the right to self-determination. Vulnerable and minority groups (artisanal miners, women, children and indigenous people) were noted to be more strongly affected by because they rely on the land for subsistence and have a deep cultural connection to the land. In addition, the report evaluated the impact of the extractive industry on the environment and the economy of the closer areas, being aware that in some cases, governments may use the revenues from the resources to fund unrest (Weber and Watson, 2015, p. 5).

The critical issues characterizing this industry, highlighted above, apply well to the Marange diamond fields and bring the attention to the need to adopt a more ethical approach to business. In the last ten years, the idea of an ethical behavior has been gaining space often called Corporate Social Responsibility (CSR). The concept was already known in 1953 (Bowen, 2013) and it was introduced as the social responsibility of the business. In 1963, an additional definition of Social Responsibility defined

it as the economic and legal duties of companies that impact society (McGuire, 1963). The definition was enriched in 1979, when Corporate Social Responsibility was described as the economic, legal, ethical and discretionary expectations that society has of a company and that companies must decide in which of the three they focus on (Carroll, 1979). Later, at the end of twenty century, this idea of CRS was implemented, and business and society were interconnected (Wood, 1991). Until that moment, discussions around CSR can be considered as pure theories without any proved practical application. Recently there has been an evolution of the definition that brings more clarity. CSR is described as a circle that brings inside of it three components interconnected between them: Environment, Social and Governance (ESG) (UNIDO, n.d.). For many years, through a series of recommendations, the European Commission has pushed for the consideration of ESG topics by institutional investors and money managers (Baker, 2018). The process has not been as fast as the European Commission would have wished. A big help has come from the investor community that, especially after the 2008 financial crisis, acquired consciousness of its relevance to mitigate risks in the investment field. Many institutional investors, with the aim to reduce investment risks, began to apply a different approach to their investments. More investors have integrated their numerical models, oriented to prospect the increase of the share values in the future, with environmental social and governance issues considered as essential to sustainable growth (Fink, 2019). This approach takes care of the impact that a specific business has on human beings and their lives. So, the Social sphere with the violation of human rights and the Environment with the risk of climate change have become a priority. In 2012, this environment brought the creation of the Sustainable Development Goals (SDGs) at the United Nations Conference on Sustainable Development in Rio de Janeiro. The aim of the SDGs was to produce a set of universal goals able to meet the urgent environmental, political and economic challenges facing our world. The SDGs are an urgent call to shift the world onto a more sustainable path that will help economies to prosper (UNDP, n.d.).

The recent definition of CSR provided by the United Nations, considers Company Social Responsibility "a *management concept* whereby companies *integrate* social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves *a balance* of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders (UNIDO, n.d.)". This definition considers the responsibility of companies, not only toward the society through the impact they can have with their operations but, also toward investors who are the funders of business.

Many researchers have dedicated time to demonstrate that portfolios selecting investments according to Sustainable criteria are able to better perform (Money Show—Forbes, 2017). Similarly, others focusing on the fact that companies which are keen to measure the impact that their businesses have on the society and the environment are less vulnerable to market risks (Skroupa, 2017) and consequently, investing in these companies means protecting shareholder´s interest. In this environment, many investors in the United States as well as in Europe, have developed

and made publicly available their Responsible Investment Policies (RI). Most of such policies are based on exclusion criteria. Companies producing for example tobacco and weapons are excluded from their investments and a list of the excluded companies is published on their website. Same thing for those companies which operations are considered to damage the environment and human beings. The idea of business simply making profits has changed into the idea of business also being sustainable for the society and that global processes and policies can help to speed up the process to achieve such result. In this sense, it has also been relevant the contribution of the organizations that did research on the topic, and of governments and stock exchanges that have promoted stricter regulations. Furthermore, forcing companies to disclose how their activities are conducted has become a best practice for them driving to measure the impact of their activities on the society and the environment in which they operate. We are still at the beginning but, the process has been put in place and it is hoped that further progress will follow.

4   Sustainable Development Goals and the South Africa Current Situation

The need of a sustainably developed economy was clearly stated in the publication of the World Commission on Environment and Development in 1987. Nevertheless, in the 1987 document and in the later published studies on the topic "there is a lack of comprehensive goals or targets for "the future we want" and a lack of adequate monitoring of progress toward enduring human and environmental well-being. This absence of an overarching framework limited the ability to assess progress toward attaining sustainable development (Macpherson et al., 2017, p. 3)." The situation changed in 2015 with the adoption of the Sustainable Development Goals (SDGs).

The SDGs are a set of 17 objectives negotiated by 193 countries that would make more transparent and measurable the progress toward a sustainable development (UN, Sustainable Development, n.d.). Such objectives are to be achieved by 2030 and are focused on the three interconnected areas of the sustainable development. They are economic growth, social inclusion and environmental protection (UN, Taking Action, n.d.) and cover a diverse range of issues as gender equality, sustainable cities, access to clean water, decent work and economic growth and good governance (McPherson et al., p. 1). To meet the settled goals by 2030, it will be fundamental the work of Governments that have to put in place actions and draft new policies (UN, Central Global Forum, n.d.). The SDGs can be considered as a universal agenda for sustainable development, calling on all nations to pursue a holistic strategy that combines economic development, social inclusion, and environmental sustainability. Local and national governments are rallying around the goals, seeking ways to incorporate them into planned businesses. Furthermore, many parts have recognized that to achieve the SDGs, it will be required a new orientation of strategy and national planning (SDG Index, 2017, p. vi).

Fig. 1 The sustainable development goals (SDGs) to be achieved by 2030

Fig. 2 Zimbabwe SDG dashboard describing country status SDG Index (2017, p. 386)

The SDGs provide an input. They are to be viewed as a strategy to operate. They are all focus topics and are not excluded among themselves, but the strategy for their achievement must consider also geographical differences. The below chart shows the 17 goals. They are the same for all countries but, obviously less developed countries must face a bigger gap and consequently a bigger effort to align themselves to the other countries by 2030 (Figs. 1 and 2).

The SDGs provide a framework for examining the past and current state of the Marange diamond fields.

As stated in the 2017 version of the SDG Index and Dashboards Report reported below, Zimbabwe is far from having an acceptable level in all the 17 targets.

The report uses four different colors to measure the current country Goals level of achievement. Green color indicates SDG total achievement. Yellow, orange and red colors correspond respectively to the increasing distance from the Goal achievement. Grey is used to mark information not available on that specific goal.

The chart highlights that currently, the weakest goals in Zimbabwe are: poverty (1), hunger (2), health conditions (3), clean water (6) and life on land (15) and the Marange Diamond case represents the violation of all of them. A recent UN report highlighted that the current economic and political situation characterized by an "anemic global economic growth, combined with insufficient policies aimed

at promoting a sustainable development, will make it difficult for many developing countries, particularly for least developed countries, to achieve the Goals (UN Central Global Forum, 2017)". This is certainly the case of Zimbabwe, where the government focused on its own interests and continue violating human rights even now, causing people constant suffering because of the hunger and the lack of minimum health standards due to the water contamination and removing them from their lands, which for them represents the only way to produce their sustenance.

In many countries, especially in those considered weak governance zones, a tool to push economic growth could be the implementation of country laws together with an increase of transparency and the commitment against corruption. Doing so would reduce investment risks and attract more investors. Thanks to the United Nations efforts for a better sustainable economy, the social responsibility has become an obligation for companies, countries and the governments that manage those countries because their efforts are fundamental for the economic growth of countries. "Sustainable Development as a legal and operational aspect arise from the acceptance that social responsibility is a broader concept than a pure economic driver". This view has found its expression through the development of soft law frameworks at international level and among civil society efforts to develop corporate behavior norms under the umbrella of CSR and SD (Backer, 2016, p. 303. Nevertheless, the Marange case shows us that unless corruption is eliminated, and transparency increased, stricter standards or regulatory bodies as the Kimberley one will not have the positive effect that is prospected.

In 2016, the OECD defined a weak governance zone as an investment environment in which governments are unable or unwilling to assume their responsibilities. These "government failures" lead to broader failures in political, economic and civic institutions that create the conditions for endemic violence, crime and corruption and that block economic and social development (OECD, 2006). The weak governance zone defined by the OECD corresponds to the current situation that we have in the Marange diamond fields, where humanitarian organizations involved in the field daily report what happens there (Mavhinga, 2018).

5   Conclusions

In the Marange diamond fields the violation of human rights has been continuous since diamonds were discovered in 2006. Every day, humanitarian organizations involved in the field collect testimonies and denounce what happens there. Such organizations have also been pushing for a review of the criteria to participate in the Kimberley Process Scheme hoping that excluding Zimbabwe from the trade of diamonds could reduce the human rights violations in the area. Unfortunately, no changes have been made.

A contribution to make the Marange diamonds trade sustainable could come from the States that are the major consumers of diamonds as the European Union, the United States, the United Arab Emirates and India. Such States should avoid buying

diamonds coming from the Marange fields if abuses do not end immediately and the responsible of crimes as killings and torture are prosecuted. It is also important that earnings coming from the sale of diamonds are invested to support the growth of local communities living in the areas of the diamond fields to improve the human conditions of a land characterized by endemic poverty since centuries. The increase of transparency and reduction of corruption would increase the trust in an economy that needs to growth. The UN SGDs is an opportunity to achieve this objective if all involved stakeholders commit to a long-term sustainable strategy.

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A Conceptual and Ethical Approach to Corporate Social Responsibility in Africa's Development Crisis: The Marange Experience

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1 Introduction

In 2016, ten years following the discovery of diamond in the Marange district of eastern Zimbabwe, the then president, Mr. Robert Gabriel Mugabe of the Zimbabwe African National Union Patriotic Front (ZANU-PF) party, made the disquieting declaration that although an estimated US$15 billion worth of diamond had been mined and removed from Chiadzwa, only a paltry fraction of this amount (less than US2 billion) had actually entered the national coffers (Saunders, 2016). More interestingly, Mr. Mugabe implicated his ministers, accusing them of conniving with foreign mining corporations in the looting (Christie, 2016). The solution, he claimed, lay in streamlining all mining activities to give the government absolute control in Marange. However, the only novelty in this declaration was the fact that it had come from the government for the first time. The statements of Mr. Mugabe, therefore, did not elicit surprise from astute observers. For years, various individuals, as well as local and international civil liberty organisations, had mounted pressure on Harare and the international community regarding the looting and human rights violations that had become commonplace in Marange, since October of 2008 (Mupfumi, 2017). But the ZANU-PF-led Zimbabwean government seemed to prefer to live in denial of what was global, public knowledge.

Recent political histories of most African countries have been characterised by colossal leadership failure, political patronage and domination of the political space (Owolabi, 2011; Adefarasin, 2014). From Sudan and Somalia in mid-continent, to Cote d'Ivoire, Sierra Leone and Guinea in the west; and from Libya, Tunisia and Egypt up north, to Democratic Republic of Congo, Uganda and Zimbabwe south of the Sahara, the story is almost identical. In the 21st Century, the only difference

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appears to be the emergence of new regimes, merely changing the names of the characters, while the same storyline continues.

The story of Zimbabwe diamond mining and its attendant killings, maiming and displacement of entire communities in Marange, only makes sense when viewed from this wider perspective of the ubiquitous, political misadventure in Africa. It is yet another example of a small group of visionless and tactless elite maintaining itself in power at all cost, with massive waste of state resources, in the midst of endemic poverty. Although Africa accounts for at least 25% of global natural resources output (Schodde, 2016), the continent's 'lords of misrule' (Ellis, 2005:135) are only interested in becoming super rich and powerful by appropriating state resources.

This paper critically examines the Zimbabwean mining industry and underscores the social and ethical implications of its activities for the vulnerable groups in Marange, eastern Zimbabwe. It surveys, in particular, the level of corporate social responsibility that has been accorded these groups by both the government and the mining corporations. Juxtaposing this with the global best practices in other better organised systems of the world, the paper finds that the Marange experience is one of the worst human rights atrocities in history. In light of political developments in Zimbabwe during 2017–2018, the paper submits that the solution to the crisis ultimately lies in the willingness of the emerging government to provide inclusive and transparent leadership to Zimbabweans. This willingness must include effectively monitoring the entire diamond extraction and production process, through the implementation of extant international laws and regulations to environmental management and protection, indigenising them where necessary.

2   Appearance and Disappearance of Diamond in Marange

The discovery of diamond deposits in Marange came mid-year in 2006. Before this apparently sudden 'appearance', Marange held no particular significance or interest to the world. Locals only recall that stones found around Marange were unusually strong for fortifying the foundations of buildings during construction. Chiponda and Saunders (2016: 172–3) note that at this point in the story of greed and misery that became Marange:

> People did not fight over the stones; no one claimed them as their own; they belonged to the village … People moved freely; there were no fenced-off areas; there were no army or police in the village.

Then, one day in 2006, someone picked a stone off the ground in curiosity and showed it to a few by-standers.

In 1997, the Zimbabwean stock market and economy crashed, reducing the potency of the currency by 72% (Mlambo, 2014). The following year, food prices soared by 21% within four months, sparking protests and strikes across Harare. In 1999, the first opposition party, the Movement for Democratic Change (MDC) came on board Zimbabwe politics. In 2000, following ZANU-PF's near defeat by

the Tsvangirai-led MDC, hundreds of farms belonging to white settlers across the country were seized by the ZANU-PF and its cohorts. This action was apparently taken in retaliation for the massive support offered to MDC by the white settlers. But it worsened the food crisis and unemployment in the country. Then, the Zimbabwean government, in 2005, embarked on the destruction of tens of thousands of stalls and homes said to belong to MDC supporters in Harare. In this operation code-named *Murambatsvina* ("Throw out the trash"), over 700,000 people lost their homes and means of livelihood (Nichols, 2012). Meanwhile, Zimbabwe had pulled out of the Commonwealth in 2003, after being suspended by the latter from its councils for high levels of electoral irregularities and violence. Besieged by local and international economic sanctions, Zimbabwe was hit hard by a hyperinflation that topped 1000%, by May 2006.

Meanwhile, the South African mining conglomerate, De Beers, which had been prospecting in Marange, discovered alluvial diamond deposits in 2001, with only 10% of gem quality stones. But apparently due to the violent farm invasions and the continued lawlessness in Zimbabwe during that time—as well as the 2001–2003 period of crash in the price of pre-crush diamond (US$12 per carat)—De Beers failed to renew its exploration certificate from the Zimbabwean government when it expired in 2003 (The *Marange Diamond Fields of Zimbabwe*, 2011).

Thereafter, the UK-registered company, African Consolidated Resources (ACR), obtained exclusive rights from Zimbabwean government to mine the Marange fields. In June, 2006, it hit huge deposits of diamond and reported the find to the government, as the law required. Indiscreetly, the government responded by declaring the fields open to anyone interested in searching for diamonds. Within few months, the number of artisanal miners grew from about 150 to between 15,000 and 20,000. The so-called 'diamond rush' had begun in earnest. Things only grew worse such that by October, 2008, 35,000 people from many countries thronged Marange for illegal diamond dealings (Partnership Africa Canada, 2012; Mupfumi, 2017). But the government soon changed its mind; on November 21, 2006, it clamped down on the illegal miners in a nationwide police operation (*Chikorokoza Chapera*—"No more panning"). This operation was marked by human rights violations, corruption, extortion and smuggling, involving the police (Nichols, 2012).

Partnership Africa Canada (2010:15, 18) reports that on 27 October, 2008, Operation *Hakudzokwi Kumunda* ("You will not come back from the fields alive") was unleashed on the artisanal miners of Marange in a joint action of the police and the Zimbabwean national army. From land and the air, the military surrounded the miners and opened fire on them, as the latter took to their heels in terror. There are reports of the police unleashing security dogs that attacked and mauled some of the miners to a critical point. Many were maimed by beating. About 15,000 illegal miners were rounded up on that day. In the end, at least 214 miners (eyewitnesses said about 500) were killed and several mortally injured. This operation gave the military absolute control in Marange, control which they fully deployed for personal gain over the next decade.

From then on, according to Partnership Africa Canada (2010), Marange diamond fields became synonymous with violence and lawlessness. Different players, ranging

from army generals, central intelligence officers, the police, company executives and state officials, to ordinary citizens, benefitted from the illicit activities that ensued: panning; smuggling; extortion; abuse; forced labour; bribery; rape; robbery; and killing. In all these, the police and the army were particularly indicted. The army mounted roadblocks and collected money before allowing panners access to the diamond fields. They would strike a deal to collect 70–80% of the proceeds of illegal mining, with no protection if other patrolling security personnel happened along. In some extreme cases, the military would stop a bus on the road and match the occupants, at gunpoint, into the fields to dig for diamonds, or to close holes left by previous illegal diggers. They worked shifts, and had a 2–3 month transfer system that gave as many of their comrades as possible the opportunity to grab what they could from the diamond wealth of Marange. In 2011, it was reported that torture camps were found in Marange fields, where panners were beaten and detained by the police and the military, who would subsequently recruit the captives to dig for diamonds (Howard, 2016).

Given the preceding years of economic distress and related political turmoil, the diamond strike came in the nick of time as the means by which the Mugabe regime would sustain itself in power. Mugabe used a combination of patronage, fear and militarisation of the country to subdue opposition. There was absolute lack of transparency at all levels of government, and in the diamond industry across Zimbabwe. Some ministers and military officers became notorious in the Marange story for the part they played in fleecing their country of its diamonds and the ensuing revenues. Obert Mpofu, who was the Minister of Mines in the peak of the diamond rush, became super-rich by granting mining concessions to all and sundry, without any attempt to investigate the antecedents and capabilities of the applicants (Partnership Africa Canada, 2012). Others included General Constantine Chiwenga, the army chief; Emmerson Mnangagwa, the wealthy defense minister at the time; Gideon Gono, former governor of the Reserve Bank, and the police chief, Augustine Chihuri (*Zimbabwe Independent*, 2016).

Other high ranking members of the military appropriated different mines across Zimbabwe and ran them as private property. The River Ranch, which lies close to the Zimbabwe-South Africa border, was regarded for years as Solomon Mujuru's mine. Former Air Vice Marshal Robert Mhlanga, who used to be Mugabe's personal pilot, became Chairman of Mbada Investments, one of the major mining firms in operation. Lovemore Kurotwi, a retired army colonel, used to run Marange Resources, which was 100% government-owned. After him, its CEO was Tshinga Dube, another retired colonel and former head of Zimbabwe Defence Industries (ZDI). Sino-Zim was a partnership between the Central Intelligence Organization (CIO), a key Zimbabwean security agency, and the Chinese (Partnership Africa Canada, 2012). Due to lack of accountability and transparency, the diamonds simply disappeared, dispersed by private airplanes to other parts of the world, including Dubai, China, India, South Africa, and Saudi Arabia, while Marange lay in ruins (Partnership Africa Canada, 2010, 2012).

Marange diamonds are exceptional both in quality and in quantity. Alluvial in nature, they have been estimated to be worth up to US$800 billion. This amount of

money can reliably fund Zimbabwe's annual national budget for the next 80 years, if judiciously managed (Nichols, 2012). According to Partnership Africa Canada (2010:14), some of the stones were the size of pineapples. Experts believe that Marange furnishes about 20–30% of the world's rough diamond supply. The carats per hundred tonnes (CPHT) of Marange diamonds—that is, the measurement used in determining the lucrativeness of diamond deposits—have never been seen elsewhere. They are as high as 4000 CPHT, over 80 times a normal artisanal deposit. In spite of all these facts, the promises held by Marange to turn Zimbabwe's fortunes around did not materialise.

In the next section, the concept of corporate social responsibility is examined in order to demonstrate the extent to which it was misapplied, or even totally ignored in the Marange mining story, and the deleterious consequences that followed from that failure.

3 Corporate Social Responsibility as an Essentially Ethical Concept

What can be reasonably expected of a business in a well-ordered society, compared to one that is not well-ordered? How can corporations go about their businesses and positively impact their local communities and contribute to development in the process? To answer these questions, it is necessary to explore the concept of corporate social responsibility, which is how the depth of human rights abuse at Marange can be best appreciated. Corporate Social Responsibility (CSR), as an attempt to address the above questions, has been undergoing steady development and refinement since mid-20th century ethical inquiry (Carroll and Shabana, 2010). If, as Socrates once urged, "No … unexamined life is worth living" (Stumpf, 1994: 38), then the same applies to the life of a business and its operations. Like those of individuals in society, the activities of corporations affect society in a number of ways, some of which are unforeseeable. CRS is necessitated by the realisation that a corporation is, like an individual in community, a stakeholder in social progress and development and, should strive to be a good citizen. As such, in the business community, CSR is alternatively referred to as *corporate citizenship*, essentially implying that a company should be a "good neighbor" within its host community, which has been magnanimous for accommodating it (Rionda, Baird, Kramer, & Wofford, 2002: 2).

The discourse on CSR is a subset of the debate on nature and human responsibility for its ethical use and exploration; that is, how to balance out human interest against the wellness of the natural environment (Odozor, 2015). In the 19th century, business corporations were "charted with public goals and public interest objectives, as well as private economic objectives in mind" (Goodpaster, 2010: 4); and this simple attitude was a type of CSR. According to Crowther and Aras (2008), probably due to the introduction of machines, socially responsible behaviour is, in fact, traceable to the earliest days of the Industrial Revolution. The proximate implication

is that business activities unavoidably impact host communities; that such impact is rather obvious; and that the organisation in question is expected to be aware of the impact, especially if the impact is negative or detrimental to the community's wellbeing. Most importantly, it implies that transparency and fairness are central to an organisation's dispositions towards its community. If social concern and responsibility were already well recognised by firms so far back in history, in spite of the excitement that could have accompanied the Industrial Revolution, then they are much more important today, when environmental degradation and greenhouse effect have reached their heights, literally transforming the earth and compromising its habitability (Shkolenko, 1987).

Many of the developments most relevant to CSR today occurred in the 1990s—or, "at least accelerated dramatically" in that decade (Goodpaster, 2010: 7). For example, climate change is one of the factors that helped to accelerate concerns for CSR globally. Another catalyst is the increasing concern for the exploitation of people in developing countries, such as child labour (in Africa) and sweat shops (in India). Accordingly, CSR covers a wide range of issues and topics such as "human rights, health, renewable energy, child labour and eco-efficiency" (Jonker & De Witte, 2006: 1). It goes beyond economic functions and legal requirements.

CSR is not enforced by the government, except in terms of social obligations, such as taxation; nor is it mandated by the corporate world. It is largely voluntary. The European Commission (2002: 3; added emphasis) corroborates this point by conceptualising CSR as the ability of companies to "integrate social environmental concerns in their business operation and in their interaction with their stakeholders *on a voluntary basis.*" This voluntary activity demonstrates a concern for stakeholders in the broadest sense of the word. For Crowther and Aras (2008), CSR extends beyond present members of society to its future and potential members. The reason is simple: a corporation cannot be acting responsibly if it squanders the rights and opportunities of future generations to a good life by indulging the whims of the present moment.

Sometimes, corporate organisations merely site their operations in a community and import the raw materials from elsewhere, using the community as production base. Still, the operations of such organisations would affect the environment in one way or another. In Marange, companies not only sited their operations and displaced host communities in the vicinity with the aid of government agencies, they appropriated the community's land, extracted the diamonds from the land and brazenly carted away the natural resources belonging to the community. In Marange, rather than comply with the demands of CSR, mining companies would rather pay the cash penalty for their negligence because that option costs a pittance.

The benefits which a business system ought to offer society (CSR) are so fundamental that they go altogether uncontested, even taken for granted. It is, thus, not open to debate whether or not CSR should be practised by businesses. For example, Doda (2015: 86) hinges this consideration on the very etymology of the word, 'company', as derived from the two Latin terms, *cum* (together) and *pane* (food). He radically suggests that, ethically, a company and its host community ought "to share the food together," especially where the natural resources originate from the community, as is the case in Marange. Economic freedom, which CSR furnishes

the local community, is, according to some frontline economists, the foundation of political freedom (Goodpaster, 2010). The denial of this right translates to the denial of political rights, and, by extension, the withdrawal of fundamental human rights of the community. Again, the Marange experience serves as a perfect illustration of this point. At bottom, the overall purpose of all human endeavours, including business, is human development—realised in improvement in the community's standard of living. If a business organisation fails to improve the community in which it is located and, rather, further impoverishes that community by its actions, it would be difficult to distinguish that business from a criminal syndicate.

Further, CSR is considered necessary because no business or business person is an island; each business and its proprietors exist and survive in a community of other corporations and humans. Moreover, effective CSR boosts the self-image and public image of a corporation. As noted by Crowther and Aras (2008: 21), "Ethical behaviour and a concern for people and the environment have been shown to have a positive correlation with corporate performance." Hence, business organisations themselves are increasingly realising the central importance of CSR to business success, as customers get more enlightened and aware of their rights as stakeholders.

The benefit which CSR confers on business is no longer doubted by business managers. The question is now about how best CSR may be carried out effectively—that is, which CSR activities are preferable and in line with an organisation's goals, policies, aspirations and visions? Albeit, CSR can also be tangentially realised from the kind of product and/or service a given company ordinarily provides its customers. For example, a mobile telecommunication company can enhance social development simply by making its products both available and affordable to rural communities, enabling local people to communicate and go about their lives with ease. Similarly, an energy firm can catalyse employment creation by supplying energy to the artisans and small businesses in its host community, even at a manageable cost. CSR is, therefore, all about making the minimal, possible, positive impact on human life in society.

For some scholars, however, CSR is laden with controversies, as it raises certain questions that must first be addressed. Hohnen (2007: 1) outlines some of the questions below:

> Is the promotion and implementation of socially and environmentally preferable corporate conduct a function of business or government? Is the implementation of CSR practices a cost or a value-enhancer? Is it just public relations? In part, the problem stems from definitional issues, and a perception in some quarters that CSR is more about philanthropy, rather than "doing business" and responding to shareholder interests.

Until now, and despite ongoing promising debates on it, CSR was often not integrated in the core business practices of some organisations, although it was regarded positively. For fear of what it may cost, it was often "not deemed urgent enough in the face of competitive pressure, changing demands or economic recession" (Jonker & De Witte, 2006: 1–2). Also, as a concept, CSR was viewed as too vague and complicated to be put into business practice. If CSR is ignored and business proceeds within its own limited self-interest, poverty, disease, war, death, ignorance, ethnic

hate, dispossession, human rights abuse will follow, as seen in Chiadzwa. Thus, CSR is set back when business leaders narrowly view their enterprise as an effort merely to make profit to impress shareholders, or meet the needs of customers, from whom the profits are made, rather than broadly as service to humanity. To this end, the concept of "externality" was developed to portray the imposition of costs and benefits by an organisation on others, such as the community and the environment in which business operations take place (Crowther & Aras, 2008: 22–23). Sadly, more costs than benefits have so far been imposed on Marange villagers.

However, management education has proved to be a good means of remedying this shortfall, as it furnishes new ideas and helps shift a company's consciousness "toward an integrated rather than fractured knowledge economy" (D'Amato, Henderson, & Florence, 2009: 2). Also, further research focused on this purpose would create a clearer understanding of what is required of the organisation's leadership, and also of its leadership development. In Marange, recourse has been sought in peripheral activities that do not, at all, address the CSR needs of the community. Some of these peripheral interventions include the so-called partnerships with the government, stakeholder dialogue, reporting, and the application of a new generation of standards. After more than a decade of various initiatives, it is time to ask whether these activities have fundamentally contributed to the wellbeing of the vulnerable groups that have found themselves trapped in between their government and the overbearing mining corporations. Going by the current practice in Zimbabwe, the conclusion of this paper is that CSR, for Marange victims, has remained, in the words of Jonker and De Witte (2006: 2), "a promise for the future."

4   Collapse of Corporate Social Responsibility in Marange

Before Mugabe's 2016 revelation cited earlier, there were about seven private mining firms in and around Marange: Gyae Nyame Resources, Kusena Diamonds, Jinan Investment, Mbada Diamonds, Anjin, Marange Resources and Diamond Mining Corporation. They came into partnership with the government, with the agreement to split the earnings down the middle, and later became consolidated as the Zimbabwe Mining Development Corporation (ZMDC). That this agreement was, for the most part, neglected by the firms is a fact which is now amply confirmed by President Mugabe's testimony. Certainly, that Zimbabwe's diamond heritage neither turned the fortunes of the country around, nor had significant positive impact on the livelihood of local communities, is clear indication that something was seriously wrong. Like Nigeria and other endowed countries of Africa, Zimbabwe's fortune had become its "curse" (Centre for Natural Resource Governance, 2015: 4).

Mr. Mugabe's testimony might be lightly dismissed as political rhetoric devoid of credibility; and one might, for the sake of argument, entertain such suspicion. However, clear evidence of this diamond curse is the debilitating impact of mining activities on the local communities of Chiadzwa—the vulnerable groups, including women and children, that have stood at the receiving end of the untold greed

and wantonness. The Zimbabwe Environmental Law Association (ZELA) is a non-governmental organisation that promotes environmental justice in the country. The organisation has been resourceful in many ways, one of which is an online documentary that offers a firsthand insight on the sufferings of local communities. In the beginning of this 32-minute video by ZELA entitled: "Marange Voices: Effects of Diamond Mining in Zimbabwe" (2015), Maruwa Jena, a female resident of Hot Springs, and a member of the Save/Odzi Community Development Trust, stated flatly: "Mining [has] increased poverty in our community. Our lifestyle was better before the mining companies came. It is now even worse."

Companies are required by law to obtain certification from the Environmental Management Agency (EMA) of Zimbabwe, after a duly completed onsite environmental impact assessment (EIA). This is an essential, global requirement whose aim is to "analyse the environmental baseline of a project-affected area and determine potential impacts of the project on the area" (Center for Natural Resource Governance, 2015: 23). But in Marange, companies commenced operations without due authorisation. Even when the EIA was later carried out by some of them, it was done without adequate input from the local communities, resulting in a peripheral assessment that did not capture the magnitude of the problems. One of the major negative impacts of mining in Marange is the pollution of the environment: the air and the rivers, and noise. In July 2012, ZELA, with the support of the Department of Biological Sciences, University of Zimbabwe, performed a scientific analysis of water samples taken from Rivers Save and Odzi. The result showed evidence of the deposit of sewage, heavy metals and cancer-causing chemicals; there were, for example, high concentrations of iron, chromium and nickel—the main constituents of ferro-silicon, which is a chemical compound used for diamond extraction (Chimhete, 2012). These rivers, which had turned muddy, were the communities' only source of water. According to Celia Shuphani, a resident of Museye Community along the Save River, using the water had resulted in various illnesses requiring urgent medical attention among the villagers: the women complained of mysterious pain in the joints, while the children had rashes all over their bodies. There were also reports of miscarriages among expectant mothers, as well as cases of stillbirth in humans and animals (*Newsday*, October 6, 2014). Death of livestock was unusually high. Between 2010 and 2014, Mavis Karenyi, a cattle farmer along the Odzi River, lost her entire herd of 60 cattle. Others lost an average of 12 from their smaller herds.

The most devastating aspect of the suffering came when the government and the mining companies began to relocate the communities to an outlying settlement, without involving them in the decision-making process. Hundreds of families were hastily relocated to a wilderness that used to be a government farm, about 60 km north of Marange. It is called the Arda Transau Relocation Area, west of Mutare city. Due to the hasty manner in which the relocation was done, there were not enough houses; and some of the houses were uncompleted. As would be expected, unemployment was high because among the relocated were former mining company workers; and many others who had other forms of employment back in Marange. Food was also scarce, in spite of the effort of some of the companies to make some provisions. Those who wanted to grow food could not do so, as neither seeds nor implements

were forthcoming. According to Caiphas Mujuru, one of the Arda Transau residents interviewed by ZELA (2015: 20):

> When the time came to cultivate, we thought we would receive seed and other farming implements, because before we moved, we were told that we would be given everything where we were going. We would get one hectare with irrigation. Everything would be ready and water is there. October, November, December … nothing came. Planting time passed. … What's going on? … Ah, we were shortchanged.

The relocated families were subsistence farmers by occupation and culture; yet no reasonable land for cultivation was set aside for them. All these factors led to a "perennial food crisis" (Centre for Natural Resource Governance, 2013: 18). Child labour became inevitable, as families brought all hands on deck, just to eke out a bare living; equally, early marriage thrived, with some families being forced to reduce the mouths to be fed by marrying off their daughters at the slimmest opportunity. Some lucky families were allocated the maximum compensation of one hectare of land; and a thousand US dollars, as 'disturbance allowance'. Madebwe and Madebwe (2016) found that interviewing the residents was a herculean task; many of them refused to speak out for fear of punishment.

The recompenses made to the families were nothing in comparison to the properties they left behind in Marange, which were much bigger and far better developed. For example, Mrs. Idah Kambeni and her large family of thirteen other wives and 70 children, had been evicted from their family land of thirty hectares. The family used to work so hard each year on the land to produce surplus food. She explained the incongruity as follows (ZELA, 2015: 23):

> Moving day came on 27 February, 2011. 4 vehicles came. Those 4 were not enough for our family and all our goods… When food was distributed we were given food supplies for one person. For 14 wives and the family … we were given $1000, two 2 kg packets of sugar, two 2 litre bottles of cooking oil, 12 bars of soap, twenty 10 kg bags of mealie meal. We shared it amongst ourselves … From these supplies, each of us got some mealie meal, half a cup of sugar, half a cup of cooking oil and half a bar of soap. That's it.

Even the allocated land was no longer a complete hectare, because, as Mujuru observed, it also contained the main family house, the kitchen, the toilet, and cow and goat stables. Kambeni spoke further on the magnitude of her family's losses (ZELA, 2015: 28):

> When relocation happened, we had cultivated a big field. There was [sic] 5 hectares of groundnuts. There was maize, sorghum, black-eyed peas—it was full. It was a field cultivated by 14 wives and the family. No one went back to harvest the food that we left behind. It was finished off by people from Hot Springs, Nyanyadzi, who harvested the groundnuts and sugar cane to sell. So we didn't get anything from there. We traded our remaining asbestos sheets for maize from the people in Odzi. Trading doorframes for maize. Trading everything until we were left with nothing… No asbestos sheets, no doorframes, no goats, no cows.

Thus, there was no real compensation for the loss of ancestral homelands and livelihoods. No valuation was carried out before the demolition of their homesteads in Marange, which would have given them some bargaining power for negotiating compensation. Mujuru volunteered this information on the sudden and deceptive nature of the relocation (ZELA, 2015: 27):

> It happened on 28 March 2013. On 25 March the District Administrator (DA), Mr. Sigauke, came to Tonhorai in Chiadzwa … to tell us that we had 2 to 4 days to get our affairs in order: "If anyone owes you money, you should get it. If you have any debts, you should pay them back, because you are going to be relocated." Because it was March, we hadn't even managed to harvest our crops, but we were told that food would be provided where we were going. We rushed to get our affairs in order. So when we got here we thought that we were going to Canaan, because of the things we had been told. [Why] would they lie to us? And the DA is a respected person. He is supposed to tell the truth.

Living conditions at Arda Transau were, therefore, simply inhuman. Though promises of better livelihood were made prior to the relocations, these promises were shelved as soon as the evacuees reached the new destination. The government and the mining companies apparently became overwhelmed by the sheer amount of resources required to meet the demands of the resettlement. But, again, it shows the poverty of the idea, the planning, and the implementation. The families were promised adequate and free water supply for domestic and irrigation purposes, as they had it where they came from. They found themselves paying for the little water that was available. As a result, housewives, such as Ethel Mapungu, could not grow fresh vegetables and fruits to support their families, as they did by the river in Marange. Naturally, pasture for livestock was scanty. Climax was attained when residents began to die at the rate of 6 persons per day (ZELA, 2015: 32). Summarising, Saunders and Nyamunda (2016: v) aptly noted that "the people of Marange … have endured the most and gained the least from their rich lands."

5 The Kimberley Process

Zimbabwe is not the only African country to experience the diamond 'curse'. Neither is it the first. In 2001, the United Nations (UN) banned diamond transactions in Liberia, citing the violence fuelled by the trade in illegally extracted stones in that country as reason (Ellis, 2005). Even earlier, precisely on June 12, 1998, the UN Security Council made a similar pronouncement on Angola, urging the boycott of its diamonds, as a way of controlling the ongoing civil war (Howard, 2016). Concurrently, diamond-funded conflicts were going on in Sierra Leone (1991–2002) and the Democratic Republic of Congo (1998–2003). Not only was diamond the root cause of these conflagrations, it also provided funds for rebel armies, thereby prolonging the conflicts.

By 2003, an estimated 3.7 million people had been killed in diamond-related conflicts across Africa, while 6.5 million others were displaced (Nichols, 2012). That year, officials of governments of diamond-producing African countries, together with representatives from both the world diamond market and civil society organisations, met in Kimberley, South Africa, to discuss the issues arising from diamond conflicts across Africa. The meeting led to the establishment of what is now known as the Kimberley Process Certification Scheme (KPCS)—an international institution that monitors the mining and trading of diamonds to ensure that 'conflict' or 'blood'

diamonds (most often referring to African diamonds) do not find their way into the world diamond market.

Observers and critics alike believe that the KPCS has not been as effective in Zimbabwe as it had been elsewhere in Africa. For example, following previous experience in other African countries prior to the discovery of diamond in Marange, the KPCS defined 'conflict diamonds' in terms of "those diamonds that are utilised by rebel movements and their allies to finance conflict directed at undermining legitimate governments" (Ntlhakana, 2015: 62). But, as time would later reveal, this definition was too restrictive to accommodate the peculiarities of Zimbabwe, where the government, rather than any rebel groups, was squarely involved in illegal diamond dealings and human rights abuses against its own civilians (Partnership Africa Canada, 2010, 2012).

In 2010, with the continuing human rights crimes in Marange by the military and the police, Farai Maguwu, then director of Center for Research and Development in Harare, attempted to reach out to the KPCS. He requested a private meeting with Abbey Chikane, the South African pioneer president of the KPCS monitoring Zimbabwe at the time. But Chikane obliged Maguwu to meet at a public venue in Mutare, with heavy presence of government agents. At the meeting, Maguwu handed over to Chikane on trust a formal document containing evidence of human rights abuse and illegal mining and trading activities in Marange involving the military. Chikane simply turned in the document to the Zimbabwean authorities, who promptly arrested and imprisoned Maguwu for forty days (Partnership Africa Canada, 2010).

Most importantly, even when the KPCS eventually saw the evidence of human rights abuse in Marange and declared a ban on its diamond in 2009, it unilaterally lifted the ban in 2011, without ascertaining that the Zimbabwean government had been compliant with its international minimum standards. The United States and the European Union responded by refusing assent to the KPCS verdict, since the human rights crimes were still occurring in Marange. While some critics think the KPCS was at crossroads with a country like Zimbabwe, whose government had poor human rights record (for the diamond sale was going on illegally, anyway), others wonder how and why a well-constituted institution of international standing, such as the KPCS, could have been infiltrated by the political interests of the ZANU, in Zimbabwe (Mtisi, 2016). Nonetheless, it seems to be agreed that the Kimberley Process is a step in the right direction, as it has helped cut global trade in blood diamond from 15% to about 4% (Howard, 2016).

6   Some Practical Considerations and Recommendations

Zimbabwean Constitution (Section 63) states that "Every person has the right to participate in the cultural life of their choice" (cited in Center for Natural Resource Governance, 2015: 20). In its "Guiding Principles on Internal Displacement" (2001), the United Nations strongly forbids the displacement of communities even on the grounds of large-scale development:

States are under a particular obligation to protect against the displacement of indigenous peoples, minorities, peasants, pastoralists, and other groups with a special dependency on and attachment to their lands. (Cited in Center for Natural Resource Governance, 2015: 20–21)

The document goes on to grant that relocation may be done *only* if the informed consent of the affected communities is first obtained; and that it must be duly discussed, planned and implemented with the people, who must be actively involved in the entire process.

In spite of these statutory provisions, the first things to crumble in the Arda Transau relocations were the culture and livelihoods of the people of Marange. African communities are, by nature, traditionally oriented towards the extended family, clan/kin, village and town. This arrangement creates in each person a strong sense of belonging. Generally, membership is possible by blood and descent. To that extent, African identity is primarily defined by family and community (Menkiti, 1984; Aja, 1997; Ejizu, n.d.). The Marange relocations do not appear to have taken this into consideration. Rather, the exercise seems to have been implemented on nuclear family basis, with one family haphazardly dumped close to other families, without consideration about clan or other community ties between said families. With the reported housing deficit in Arda Transau, it is clear that the natural extended families, clans or kin, and villages that originally existed back in Chiadzwa have become fragmented and, possibly lost, forever. People have become strangers to their nearest neighbours, and, at the same time, torn apart from their natural relatives. As experience in African cities has shown, disruption of family and community ties tends to disorient the individual, as well as the community. Detached from the extended family, the individual is prey to emotional distress, negative social influences and anti-social behavior.

The financial authority exercised by parents over the family tends to cajole the children into submissiveness and good behaviour. Parents who are able to provide for their family are heroes to their children, who naturally reciprocate with reverence and obedience. Accordingly, when children are forced to fend for themselves, the resulting sense of financial freedom often produces a concomitant loss of the sense of the moral authority which their parents are supposed to represent in the home. Besides, child labour invariably exposes children to psychological, physical and moral hazards. Meanwhile, even if the labour is done after school, it is possible that such children would not concentrate enough to do well in school. They develop an abysmal sense of self-esteem, and, with time, drop out of school altogether. Due to psychological and financial reasons, they are not able to combine their work with schooling. In each case, it is their educational upbringing that is sacrificed. The world over, cases of unguarded children successfully growing into responsible adults are an exception to the rule, not the norm. Such success stories are considered as miracle, or accident, even with other mitigating factors, such as the child's temperament, the presence of a mentor, or the role of faith and organized religion.

If, as reported of Marange, underage girls were, and still are, forced into marriage due to inability of the parents to give them adequate educational training, what is the guarantee that this vacuum would be filled where they are going? How could such a girl even reach the realisation that there is a lacuna in her life? The vicious cycle of

poverty would continue *ad infinitum* and, with time, only get worse. As such, a way out of such a dire situation is for the new government of Zimbabwe to ensure that the right thing is done henceforth, by providing the basic necessities for the relocated families, so that they can take over their lives.

The current CSR policy on Marange has fared far below basic expectations, and, certainly, is not working. If it were, these communities would not continue to attract global concern and attention. The Constitution of Zimbabwe (No. 20), which was recently amended in 2013, spells out the obligation of the government to "protect and enhance the rights of the people, particularly women, to equal opportunities in development and … ensure that local communities benefit from the resources in their areas" (cited in Center for Natural Resource Governance, 2015: 20). This is a good starting point for remedying the Marange anomalies. Current government of Zimbabwe, under Emmerson Mnangagwa, must implement this recommendation to the letter, with all sense of duty and responsibility. Putting this into practical effect involves being vigilant to monitor the diamond mining process all the way to its revenue inflow, in order to generate the funds with which to boost the economy, and extend adequate compensation to the evicted families, who have continued to languish in Arda Transau Relocation Area (see Chiketo, 2018).

Now that the government has regained full control of its diamond mining industry through the Zimbabwe Consolidated Diamond Company (ZCDC), it cannot afford to shelve its responsibilities towards its citizenry by looking to foreign companies. Neither should it abandon the country's heritage to these foreigners, who are in Zimbabwe only to do business and take the money back to their own countries. Rather, the government must realise that providing for its people's basic needs is a primary responsibility. It must effectively monitor the entire process of diamond production, and ensure that adequate revenues and taxes are remitted to the coffers. Every business must account for potential bad debt and every government must consider that every tax dollar owed will not be willingly remitted. Therefore, relevant authorities must be careful to monitor the process and sanction defaulting entities and individuals. Failure of the Zimbabwean authorities to monitor closely the activities of companies in their country gave the companies huge advantages, while short changing the local economy.

In this regard, Zimbabwe can garner a lot of lessons from Botswana. Through a well-articulated partnership agreement with the De Beers conglomerate, Botswana is now reported to have gone as far as acquiring company shares beyond its borders (Center for Natural Resource Governance, 2013). Likewise, Zimbabwe can do much more than trade rough diamond; it can add value to its production by embarking on massive diversification of the production process, all the way from mining, through cutting and polishing, to exporting finished products. This, of course, entails acquiring the necessary technology and training. By increasing the value chain of its diamond production in this way, Zimbabwe would not only broaden its income base, but also create the much needed jobs for its citizenry.

Mining companies can do nothing without the support and protection of state authorities. They can only operate on the terms laid down by the government. Their boldness squarely rests on the ineptitude so far exhibited by the government in

reining in their excesses. To this extent, partnering foreign companies is not a bad idea in itself; all that is required is for government to leverage on its powers over the companies, with commitment to the enforcement of the extant rules of engagement, strengthening them wherever necessary. In all, transparency should be the watchword of the government in all its actions and policies. This is the only way it can regain the trust of the people, who can then be sympathetic to their government's plight in times of difficulty. More critically, Zimbabweans need to see—not just to be told—that the government is for them, and not just for a select group of ZANU stalwarts.

7 Conclusion

Zimbabwe is steeped in stark contradiction: massive poverty and suffering in the midst of plenty. In spite of the past, however, Zimbabweans are a resolute people; and there are good reasons to look to the future with optimism. Zimbabwe remains one of the most endowed nations on earth, with huge deposits of alluvial diamond and other minerals, such as gold, chrome and platinum. Zimbabwe used to be the food basket of the southern African region. Its agriculture sector, which has been left untapped since 2000, is, thus, another source of hope, in terms of food, employment and revenue; and there are indications that the country's external debts may be expunged once the leadership problem is sorted out and new international partnerships are formed (Rotberg, 2011).

For this reason, Zimbabwe has what it takes—and what it needs—to turn things around for the better. As a new government has come on board, many business interests are keeping Zimbabwe in focus. While waiting outside and within the borders for signs of real change ushering in an era of visionary, committed and purposeful leadership, these business prospects still believe strongly in the potentials and promises which Zimbabwe peculiarly holds.

Finally, as interim president, Emmerson Mnangagwa announced an amnesty for looters willing to return all stolen money and assets belonging to the country (*The Zimbabwean Herald*, 29 November, 2017; Reuters, 29 November, 2017). Now that he is fully president, if defaulters were diligently prosecuted according to the law; and if the president—who is also indicted in the Marange narrative—would take the lead in returning any ill-gotten wealth, as example for others, then it would be another excellent step by the new government to putting the country in the path of genuine social development and economic recovery. Most importantly, it is the optimum step towards restitution, which would give all Zimbabweans, particularly Chiadzwa communities, a sense that justice is finally being served.

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Constraints and Opportunities in the Mitigation of Adverse Environmental Impacts in Mineral Resources Harnessing—Some Marange Diamond Perspectives

Lawrence Matenga, Takudzwa Lenard Mathende and Tatenda Goodman Nhapi

1 Background and Introduction

Historically mining is associated with higher growth of per capita economic wealth in different countries. Mining corporations are able to generate profit surpluses which should be used directly in funding of CSR activities. It can be argued that CSR is a function of economic wealth which demystifies Friedman and Levitt's views that social issues are not a concern of business people. In developing countries, weak institutions and standards are believed to be obstacles in practising sustainable corporate social responsibility in extractive industries. In September 2015, the 193-member United Nations General Assembly adopted a historical 2030 Agenda for Sustainable development were the concern of the 'people' were placed at the centre of development (Stevens, & Kanie, 2016). This 2030 agenda seeks to end poverty and hunger so that human beings fulfil their potential in a healthy environment.

The perils of corporate power are best portrayed by a renowned African novelist Ngugi Wa Thiogo who calls it 'corpolonialism' in a novel called Wizard *of the Crow*. The upshot of this view is that in the African context the sheer scale of the

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economic, socio-cultural and political power of corporations creates huge imbalance in their relations with states skewing the balance firmly in favour and to the principal advantage of corporations and away from and to the determent disadvantage of the role and ability of the state to ensure protection of human rights (ACHPR). Demands from global environmental pressure groups (green movements) for example, has forced companies to re-evaluate their business processes, manufacturing and emission standards, use of chemicals and fertilisers, waste management, recycling of products, quality standards of products and so on, to ensure that they do not harm the environment (Choruma, 2017).

Since 1980, mining activities in Zimbabwe were perceived as a source of wealth for the economy. Zimbabwe is known for having rich raw materials like coal, iron ore, platinum, gold, copper, chromite, nickel and diamonds. Zimbabwe's economy is natural resource-based and depends heavily on tourism, agriculture and mining. The potential for economic growth in Zimbabwe is closely linked with the development of its natural resources including land, biodiversity and minerals. Diamonds discovery at Chiadzwa resulted in estimations that Zimbabwe was among the top seven producers of diamonds in the world (Mutisi, 2009). It was reported that the mining sector in 2010, contributed to about 65% of the total exports in the country (Madehwe, Madebwe, & Mavusa, 2011). In 2013, the Centre for National Resource Centre Governance reported projected total growth in the mining sector of 45% more than any other sector in Zimbabwe. A rapid increase in mining exports in Zimbabwe had led many scholars in the field of sustainable development to believe that this growth would resuscitate and infuse economic recovery in the country. Revenue from Marange diamonds had been reported to have surpassed US 1billion since mining operation started as back as 2010 (Kamhungira, Mugove, & Kachembere, 2014). Given the above figures, expectations were that the people in Chiadzwa community would benefit from the activities of mining, as embedded in the CSR principles. Due to the mining activities taking place in Chiadzwa expectations are that organisations are supposed to be corporate citizens who obey society's laws and refraining from activities that have negative social impacts on the community (Maphosa, 1997).

This chapter explores and critiques the extent to which the pursuit of CSR initiatives has benefitted Chiadzwa whose natural resources are being exploited. This chapter critically evaluates Chiadzwa based mining companies commitment to resource harnessing grounded in the commitment to CSR. The chapter further examines CSR perspectives mitigation of adverse environmental impacts at Marange. The chapter is organised as a critical review interrogating CSR and livelihoods from available literature. A broad socio-economic context will be analysed to obtain a sense of the trends and discourses concerning socio-economic issues prevailing in Zimbabwe. Legislative and institutional frameworks governing CSR and mining issues will be explored with the view of evaluating interventions policy in galvanising CSR enhancement of livelihood strategies.

2 Socio-Economic and Ecological Context

As Brazier suggests, Zimbabweans are a resilient and adaptable people, but also acutely vulnerable. The variable climate and turbulent history of the country have bred a population that is familiar with adversity. The main environmental challenges facing Zimbabwe are: land degradation, deforestation, inadequate quantity and quality of water resources, air pollution, habitat destruction and loss of biodiversity, waste (including toxic waste), natural hazards (mainly recurring droughts), and climate change (including rainfall variability and seasonality). People have developed both positive and negative strategies for coping with long-term hardship and acute shocks due to a wide range of factors, including:

- The colonial relocation of the majority into marginal reserves that became over-populated and degraded
- The effects of economic sanctions imposed on Rhodesia during the 1960s
- The impacts of economic structural adjustment programmes
- The HIV and AIDS pandemic in the 1990s (Brazier, 2015).

The government of Zimbabwe adopted an economic blueprint called the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) from the year 2013 onwards, requiring at least $10 billion to implement it. It targeted 2.2 million jobs creation and unlocking $1.8 trillion in the idle mineral reserves and the estimation was that it will grow the economy by an average seven percent annually. After contracting in 2015, the mining sector grew by 8.2% in 2016. Despite persistently low commodity prices and a difficult domestic economic environment, World Bank notes mining output increased markedly in 2016 with Sectoral growth driven by increases in platinum (19.4%) and gold (8.9%) production, which together accounted for about half of the mining sector's total output. Artisanal gold production increased rapidly, due in part to the government's decision to provide a US$20 million loan facility to unregistered artisanal miners and in part to the temporary reallocation of labour from the drought-stricken agricultural sector to the mining sector. However, diamond production fell by more than 25%, as the industry is currently transitioning from alluvial to hard-rock mining (World Bank, 2017). Moreover, the Zimbabwe Consolidated Diamond Company was only able to operate two of the six concessions that it recently acquired, as its claim on the other four concessions was challenged in court. Nevertheless, the mining sector was expected to continue growing in 2017 (World Bank, 2017).

The policy frameworks and the institutional set-up for managing environmental challenges in Zimbabwe, with a few exceptions, are robust but implementation and existing legislation and policies enforcement further hampered by a lack of good governance, lack of transparency and accountability, and weak coordination and cross-sectoral cooperation impact sustainable environmental management (Akesson et al., 2016). Furthermore, Dziro (2014) notes Zimbabwe's mining history reveals that mining has been instrumental in the development of communities in rural areas. The many towns that have developed around mining in Zimbabwe, for instance,

Hwange, Kadoma, Shurugwi, Zvishavane, Bindura and Bulawayo among others. Dziro notes is a clear testimony to what is achievable if mines have a desire and are encouraged and incentivized to do more CSR which can result in community development.

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3 Policy Environment

The following section of the book chapter unpacks the policy architecture governing extractive industries as mining. Mathende and Nhapi (2017) note that there is no single comprehensive legislative and policy framework that guides CSR in Zimbabwe, meaning each company will deal with this issue differently. However, there are fragmented laws and policies that exist. These are the Environmental Management Act 13 of 2002, Indigenisation and Economic Empowerment Act 14 of 2007, Mines and Minerals Act Chapter 21; 5 of 1996, and various statutory instruments addressing specific areas of the environment.

The Zimbabwe Agenda for Sustainable Socio-Economic Transformation (2014–2018) (ZIMASSET), Zimbabwe's economic blueprint, identifies environmental management, protection and conservation of key result areas. Natural resources management is one of the main outcomes. Furthermore, it seeks to increase the quality of local authority services through effective community engagement and connects development with improved gender equality and equity (European Union 2016).

Indigenization and Economic Empowerment Act (Chapter 14: 33)

Indigenisation and Economic Empowerment Act No. 14 of 2007 which introduced Community Share Ownership Schemes/trust (CSOT) to compel corporates to invest meaningfully into the community where natural resources are exploited. The GoZ crafted and is enforcing economic indigenisation legislation (Indigenisation and Economic Empowerment Act No. 14 of 2007), that is aimed at economically empowering local Zimbabweans. This led the government to implement the CSOT to facilitate local communities and labour to benefit from natural resources by having shareholding and management in various foreign-owned companies. This piece of legislation makes it mandatory for all foreign-owned companies that are worth US$500,000 and above to plough back their profits into the society. In Chiadzwa, companies who have been mining have not taken properly the responsibility of resettling villagers into Arda Transau. Their operations have shown an increased poverty and the villagers felt that there were neglected and were disappointed in that they felt that they did not benefit from mining activities.

Government advocates for a participatory approach in determining and designing programs and projects that benefit communities. The Act stipulates that at least fifty-one percent of the shares of every public company and any other business shall be owned by indigenous Zimbabweans. The law requires equitable representation of indigenous Zimbabweans referred to in the governing body of any business resulting from this indigenisation process. It also creates Community Share Ownership Schemes or Trusts which are entitled to a 10% shareholding. That 10% should be used to develop the community. The Act seeks to transform blacks from being mere suppliers of labour and consumers by enhancing their participation and ownership of resources.

It outlines the following aspects:

(a) Ensuring that investment opportunities benefit the indigenous community most. For example, foreign mining companies can mine based on a 51–49% in favour of the Government.

(b) It sets up Employee, Management and Community Share Ownership Schemes or Trusts (CSOT). CSOT is a form of social capital that enables the community groups through their leaders to influence the development agenda as well as the strategic direction of organisations in contrast to CSR, which is only a moral obligation. The Act specifies that 10% will be reserved for the CSOT and the proceeds from the trust will be used for the provision of socio-economic infrastructure. The Trusts should are chaired by a Chief, with Chairperson of the Rural District Council (RDC) being a trustee and the RDC Chief Executive Officer (CEO) as Secretary.

Given the indigenization and empowerment law, it is envisaged that CSR programs will form a major component of the compliance package for indigenization and economic empowerment in the mining sector.

European Union (2016) notes in April 2016 government launched the Interim Poverty Reduction Paper (2016–2018) amongst whose 5 key pillars will be "Environment and Climate Change". The National Environmental Policy (2009) focuses on economic opportunities created through conserving biodiversity and maintaining the natural resource base and basic environmental processes, promoting equitable access and public participation as well as establishing and supporting an adaptive and effective institutional framework (European Union, 2016).

Furthermore, The Zimbabwe Climate Policy (2016) aims to mainstream climate change adaptation and mitigation in economic and social development at sector and national levels by promoting sustainable land-use systems that enhance agricultural production, ensure food security and maintain ecosystem integrity (European Union, 2016). The National Gender Policy (2013) includes among the eight priority areas "gender, environment and climate change". The main strategic objective is to increase gender responsiveness of the environment and natural resources management strategies and in climate change adaptation and mitigation initiatives (European Union, 2016). The view is that the government respect all citizens with a particular focus on the protection and advancement of equity for all marginalized groups, in particular, women, and children.

The Mines and Minerals Act (Chapter 21: 05)

The Act recognises artisanal, small-scale and large-scale mining operations. It focuses mainly on mineral production and the processes of getting various licences, permits, leases and exclusive prospecting orders. It also deals with, inter alia, the preservation of mining rights; the regulation of alluvial and certain other deposits; controls sitting of mining works; payments to local authorities; and conditions governing rights on the reserved ground and special grants. There is no relationship between the Act and other laws that should be complied with during mining. Although there is a provision in the Act for registration of small claims of less than 20,000 m^2.

Environmental Management Act (EMA)

The Environmental Management Act makes it mandatory for companies seeking to carry out development programmes to conduct Environmental Impact Assessments. It criminalises companies that alter the environment without proper social and environmental mitigation measures. In the spirit of this legislation, the Environmental Impact Assessment Policy (EIAP) of 1994 was crafted. This policy emphasises that all socio and economic impacts of development should be properly accounted for. However, this policy is not mandatory.

Section 116 of the Environmental Management Act (EMA) of 2002 deals with the conservation of and access to biological resources in Zimbabwe. The section points out the need to identify components of biological diversity; prepare and maintain an inventory of the biodiversity of Zimbabwe, and determine actual and potential threats to the biodiversity and devise such measures as are necessary for preventing, removing or mitigating the effects of those threats (EMA, 2002).

4 Other Statutory Provisions and Historical Context of CSR

Mathende and Nhapi (2017) assert that one of the major statutory instruments currently guiding CSR in Zimbabwe is the ISO 26000: 2010 administered by the Standard Association of Zimbabwe (SAZ).

Notably, in 2009 the GoZ endorsed the Institute of Directors, SAZ and the Zimbabwean Leadership Forum initiative for Corporate Governance code establishment. The code's focus is businesses harnessing of CSR as a guiding concept for business operations.

The non-state actors, mainly the private sector came up with practical initiatives. A chronological breakdown of initiatives is as follows: In 1992, private companies established the Environmental Forum of Zimbabwe to express their concern for the environment. The year 1996 saw the country's telecommunications giant, Econet forming the Capernaum Trust as its CSR arm. This was followed by the creation of Zimbabwe Business Council on HIV/AIDS in 2003 with the intention of promoting workplace wellness programmes. In 2004, the country's business umbrella body, the

Confederation of Zimbabwe Industries (CZI) developed a Business Ethics Charter that was going to be used in guiding its members to embrace ethical business. In 2010, the US Embassy in Zimbabwe and the American Business Association of Zimbabwe launched what it termed the "Investing in Zimbabwe's Future" CSR Awards. It has been difficult for other sectors of the economy to implement CSR programmes. The extractive industries, though minimal, have been on the forefront of initiating CSR initiatives probably due to the existence of stronger legislation and the Extractive Industries Transparency Initiative (EITI), which has great potential to drive social investment.

5 Mining Policy Environment

The policy's main objective is maintaining environmental integrity by noting mining as an environmental issue that requires mandatory environmental impact assessments. It recognises small-scale mining and recommended the Government of Zimbabwe (GoZ), in partnership with the mining industry, to address environmental impacts of small-scale formal and informal mining activities (Chatiza, Muchadenyka, Makaza, Nyaunga, Murungu, & Matsika, 2015).

Social Aspirations

The concepts mean that a community itself engages in a process aimed at improving the social, economic and environmental situation of the community in creating development for it. This means that the community is both the means and the end of community development. The community itself takes action and participates together. It is through this action that the community becomes more vital not just economically and socially but as a strong functioning community in itself (Dziro, 2014). The government of Zimbabwe is challenged to introduce a system of participatory community-oriented local governance. The government should solicit local communities' rights consent and participation prior to any mining and production happening. This will promote constitutional literacy among citizens to be involved in any mining development projects.

6 Methodology

This chapter used a qualitative research approach within a case study phenomenological research design, with specific attention at Chiadzwa community as the area of study. This chapter is based on an extensive review of the literature focusing on socioeconomic domains currently obtaining in Zimbabwe. Literature targeted included academic journals, books, newspapers, blogs, reports, research studies and magazines. The work applied both content and document analysis as relevant sources

being carefully considered and analysed. In doing so this gave a thick description of different narratives from the villagers in Chiadzwa communities and evaluated. Given this diamond rush in Chiadzwa, a few scholars were not able to fully examine the impact which these diamonds had on the hosting community.

7 Conceptual Framework

The United Nations developed the Guiding Principles for Business and Human Rights encouraging company's adopting of rights-based CSR programmes. In addition, the Monrovia Principles that include entrepreneurship, growth partnership, and inclusive ownership should be applied. CSR in developed countries is well regulated and the implementation of CSR projects practically adds value to communities. According to Kerr, Janda, & Pitts (2009: 31), Canada has played a major role in shaping the development and implementation of CSR. In February 2009, the Canadian Institute of Mining Metallurgy and Petroleum officially launched the CSR Centre for Excellence. They also enacted a private member's Bill C-300 to regulate Corporate Accountability of mining, oil and gas corporations. In Europe, Aguilera, Williams, Conley, & Rupp (2006: 34) state that the UK takes a lead role in encouraging CSR and it has higher rates of stakeholder engagement and social reporting. According to Moon (2004: 23), the UK government promulgated regulations guiding accountability, political stability, social and environmental information and issues of poverty. Singhapakdi and Karande (2001: 135), state that countries like Belgium, France, Germany and the Netherlands followed the UK in prioritising value addition CSR. In the USA, Aguilera and Jackson (2003: 451) noted the US government promotes CSR projects which address specific issues based on the socio-economic circumstances where the company is operating. The companies should be accountable to ensure that they add value to communities impacted by their operations.

Though CSR is still much of a voluntary activity in Global North, it is better implemented comparatively to Global South. Jenkins (2004: 25) supports this notion by arguing that much concern is on CSR implementation in Global South where environmental regulatory controls and associated governance processes maybe weak. In Africa, South Africa is taking a leading role in promoting CSR. Madeleine (2013: 41) states that the South African government has played a crucial role in defining and motivating CSR initiatives but, still a lot needs to be done. For example, Anglo American is now subject to the South African Mining Charter, which is a legally binding commitment by the industry to increase the access of previously disadvantaged individuals to the mineral resources of the country, and their associated economic benefits. They do this through prioritised development and promotion of previously disadvantaged staff, entering into financial partnerships with empowerment companies and prioritised procurement from black-owned firms. In addition, Anglo American has established the $5.3 million Anglo Khula Mining Fund to promote the entry of black economic empowerment participants into junior mining companies.

Scoones (1998: 13) stated that in Zambia, Konkola Copper Mines Corporation abandoned mining without giving much to the community and the company was not

held accountable because CSR is largely considered voluntary work. Again, Hilson & Potter (2005: 19) stated that in Ghana, environmental and social costs of Ghana Gold mines have been dear, the mining sector adversely affected community livelihoods and human rights in that country. In some cases in Ghana, entire villages have been relocated with paltry compensation.

Philanthropic responsibilities should be compulsory to mining companies involved in any mining activities just like it is in Europe. The Zimbabwean government should regulated legislative framework which is compulsory for any investors who want to take do any mining activities. The socio-economic needs of communities which corporations operate should be seen as great that our government should ensure that philanthropy is an expected norm and practice of doing business. In Zimbabwe, companies CSR motivations are not clearly understood. Moreover, a literature review by the authors shows no standardised ways of CSR, a notion Mpofu (2012) supports by arguing lack of well-substantiated CSR studies in Zimbabwe. Due to this generalisations remain unsubstantiated as to why companies engage in CSR. As alluded to earlier on, CSR in Zimbabwe is largely seen as voluntary (ISO 26000: 2010, SAZ). This results in CSR initiatives and data not being formally reported and recorded centrally by the Zimbabwe Statistics Agency (ZIMSTATS). Despite the fact that CSR is central to sustainable development, CSR data has not been captured even in the Millennium Development Goals (MDG) Status Reports'. Importantly to note is that Zimbabwe does not have a CSR index. This means there are no logically measurable indicators for CSR and hence it is difficult to measure the short-term contribution of CSR initiatives to sustainable development. The first organisation that deals with CSR were only launched in 2011, the Regional Centre for CSR, which is modelled on South Africa's Bench Marks Foundation.

A painful reality for most African countries is that an abundance of mineral wealth continues to co-exist with abject poverty. This is despite the fact that communities, especially those residing in the vicinity of mining operations bear the environmental, social and economic costs of extraction (ZELA, 2015). CSR is a business process a company adopts beyond its legal obligations in order to create added economic, social and environmental value to society and to minimize potential adverse effects from business activities. CSR includes interactions with communities, suppliers, employees, consumers and governments. There is growing interest in CSR worldwide given the concern with social equity, socially and environmentally sustainable development and corporate roles. The disjuncture between growth and local community socio-economic condition is most expressed in resource-rich countries which coincidentally rank among the most unequally societies in the world (ZELA, 2015).

Sustainable Development Goals and African Union Agenda 2063, insist on Trans-National Corporations (TNC)'s responsibility to manage the impact of their activities and to enhance African peoples' socio-economic well-being by improving the environment for capital accumulation (Mathende & Nhapi, 2017). It has been realised that companies operate within societies and cannot ignore economic and social development and environmental protection issues related to those communities. Company directors are now required to look beyond balance sheets and profit margins in boardrooms (Choruma, 2017). The environment is taking centre stage in local, national and global discourse and policies in a neo-liberal context defined by unprecedented land

grabs, increasing natural resource use and governance militarization of, and privatization/commercialization of the environment (Murombedzi, 2014). Challenges to environmental sustainability in Zimbabwe include non-integration of environmental concerns in plans and strategies, poor capacity and coordination among law enforcement agencies and highly sectoral compartmentalised understanding of development issues (Akesson et al., 2016). CSR is a commitment to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are good for business and for development. CSR comprises primarily voluntary activities undertaken by a company to help it operate in an economically, socially and environmentally sustainable manner.

8   Chiadzwa Livelihood Dynamics

According to the Zimbabwe National Statistics Agency in 2012, Marange has a total population of 86,400 people. Marange lies in natural region five which receives a mean annual rainfall ranging from 400 to 600 mm per year. Chiadzwa has low rainfall which causes low crop yields and poor harvests. Chiadzwa communities depended on crop cultivation and animal husbandry. The crops cultivated included maize and millet as the soils in the area are generally shallow, sandy loams that are prone to erosion. The average household asset portfolio was reported to be poor. This resulted in many families sending their respective children for cheaper labour to rural towns, where some would work as maids and herd boys.

The Marange diamond fields which were discovered in 2006 covers approximately 66,000 hectares of land. The community of Chiadzwa is under the jurisdiction of headmen of Chiadzwa and the Marange chieftainship (Katsaura, 2010: 121). It should be noted that in 2006 government granted a prospecting order to a South African mining company called De Beers Company. Chimonyo and Mungure (2013) believe that the De Beers Company did not overtly declare the presence of diamonds which prompted locals into finding out that there were diamonds in the area. The unsustainable nature of these activities gave people ample impetus for the adoption of informal diamond mining as another livelihood strategy. Chiadzwa diamond mining commenced as an illegal activity carried out by members of the community attempting to find alternative sources of livelihood. Initially, the local Chiadzwa people discovered diamonds presence in their area but were not aware of the exact value of the diamonds. It is reported that the people were trading these diamonds with soft drinks or cigarettes. However, local community members became aware of the mineral value leading to 'a diamond rush in the area.' What started as an alternative means of survival soon attracted the attention of the international community with buyers and miners coming from different parts of the world (Chimonyo et al., 2012). Although locals realised that the stones were valuable, they were not aware of the exact value of the diamonds. Chimonyo and Mungure (2013) further assert that people who pioneered this diamond mining barter traded their diamonds with

commodities such as soft drinks and cigarettes. However later, the local community members soon became aware that the mineral was very valuable and this led to what can best is described as 'a diamond rush' in Chiadzwa. It is believed that when the government was directly or indirectly involved in the mining operations in the area there was a clearance of vegetation and the excavation of the ground which disturbed the national physical beauty of the area.

The Chiadzwa diamond project is mainly concerned with the mining of diamonds in the 12-km zone earmarked for the project by Zimbabwe Mining Development Corporation (ZMDC). However, prior to the ZMDC takeover, the area had been virtually invaded by both local's artisan miners and foreign people who were mining a haphazard manner. It is believed that some of the local populace and foreigners indeed benefited from the illegal mining operations of diamonds whilst at the same time it never contributed to the overall wellbeing of the majority of citizens. It is estimated that Marange diamond fields hold between 25 and 30% of the world's diamond deposits (Bickis, 2012). The Human Rights Watch (2006) had concerns with the diamonds field's militarisation after the government deployed the Zimbabwe National Army into Marange under an operation codenamed Operation *Hakudzokwi*, ('you will not return'). This operation's objective was to drive out artisanal miners and dealers to whom Marange had become the sole supplier of sustenance throughout a time of hyperinflation, the collapse of social services and absence of basic commodities. From June 2006 up until November 2008, there was a sharp increase of artisanal miners from 100 to 35,000 comprising children, women and older persons. Arguably, Marange diamonds had been patronised by ZANU-PF, but the late Prime Minister, Morgan Tsvangirai's MDC formation continued lobbying Kimberly Process Certification Scheme (KPCS) to lift the ban on Marange diamonds, for outcomes of improved transparency and accountability (Global Witness, 2012).

9   Chiadzwa Diamonds Mining Actors

The first diamond-mining concessions were granted in July 2009. Seven companies Mbada Diamonds, Anjin, Pure Dime, Diamond Mining Corporation, Gye Nyame, Marange Resources and Sino Zimbabwe were initially involved in mining the diamonds in the area. Now, Marange Resources, Anjin Investments, Jinan Mining, Mbada Diamonds, and Diamond Mining Corporation are still holding licences to continue mining diamonds. Mining companies in Chiadzwa have a capacity to produce US$600,000 per week. Given such potential expectations are such that the wealth generated can be benefiting the immediate community through CSR programmes. These programmes should immediately impact on people livelihoods through job creation, infrastructural development and investment opportunities. In April 2016 the Parliamentary Portfolio Committee on Mining inspected Chiadzwa. The committee noted Saint Noah College headmaster, Mr. Rungwe reporting that Mbada Diamond Company helped them in the construction of the school.

We received about $295 000 worth of construction material, school uniforms for all pupils here as well as textbooks. "It is the only mine that assisted us, the rest did not, (Gumbo, 2016)

There is no uniformity in terms of the villager's narratives as some community members in Marange reported that the mining companies in Marange do not care for them as they did not benefit from the mining activities. Most of the members were angry that they are still struggling to earn a living since the diamond mining started. These villagers were concerned that every Wednesday morning they have seen an aircraft which comes and get the diamonds from Chiadzwa (Gumbo, 2016).

10   Mining, CSR and Synergies with Social Impact Assessment Participation Processes

CSR refers to an organisation's total responsibility towards the business environment in which it operates. CSR concept is based on the argument that business is sanctioned and promoted by society (Valor, 2007: 290). African countries are encouraged to challenge multi-national companies operating in their countries to use an open system approach which shows the relationship between business and society. Multinational corporations should understand that by mining in Zimbabwe their business organisations engage in activities that generate a wide variety of social impacts. Styles (2002: 12) asserts that society expects business organizations to be good corporate citizens, obeying society's laws and refraining from activities that have negative social impacts such as pollution, discrimination and exposing workers to hazardous working conditions. The assumptions are that when mining companies are applying for mining licences in Africa their emphasis on the hosting governments is giving back into the respective communities. McWilliams and Siegel (2001: 125) define CSR as those circumstances in which a firm goes beyond legal compliance and engages itself in activities that appear to further some social good, beyond the interests of the firm and that which is required by law. It is clear from the above definitions that CSR has many definitions and is seen differently by various scholars. This gives this study impetus as it will try to illuminate the discourse on CSR and add more understanding and clarity to the subject.

CSR is sometimes used as shorthand for businesses' contribution to sustainable development. It is important for mining companies not only exact minerals and their services are not harmful to the environment in which it is operating. These companies who were or are currently operating in Chiadzwa did they protect human rights abuse and improve local employment. CSR should balance the demands needs of the community against the culture of making a profit. Mining companies operating in Chiadzwa were located in a deep rural area where there was little development. An expectation was that these mining firms were supposed to spearhead social development in those areas. These mining companies were supposed to create a balance between profit and the well-being of the communities; they need to implement sus-

tainable projects. In most cases, projects that are implemented include infrastructural development, income-generating projects, skills transfer, health facilities and increasing educational resources, among others. Mining in Chiadzwa was intended to improve human welfare through social responsibility projects (Freeman, 2004: 77).

When CSR is correctly implemented it potentially adds value to the hosting communities. Mining companies do not operate in a vacuum as their operations affect the community they operate in. CSR can foster sustainable development if it is correctly implemented. The sustainable development lies in progress within three dimensions: economic development, environmental protection and social cohesion (Weber, 2008: 255). Historically, mining activities usual cause negative social impacts. In South Africa decades of mining has caused numerous toxic footprints such as Acid Mine Drainage (AMD). In Zambia, it is reported that Konkola mine's lifespan is limited until 2020. Resultantly, after the specified date there is a high chance that the villagers will be without stable income as the mining companies have not implemented any sustainable project. In practice, mining companies should have CSR programmes which must identify community interests. Corporate Social responsibility is a diverse practice with varied interpretations throughout the world. However, simplified, it is a demonstration of goodwill by a business entity towards its stakeholders through the pursuit of sustainable social activities.

The CSI strategies which organisations usually fit are as follows:

Obstructive—these are companies that meet economic demands;
Defensive—these are companies that meet economic and legal responsibilities;
Accommodative—these are companies that meet economic, legal and ethical responsibilities; and
Proactive—these are companies that meet economic, legal, ethical and discretionary responsibilities.

The government should improve on how corporate ethics should be managed in the mining in the hosting communities. The government should encourage whistle bowling activities in extractive industries to improve good corporate governance. In this respect, global statistics on corruption in Africa suggest that, in practice, ethics remains the lowest CSR priority. Using Carroll's classic pyramid CSR approach, it is perceived that in mining companies in Zimbabwe were emphasising on economic responsibilities of more than any philanthropic responsibilities. In the Chiadzwa community, the people are still leaving under less than a dollar a day as they did not benefit directly from diamond mining in their area.

11 Perspectives of CSR Implementation in Chiadzwa

The following section of the chapter will explore dominant narratives of CSR experiences in Chiadzwa. The chairperson of the villagers resettled by Anjin at Arda Transau shared that villagers were unable to embark on any meaningful livelihood

sustaining project because there is no water and they have no money since they are unemployed:

> *Some cannot buy stationery because they are poor. The villagers are surviving from hand to mouth. We have petitioned the relevant authorities to empower us with income-generating projects so that we can be self-reliant.* The Centre for Research and Development (CRD) 2014 Report

Given the above challenges faced by communities, public participation offers a plausible solution in enhancing community participation. All stakeholders, mining corporations inclusive and even governments, benefit from the application of the public participation process; hence it is not only the communities and individuals that stand to benefit from the process. The public participation process will help mining companies to produces a legal register starting from the initiation of the mining project, its operation and closure phases. Such a register will assist communities in the Marange region to have a sustainable life. A good public participation process through social impact study predicts the closure impacts of mining in Chiadzwa region. In conceptualising Social Impact Assessment (SIA) Burdge and Vanclay (1996), define it as advance assessment process of estimating the social consequences that are likely to follow from specific policy actions or project development, particularly in the context of appropriate national, state, or provincial environmental policy legislation. CSR is more than just philanthropic activity. There must be measurable and sustainable action with each programme that is implemented. There should be increased cooperation; partnerships between companies, the government and civil society to enhance a potentially effective and efficient strategy for CSR.

12 CSR and Governance

After 2006 Chiadzwa diamond's discovery the government of Zimbabwe mandated the Zimbabwe Mining Development Corporation (ZMDC) to complete an environmental impact assessment which noted 25,000 artisanal miners were already in the area Mutisi (2009: 71).

Chiadzwa community was promised that they would benefit from mining. As stipulated by Environmental Management Act, ZMDC commissioned the Institute of Mining Research, the University of Zimbabwe to carry out an EIA of the envisaged project. EIA conduct ensures proper environmental management plans formulation for social- economic impacts identification. It is within this process of EIA that a though public participation process is completed. An EIA is an analytical process that systematically examines the possible environmental consequences of the implementation of projects, programmes and policies.

Through EIA, the Chiadzwa community was expected to realise their socioeconomic rights through the Social Impact Assessment process and transform rural Marange and surrounding underdeveloped areas into densely-populated regions, giving rise to concentrated physical and economic development. Coordinated CSR

improves the quality of life of the community alleviating poverty and improving human security of the host community. Human security includes the provision of basic human needs (Burton, 1990; Maslow, 1963). These needs include access to basic food, good health and a clean environment. It is within this context that when looking at human security that Chiadzwa people were classified as most vulnerable communities.

13 Perspectives of Livelihoods Security and Social Functioning of Chiadzwa Communities

The following section of the chapter will enumerate experiences of Chiadzwa communities in terms of livelihoods and social development ever since the onset of the diamonds mining. Chiadzwa diamonds discovery was a year after the year 2005 Operation Murambatsvina which caused 700,000 families to lose their sources of livelihood, shelter or both in the urban areas (Tibaijuka, 2005). This diamond rush is believed to have been engineered largely by the jobless and homeless, many who were direct victims of Operation Murambatsvina. The people who rushed for diamonds in Chiadzwa comprised of different people outside the hosting local community in Marange.

Since community members started mining in Marange without proper government involvement, many people were already establishing themselves in diamond and trading activities. Efforts countrywide to stamp out illegal mining had failed in the Chiadzwa area. When GoZ eventual intervened they were met with resistance from community members who perceived that there only livelihoods was being threatened. Scholars observe it was a dichotomy that at inception the government seem not to realise the illegal mining activity. GoZ started harassing and arresting community members who were involved in diamond mining and trading.

Zimbabwe's security sector Involvement in Marange diamonds occurred towards the end of 2008. The military stopped all diamond mining activities. This military operation was accused of using helicopters and infantry on dealing with illegal mining. The Global Witness (2012) reported that these diamonds finding created "Chiadzwa Conflict " where 75 people were believed to be killed during this period. In 2008, government forces drove out illegal diamond miners, killing more than 200, according to human rights groups. Since then villagers suspected of illegal mining have been subject to torture and brutal extra-judicial punishments, rights groups alleged. In 2017, there was a continuous abuse of villager's where Zimbabwe Consolidated Diamond Mining Company (ZCDC) security details recently shot and critically injured one of the community residents. The injured community resident narrated his ordeal by saying:

> *"I still cannot believe that I was shot at close range when I had not done anything wrong," Mpofu said while writhing in agony on his bed. "I was walking close to the ZCDC security fence when I came across hundreds of illegal miners running in the opposite direction. I could not join them as I was on my journey home and there was no reason to run away because I*

was not part of the panners. "I saw three security guys running to me and I stopped walking because they were very close to me, about three metres away. One of them asked why I was moving in the opposite direction with the illegal miners. "I told them I was not part of the miners and I had no reason to run away so at that moment one of the security officers pulled the trigger, targeting my leg". (Mambo, 2017)

Reports allegedly suggested the government was able to deal with illegal mining but was faced with another challenge of villagers and artisanal miners forming mining syndicates with police. The military was also accused of working together with senior police officers in recruiting villagers to do mining for them whilst they did not gain anything. The involvement of military and repeated reports of human abuse caused the international ban of Chiadzwa diamond as they were classified as conflict diamonds. Due to the continuing human abuse in 2009, Kimberley Process Certification Scheme (KPCS) completed a fact-finding mission which recommended an urgent demilitarisation of the fields. Zimbabwe diamonds were evaluated to check if they were meeting international standards and Marange diamonds was cleared to be meeting international standards.

It must be highlighted that when this embargo was lifted the diamond revenues were reported to be circumventing Treasury (Global Witness, 2012). In 2013, the then finance minister Mr. Biti claimed that the total diamond sales from 2012 amounting to US$800 million had not reached treasury as he reported that he only received only US$45 million (Mushava, 2013). Due to mismanagement, Zimbabwe needs to address corporate governance so that the community are stakeholders in any business. In 2010, it is estimated that Zimbabwe had been prejudiced of over US$2.7 billion through corruption (Cross, 2012). Chiadzwa community was not even aware of revenue or mining obligations towards their needs (Mutisi, 2009: 7). Between 2009 and 2013 the mining industry became the leading export sector accounting for over 60% of Zimbabwe's total export earnings. In spite of this growth, the mining sector's contribution to fiscus has largely remained insignificant due to lack of transparency and accountability prevalent in the governance of the sector.

Zimbabwe's mining industry is saddled with archaic laws and policy inconsistencies fuelling corruption and aiding plundering of mineral resources by foreign companies. The failure by the government over the years to overhaul the mining sector and introduce policies that guarantee revenue inflows to fiscus in order to sustain the country's developmental needs, Mambo further notes has impacted negatively on the economy and increased the vulnerability of communities living in resource-rich areas. Unconfirmed reports estimate that more than 2 billion dollars realised out of Marange diamond sales between 2012 and 2013 have disappeared amid outrageous salaries and benefits for executive officers running diamond mining ventures in Marange. Reliable sources indicate that they have been a massive accumulation of wealth by executives of these mining ventures in recent years and some of them are suspected to have channelled huge financial resources realised from Marange diamond sales to multiple private business investments.

Retrospectively, Chiadzwa community members have shown apathy and hostility towards issues involving mining as some believed that their social plights were not addressed by the mining companies. As such, the government is supposed and

expected to promote CSR so that it can mitigate some of the adverse effects of mining developments.

Mining profitability and entrenched poverty of communities

An ordinary homestead in Mukwada village near the Marange diamond fields: Photo by CRD.

The Ministry of Mines indicates that mining has significantly contributed to Zimbabwe's Gross Domestic Product (GDP) from an average of 10.2% in the 1990s to 19.9% in 2009 and 2013 surpassing agriculture.

Consistent with the agency theory which posits that business' aim is to make a profit (Freeman, 2004), Chiadzwa community still lives in abject poverty whilst few meters across their dwellings mining activities are racking millions of profit. CSR activities pursued in Chiadzwa did not combat poverty. CSR activities were limited to food donations. Mostly CSR activities were viewed to be short-term and were not enhancing community capacity.

In 2012, it is reported that Anjin mining company donated the following:

A water purification plant to Odzi community,
Two shuttle buses to two schools donated 100 computers to a different secondary school in the community,
10 kg seeds monthly donations to over 334 households
2000 l of diesel for tillage in the community.

The then Minister of Defence and now president, Mr. Mnangagwa said that the education sector was facing formidable challenges that are taxing and fresh approaches were needed to deal with these challenges. This chapter contends companies should mainstream ethical resources extraction and to measure their success by more than just profitability. The community in Chiadzwa is supposed to be involved

in any strategic development plans pursued by Anjin mining company. By examining these given activities completed by Anjin mining company one wonders if there is any legal obligation in Zimbabwe which binds mining companies or multinational corporations to complete mandatory public participation in any development project In implementing CSR activities, Anjin mining company was it not fulfilling the agency theory which has a narrow view on the importance of the hosting community. Anjin mining company was probably completing an artificial responsibility (Friedman, 2007: 123). This artificial responsibility has been seen as villagers in Chiadzwa complained about the erratic distribution of food hand-outs without putting in place supporting infrastructures such as schools and clinics. These pursued projects clearly showed a lack of sustainability. Towriss (2013), states that if CSR is properly implemented, the end result will address the problem of poverty.

14   Emotional Suffering and Abuse

Chapter notes villagers are now of the view that diamonds are exhausted due to reported trauma and to approximately 80,000 people. Forty-four-year-old Dorcas Chiadzwa of Chibiya Village in Marange could not hide her distaste for the diamonds.

> These diamonds are a problem, we are not benefiting anything from the diamonds; instead the diamonds have brought untold suffering to us.

Her strong negative sentiments are shared by many people in the area, who at first rubbed their hands in glee when the diamonds were discovered, anticipating they would benefit from the gems. The Local and international human rights groups say that since the government takeover in 2008 the Marange diamond fields have become an outpost of terror and human rights violations perpetrated by soldiers, the police, and security guards manning the vast diamond fields. They have also polluted local water sources and displaced villagers into starvation conditions in crumbling housing with no source of income. It is reported that security is tight around Marange diamonds fields which are making the life of locals difficult to perform illegally mining. The Centre for Research and Development (CRD) 2014 reported that villagers suspected or caught doing illegal mining were taken to 'diamond base' where they will be tortured for many days without being formally charged. The mining companies are also being accused of bribing community leaders in Mukada Village so that they crash rights raised by community members.

CRD reported that:

> On average 80 to 120 victims of abuses were recorded in Marange between 2012 and 2014. In 2015 we recorded about…60 cases,

These victims were assisted through counselling to the some NGO whilst the Zimbabwe Lawyers for Human Rights (ZLHR) would help for the villagers to seek legal advice. These continuous harassment is continuing as in 2014 it was reported

that 40 villagers were abducted near the Marange mines whilst they were watching soccer. These villagers tortured by police on allegations that they were illegal diamond panners.

One the victim was quoted as saying

I was not in the protected area of Chiadzwa and I had no diamonds on me. If they had any suspicions, they could have taken me to the nearest police station for questioning and I would have defended myself in the court of law upon arrest. I was abducted at gunpoint and assaulted at the diamond base for a crime that I did not commit. (Centre of Research Development, 2014)

The Human Rights groups are concerned that the government is committing heinous crimes of torturing through their 'diamond base'

Mining Activities induced Pollution

Chiadzwa mining companies have been polluting their local rivers and other water sources. Environmental Justice Atlas project reported that 500,000 and 700,000 people may be affected by pollution from the diamond mine. One villager was quoted saying

Our water is dirty and tainted with dangerous chemicals. We don't even know the long-term effects of using the contaminated water,

Mine waste has polluted local water sources, and some villagers relocated to make way for the mines have been resettled in starvation conditions. Malvern Mudiwa, a villager who heads a pressure group called Marange Development Trust, bluntly said the diamonds were a curse.

The situation in Marange is terrible, the companies were discharging toxic waste into Chengu River which flows into Singwizi and then into Save (Sabi) River'. He further added: *"We are going to be worse off after the mining companies have gone because they are leaving massive land degradation. We have cases of people and livestock falling into unprotected open pits left by the mining companies."*

Villagers are worried and they have been deprived of their sources of water for bathing, washing, and irrigation. Zimbabwe Environmental Law Association in 2012 commisioned a water quality study on two rivers downstream from the mine. The study revealed siltation and bacterial, chemical, and heavy-metal pollution, including the presence of potentially cancer-causing agents that are constituents of a chemical used to extract diamonds (Zela, 2012). More than 1000 cattle have died after drinking water contaminated by the diamond mining companies, and people have gotten sick after drinking or coming into contact with the contaminated water. Given all these challenges the Zimbabwe government is making little effort to address the raised challenges faced by communities in mining.

The Limited Benefit to Local Grassroots Communities

The memorandum of understanding (MOU) signed between the diamond mining firms and government mandated all the mining companies to build a primary and

secondary school, clinic, provide clean water for the relocated families while supporting income-generating projects for their livelihood. Funding of community trusts is in line with Statutory Instrument 114 of 2011, which compels mining firms to dispose of shares to several designated interests, among them community trusts, which are expected to receive 10% shareholding in the mines. It is reported that out of the four diamond mining companies, only Anjin managed to construct a primary and secondary school as well as a clinic while Mbada managed to refurbish a school. Anjin mining company is of the opinion that they have honoured the MOU signed by the government. This assertion above is in line with the Legitimacy theory which states that an organisation can employ "*substantive*" or "*symbolic*" means to seek legitimacy (Mathews, 2009: 18). By doing this the mining company believes that they have been consistent with external expectations and it appears to them is business as usual.

Mining companies were expected to revamp and rejuvenate the education sector in Chiadzwa. It is still evident that the in schooling infrastructure is still poor regardless of the perceived involvement by the mining companies. Gandauta Secondary school is one example noted to not have basic furniture. This is against the spirit of CSR and the mining companies were unable to assess and factor that most of the community members children were travelling a long distance to access schooling service.

Diamond production at Marange in 2013 was estimated 16, 9 million carats which are worth around $300 million (Gumbo, 2016). Marange diamond mining revenue is opaque. The million dollars revenue is syphoned out of the area with no benefit to the local people. It is believed that there is very little revenue supplied to the government coffers and it remains a mystery where the revenue from the diamonds has been going.

In 2012, the diamond companies pledged to deposit $50 million into a local community trust called Zimunya-Marange Share Ownership Trust. According to the Herald newspaper, the trust was set up under a national regulation passed in 2010 that provides that

> local communities whose natural resources are being exploited by any 'qualifying business' must be guaranteed shareholding in such business.

However, the companies have paid nothing into the trust so far, and in fact denied ever pledging the $50 million when they appeared before parliament in 2014, according to *The Herald*'s story 4 April 2016. And villagers' hopes of benefiting from the diamonds have faded. Instead, they are counting their losses.

Unavailability of Robust Resettlement Action Plan

After diamonds discovery villagers were moved from their traditional homelands paving the way for mining companies. Currently, most of the land in Chiadzwa is owned by mining companies. Most of the villages who were affected by this were transferred to Arda Transau which is estimated to be measuring 14,000 ha. Arda Transau is located about 40 km (25 miles) northwest of Mutare, the provincial capital of Manicaland. At least 1000 families were resettled to the farm since 2009.

The families members resettled complained that there were dumped without proving any alternative means of survival. The community members were complaining that they have been reduced to occasional beggars who are now dependent on handouts and yet they used to be self-reliant. The villagers reported that they are now wallowing in poverty and hunger. A villager relocated to ArdaTransau Causemore Musaamba a father of seven, said

> many people at the new settlement were on the brink of starvation. "We don't have food. With the current drought, life has been tough for us. We have nothing. We have no drinking water,"

Furthermore, Some sections of Arda Transau have spigots for communal use, but most families cannot afford the $5 fee, plus additional fines if they are caught watering more than three garden beds, according to the Centre for Research and Development. Many people at Arda Transau are now surviving by selling firewood illegally at the nearby Odzi Business Centre. Mining companies if they had honoured to their pledge of $50 million into the Zimunya-Marange Share Ownership Trust most of the money would start income-generating projects at Arda Transau and in the villages near the mines.

The Arda Transau area comprises of villagers relocated by Anjin Investments, Marange Resources, Mbada Diamonds and Diamond Mining Company (DMC). Anjin has relocated 474 families while Mbada has moved 400 households to Arda Transau. The villagers have since petitioned their dissatisfaction to the district administrator (Gumbo, 2012), noting that the mining companies should first consider the affected families for employment and other spin-offs arising from their activities ahead of outsiders. They also want the companies to invest in income generating projects to improve their welfare. Former Mines minister, Walter Chidhakwa in 2016 told parliament that the Zimbabwe Consolidated Diamond Company would inherit both the assets and liabilities of the previous diamond companies and will honour the rights of the community share ownership trusts.

The new resettled houses constructed by the mining companies appear as decent houses. However, reports from the resettled families confirmed that these houses were built using substandard materials because five years after construction most of the house is on the brink of collapse. There are gaping cracks were visible on a number of houses.

Mbada Diamonds said several income generating projects were being implemented to make the villagers self-reliant one of which being a chicken-rearing project estimated to cost US$188,000. The company also promised a piggery project and an abattoir to slaughter cattle for the community. The diamond companies had also promised the relocated villagers various income-generating projects, including irrigation for farming and poultry and pig operations, but nothing came through. The then Provincial Affairs Minister for Manicaland province, Mandi Chimene, noted each diamond company had pledged to build a primary and secondary school and a clinic and to provide clean water and electricity for the relocated families (Gumbo, 2012). Unemployment is high in the resettlement community of ArdaTransau and the government water authority has cut off water supplies for most households for

lack of payment, according to the Centre for Research and Development. Residents often resort to unsafe water sources, such as ponds like this one, for their household needs.

15   Pathways for Enhanced CSR in Chiadzwa

The following section of this chapter explores possible robust CSR strategies for desired outcomes of community development and livelihoods security.

Pro Marange communities CSR interventions

CSR is embedded in the social dimensions of economic development that are expressed in a variety of interventions, which range from household-based microenterprises to community-based livelihood projects, These can also include national programs that act as economic redistributive justice (Mathende and Nhapi 2016). Calls on social workers and their representative bodies to recognise the importance of the natural and built environment to the social environment, to develop environmental responsibility and care for the environment in social work practice and management today and for future generations, to work with other professionals to increase our knowledge and with community groups to develop advocacy skills and strategies to work towards a healthier environment and to ensure that environmental issues gain increased presence in social work education.

16   Community Mobilisation

World over, communities are becoming more and more critical and demanding more from mining companies. Protest action and in extreme cases civil unrest is not uncommon over perceived exploitative practices and lack of social and environmental accountability (ZELA, 2015). Mining companies in southern Africa are so used to operating in secret and keeping local communities in the dark about their activities that it comes as a rude shock when someone manages to shine a spotlight—however weakly—on their behaviour. Usually, their initial response is a mixture of bullying and blusters but sometimes they see the advantage in cooperating with their civil society accusers and working to improve their social performance.

   Community mobilization is the process of engaging communities to identify community priorities, resources, needs, and solutions in such a way as to promote representative participation, good governance, accountability, and peaceful change (Mercy Corps) Applied research, innovative approaches and targeted participatory studies are key elements to inform the stakeholders on the status of natural resources and opportunities to preserve and manage the resources. Unfortunately, resources for research or studies are limited and results not always shared. The Government and

other stakeholders need flexible means to identify ad hoc studies and gender-sensitive applied research that responds to the real need for both community livelihood and conservation (European Union, 2016).

1. *Mainstreaming of accountability and practice transparency in mining or any other development projects*
   The government of Zimbabwe can stimulate enhanced CSR accountability measures for Chiadzwa community to benefit. Evidence exists that the Chiadzwa diamond deposits could really have transformed the national and local economic fortunes of Zimbabwe and Chiadzwa respectively. African counties specifically Zimbabwe can benefit from having a government department which monitors and evaluate development or policies. It is critical that improved local policies, plans and designs for safe, inclusive and accessible public CSR for all which supports more compact, better integrated and well connected, socially inclusive and resilient communities, are designed.

2. *Privatisation and Government regulation development*
   The diamonds production and mining should to be demilitarized, and enhance close monitoring of the diamond trading, appropriate declaration and repatriation of diamond revenues together with normalizations of relations with the western diamond markets will certainly open market access. The government has proven that social issues are way beyond its mandate and material capability, a development which immediately creates an opportunity for the body corporate. The government must expedite the law-making process for the diamond industry and come up with a law that adopts world best practices to guide diamond operations.

3. The mining and extractive nature of the diamond industry should be accompanied with the appropriate observance of environmental laws, appropriate corporate social responsibility, legislative reforms and transparent accountability by all stakeholders. The international social and environmental standards all require the 'meaningful' participation of impacted stakeholders in the projects that will impact their lives. However, environmental and social specialists tend to use jargon not easily understood by the public, which has the effect of creating barriers to their participation (Symth, 2015).

4. Mining companies should have social audit reports providing objective, accurate, and comprehensive information about an organisation's social performance. Social accounting should be used in mining. Corporate audits and reports need to go beyond the traditionally reported economic effects and to provide information on corporate social performance (Estes, 1976, 3). Arguably, the Minerals and Mining Act does not strike a balance between mineral production and environmental protection. It also does not promote the environmental, economic and social impact assessment of mining activities as well as gender issues.

5. Corporate social information should include, among other things, the amount of pollution generated by the corporation and efforts to control it, the use and conservation of energy, management and disposal of waste, health and safety of employees and community involvement.

Enhanced CSR through Environmental compliance enforcement

Mineral extraction by definition involves the depletion of non-renewable subsoil assets, and the process of mining carries other environmental costs. The notion of "green accounting" is based on the premise that an assessment of mining and development must tally the benefits against the costs in terms of resource depletion and environmental damage (World Bank, 2011). There should be mandatory specific laws that deal with CSR, not only in Zimbabwe but also in the whole African region, in absence of mandatory CSR laws then multi-corporations will continue doing compliance process with no long-term sustainable projects. Countries' resources will continue to be depleted with poor communities getting next to nothing from minerals in their own backyards. African governments must move quickly to pass laws to regulate. Business must engage in socially responsibility activities through Social Management Plans, Social Labour Plans, Influx Management Plan and Resettlement Action Plans. Countries' resources will continue to be depleted with poor communities getting next to nothing from minerals in their own backyards.

6. **Diligence enforcement in mining for industry transformation**
   Mining companies who are not complying would call for immediate freezing of all company assets in the diamond field and initiate due diligence processes. Companies must submit audited reports and government must have them published periodically.
7. **Tough sanctions regarding mining personnel involved in activities**
   The government must investigate all diamond executives involved in Marange diamond mining and hold them to account for resource plunder and human rights violations. This might better implementation of CSR.
8. **Ensure that all mining companies applying for a license at the initial stage has tangible and sustainable Resettlement Action Plan**.

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Opportunities and Pitfalls of CSR: A Summary

Shame Mugova and Paul R. Sachs

> For too long, our people's hopes for a bright and prosperous future have been betrayed. Instead of hope, their days have been filled with starvation, disease and fear. A culture of entitlement and impunity has brought our nation to the brink of a dark abyss. (Tsvangirai, 2009)

The troubled history of the Marange Diamond fields continues through the present day. As we write this Concluding section in early 2019, the country is in turmoil. The optimism that greeted the change in leadership in 2017 has given way to disruption and again Zimbabwe finds itself looking into a "dark abyss."

Yet, the incentives of mining the fields continue to attract companies outside of Zimbabwe. The potential benefit to the country remains huge and Zimbabwe, despite its change in leadership, has no shortage of socio-economic needs.

Therefore, the perspectives about CSR offered by the contributors in this book are relevant to the present day. The case study is presented in dimensions which help to analyse and inform about the challenges and opportunities of CSR in extractive industries. The recommendations and findings here are also applicable to other developing countries which rely on mining and other extractive industries.

The applicability may be particularly pointed for Africa which, in the present day, encompasses many of the major themes of international concern. Natural and human resources in Africa are now, as they have been perennially, a source of rivalry between international powers with China and the US as the current key rivals. Economic disparities are evident within African countries and also across continents leading to the current migrant travels to Europe and the associated travails of these migrants.

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Some African countries, such as Cameroon and Nigeria, face separatist movements in the Anglo-phone and Igbo areas, respectively and countries in the horn of Africa are stressed by ethnic tensions. And African countries, in various degrees, face the challenge of religious extremist and terrorism—again a stage where international rivalries are played out.

Focusing more narrowly for the moment on CSR and its further development, we believe that there are opportunities for CSR implementation through creation of comprehensive CSR policies that promote stakeholders' participation. The major challenges and obstacles of CSR in Zimbabwe are economic crises, weaknesses in the institutional framework, corruption and governance issues. Government policy and enforcement of regulations are critical to overcoming these weaknesses.

In the modern business environment, engaging with stakeholders is imperative. Firms should engage stakeholders on their terms conveniently, transparently and authentically. Stakeholder dialogue is more established in Europe, where CSR has developed most extensively, than elsewhere (Tokoro, 2007). The standard business demands firms to engage stakeholders and have a CSR management system which is balanced by according equal weight to the economic, environmental, and social aspects of the business activities. Firms should look at issues such as equitable wages, unsafe or unhygienic working conditions, child labour, discrimination against ethnic minorities, environmental impact and their supporting of dictatorial regimes. Consideration must be given to avoid dealing with enterprises which are involved in those practices (Tokoro, 2007).

Stakeholders are the most important aspect of CSR their role and behaviour in cases of problems such as Marange diamond mines is very critical. The notion of who is included as a stakeholder is a major element of CSR. The Zimbabwean government is one stakeholder who was complicit in the looting and plunder of Marange diamonds. For many reasons, the government's stakeholder role outweighed the role of many others, particularly the populace of the Marange region.

The Marange case reveals that a major problem for implementation of effective CSR is a fragmented and imbalanced approach to stakeholder management. The community and civil society lacked collaborative effort to force the ruling party and the firms to account for inhuman practices and corruption in the mines. The mining firms were not held to any accountability to various stakeholders; in fact they were protected by the state.

The community share ownership scheme needs to be improved as an institution through capacity building, changing composition of governing boards including by ensuring that appointments are not political. When analysing the theoretical basis of stakeholder protection, it is necessary to consider the protection of stakeholders under general corporate law. Stakeholders should be considered at the same level as shareholders for success and sustainability of the corporate enterprise. Given the number of external stakeholders involved in the Marange mines, which includes up until the present day, stakeholder management is particularly challenging. Are international firms above the law of a given land? Are the benefits, and associated power, connected with international investment and business development, greater

than the costs to the country itself? In the case of Zimbabwe, it appears, regretfully, that the answer to this question was, Yes.

We sought a comment on corporate social responsibility in Zimbabwe from James Mandeya, an entrepreneur in based in Harare, Zimbabwe. The following profound statement summarises the state of CSR in Zimbabwe. "CSR in Zimbabwe is not mandatory as shown by absence of legal framework to guide firms. It is therefore one of those objectives rarely adopted by firms, If adopted it is usually affected by short termism. Many firms undertake CSR with one stakeholder in mind which are the politicians. Thus in Zimbabwe CSR is highly influenced by politicians than by the community who are supposed to be the beneficiaries. In some cases politicians summon firms to do certain projects to further their interests. Once this is done these firms receive special protection from these politicians."

Mr. Mandeya further explained, "Our media does not report objectively on the issue of CSR but rather exaggerates small acts and make people believe a lot is happening when in fact very little is a happening. The media is doing a disservice to the nation as they are bribed by firms to focus on what the firms wants instead of what the community wants. A comparison of the super normal profits earned, and the corporate social responsibility undertaken shows firms are giving little attention to the issue. Indeed, CSR is being given peripheral attention by a lot firms. There is also lack of appreciation by stakeholders especially the community and customers as firms are not adequately rewarded for undertaking CSR. The treatment of firms happens to be the same for those who carryout CSR and those who do not. People need CSR awareness so that they appreciate firms which undertake CSR. The knowledge of CSR also helps to advocate for CSR and better express their interest as stakeholders."

The increasing of awareness of CSR in communities and the advocating for CSR initiatives should focus on outputs and outcomes. The output is mainly the CSR programs by firms whilst the outcomes measure behaviour or systemic change by firms or management through responsible leadership. Collaboration between the government and the private sector is needed to meet the basic human care and social responsibility needs as public-sector resources become scarcer. The financial resources of developing countries have been depleted through corruption, economic mismanagement which has led to business closures and illicit financial outflows by the ruling elite banking externally looted public funds. Developing countries have challenges with financial resources and are often in debt therefore they usually lack the resources required for development. If there is better collaboration between business and government there would be more economic development and thus more tax revenue that could be used for public sector work. The communities will not only benefit through CSR initiatives but through economic development.

The importance of sustainable supply chain management cannot be underestimated. The supply chain should ensure that the problems such as labour issues, human rights issues warranted Marange diamonds to be classified as blood diamonds. The diamonds were certified as clean only because there was no responsible CSR throughout the supply chain. The Kimberly process only focused on unpolished diamonds and did not consider the Marange issues which involved the government oppression and violation of citizens' rights as a case for blood diamonds classifi-

cation. In a highly contested vote in 2009, the international government delegates who comprised the voting members in the Kimberley Process Certification System (KPCS) ruled that conflict in Marange did not meet the KPCS definitions of "conflict diamond"(Spiegel, 2014).

The supply chain problem exposes another factor in implementing CSR in general and particularly in an extractive industry: diffusion of responsibility. The supply chain for diamonds is very long, involving multiple parties from mining to refinement to export to sales. And each of these steps includes several sub-steps.

Social psychologists (Darley & Latané, 1968; Latané & Darley, 1970) have long identified the so-called "bystander effect" whereby the presence of others discourages individuals from intervening in an urgent or emergent situation. The bystander effect is a resilient social psychological phenomenon. Even imagining the presence of other people is enough to discourage an individual from intervening in a crisis (Garcia et al., 2002). The relevance to the Marange situation is clear—many parties involved in the mining and sale of diamonds may have decreased the likelihood that any one party would step forward and blow a whistle on problems within the operation.

We believe that the bystander effect is a fertile area for further research as it relates to CSR. Could interventions that have been tried in order to reduce the bystander effect prevent a future Marange-like tragedy from occurring? Some organizations require annual trainings in fraud and regulatory compliance for all employees to acculturate employees to the need for reporting irregularities. The Kimberly Process was created to be an external, independent review board, a good idea in theory but as has been shown, not fully effective in practice. What would strengthen such external bodies? Further study is needed to identify how this can occur.

The accountability and stakeholder's engagement in the mining sector and other extractive industries can be enhanced through reporting. The government of Zimbabwe should consider making sustainability reporting mandatory through enacting laws. Firms should publish CSR reports using the Global Reporting Initiative (GRI). Mining economic consideration can be reported by disclosing the company's impacts on the economic conditions of its stakeholders and on economic systems at local, national and global levels. The extractive industries have impact on the natural ecosystem, water, energy, emissions and waste which pollutes the environment. The reporting on such issues will ensure that firms can be brought to account for environmental compliance and stakeholders can advocate for expenditure which alleviate the social costs. In response to the concern that such reports are costly, one wonders whether the long-term costs of not reporting outweigh the short-term costs of making such reports. Moreover, the advancements in technology, information processing and social media—despite their undeniable down-sides—provide a means by which firms can collect and interpret data about impacts.

Following GRI standards will ensure that concerns about unethical or unlawful behaviour and matters of integrity are reported promptly and thoroughly. Social impact reporting ensures reporting on the company's impacts on the social systems within which it operates, including those relating to human rights, society and product responsibility. The Marange case study lacked the social impact reporting by the firms regarding human rights violations, torture, looting and unethical practices in

Marange. The reporting should not only be thorough and transparent but also interactive, including the stakeholder engagement for the purposes of getting feedback. It is through this latter process that social media may be especially helpful to businesses.

The CSR initiatives in mining communities should include the measurement of the effectiveness of such projects not just in terms of the benefits to shareholders or income statements but also through the secondary effect on communities. What impact does the business initiative have on the lifespan of community members, their educational attainment, their economic well-being, their mobility, to name a few factors. The CSR initiatives which focus solely on philanthropy may not provide sustainable development. Therefore the focus ought to be on how communities are empowered by the multinational firms mining minerals in the areas. The discovery and extraction of precious minerals is expected to improve the livelihoods of people who live in the communities with such resources, as would be the case for any business initiative in a community.

The problem with Marange diamond mines is the plundering and looting of natural resources, ZANU-PF politicians and the military. With the consent and assistance of certain ZANU-PF politicians, members of the security agencies became the key beneficiaries of the looting (Towriss, 2013). Individuals emerged as major beneficiaries instead of the state. Politicians solicited bribes and established exploitative mining syndicates, and positioned themselves in and around joint ventures and also secured a 'diamonds for arms' deal with the People's Liberation Army of China (Towriss, 2013). The politicians have auctioned the country's minerals as if they are personal assets thereby depriving present and future generations' from benefiting from the natural resources. The Zimbabwe is open for business mantra adopted by the current dispensation may focus on elite deals which only benefit those in proximity to power and the politicians themselves. The reforms both political and legal which would improve the ease of doing business and attract the much need foreign directing investment (FDI) in mining and other key sectors of the economy have been neglected.

To the present day the government of Zimbabwe has failed to generate enough revenue from the development of diamonds to prevent the country from its current and continued economic malaise. CSR if practiced well can complement the government's work and ensure maximum benefits from the private sector.

The syndicates formed by the politicians and foreign firms were a result of unethical behaviour, corruption and lack of integrity of the public officials. The ruling party to strengthen their hold onto power, stifling democracy by fighting unfairly from competition from the opposition used the Marange diamonds. The politicians created a symbiotic relationship between the security agencies and the party ZANU-PF who, under challenging economic and political circumstances, became increasingly reliant upon the support of the former (Towriss, 2013).The political system in Zimbabwe is resistant to change, the leadership is resorting to repressive security apparatus instead of focusing on politics of engagement, guaranteeing freedoms and protecting citizens. The political leadership has failed to develop the institutions that are required under the constitution and allowing such institutions to have their auton-

omy and independence. The transformation of the political system, developing and strengthening strong institutions will provide an enabling environment for CSR.

In examining the Marange case with respect to CSR, we are aware that CSR is a concept developed in European-American societies. As such, what are considered "standard" CSR principles bear a strong stamp of the history and culture of these societies. We wonder if this is a good thing. Certainly there are basic principles of honesty and justice that are important in all cultures. But, could the Marange case have evolved differently if a different model of CSR had been applied? And even if the model were the same, is there an Afro-centric model of CSR that would be more relevant to African countries and businesses, and more likely to be implemented?

We offer this thought with caution realizing that "Africa" is not monolithic. Nonetheless, we believe that this area is a further one for academic and professional attention. In doing so, we are not espousing moral relativity. The travesties that occurred in Marange have no place in any culture. Nevertheless, for a strong and sustainable CSR in Africa perhaps new models and standards can be found that will benefit those who live and work in the continent and beyond.

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