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The Challenge of Resource-Led Development in Zambia's 'New Copperbelt'

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Abstract

Relationships between the extractive industries, society and development are often symbolized by unfulfilled expectations and even conflict with the poor, rural, politically marginalized and indigenous communities who commonly face the greatest impacts from the extraction of energy and non-energy minerals. This paper explores the challenge of resource-led development in Zambia's 'New Copperbelt' (Northwestern Province) and demonstrates how Kansanshi, a mid-tier mining company, has tackled various community development aspects; from resettlement and compensation, hiring and employment, as well as local government interactions, to formulating a corporate social responsibility (CSR) and infrastructure project strategy. The case study is based primarily on interviews with relevant stakeholders and the collected data were analyzed using an inductive approach. Findings suggest that community capacity to hold Kansanshi and local government to account is relatively weak. Recommendations for strengthening corporate and government accountability include aligning CSR strategies with district, regional and national development objectives, as well as building linkages between local civil society organizations (CSOs) and national/international non-governmental organizations (NGOs) to enable communities around the mine to share experiences, lessons learned, and effective company and local government engagement strategies.

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1 Introduction

Global demand for minerals has been growing rapidly during the past decade, driven largely by emerging developing nations in Asia seeking to secure access to strategic assets for their rapidly industrializing economies. A 'second generation' of globalization is thus emerging, with economic multipolarity being its distinctive characteristic (Matondi, et al., 2011). Africa in particular has found itself at the centre of this geopolitical scramble for natural resources, as reserves there are still relatively unexploited and plentiful (Morgan, 2010). Transnational mining firms from both West and East are leading this 'march into Africa', often attracted by prospects of lower operating costs, linked *inter alia* to tax breaks, low royalty payments, plentiful and cheap labour, as well as the weak governance environment (Hilson and Yakovleva, 2007, Smith, et al., 2012).

The weak capacity of governments to enforce their regulations – when these exist – and ensure that extractive sector investments contribute meaningfully to national and local growth remains an ongoing challenge (Buxton, 2012, Campbell, 2012). Although an international normative agenda has evolved within the extractives sector over the last decade on issues such as corruption, human rights, revenue and contract transparency, local content, and community development, the concept of resource-led development, i.e. how the extractive industries can contribute to sustainable development and poverty alleviation in the developing world, remains poorly understood (Buxton, 2012, Pegg, 2006).

From the perspective of mine-affected communities, relationships between the extractive industries, society and development are often symbolized by unfulfilled expectations and even conflict (Kemp, 2009, Kemp, et al., 2010). In many operating contexts, even though national governments may receive significant revenues, there is little evidence that the extractive industries have contributed to sustainable local development. This is particularly relevant because it is often poor, rural, politically marginalized and indigenous communities that are most negatively affected by the extraction of energy and non-energy minerals. The literature on site level conflict often highlights issues of power asymmetries, differing perceptions of knowledge, and struggles over land rights, revenue distribution and environmental impacts (Bridge, 2004). Maximizing mining's contribution to community development is a complicated field (Bebbington, et al., 2008). The idea of 'sustainable mining' has worked its way onto the international sustainable development agenda. For instance, the concept was discussed during the 2012 UN Conference on Sustainable Development (UNCSD or Rio-20). Consequently, the extractive industries have been under sustained pressure from multiple actors at multiple scales, including international and domestic NGOs, donors, host governments, international investors, and local communities, to improve the sustainability of their operations in developing countries.

Operating in weak governance contexts – and as processes of globalization have intensified – companies may attempt to fill development gaps through corporate social responsibility (CSR) and social investment strategies (Fitzpatrick, et al., 2011). This ‘blurring of lines of accountability’ between public and private actors creates further problems for the operations of mining companies (Campbell, 2012: 141). Bypassing the state in favour of industry-led stakeholder engagement and social investment initiatives has been increasingly criticized as eroding the developmental functions of the state, which has led some to call for integration of mineral policy and development policy (Campbell, 2012). It is also important to identify how engagement processes, as well as community expectations and sentiments, may change over time, from the feasibility and design stages of a project, through to construction, operations, divestment, closure and rehabilitation (Parker, et al., 2008).

This paper explores community-company-government relations in the ‘New Copperbelt’ in Zambia’s Northwestern Province in order to assess local community capacities to engage with the extractive industries to deliver sustainable local benefits. Although the impacts of mining in Zambia’s Copperbelt are well documented (see e.g. Fraser and Larmer, 2010), little research has been undertaken to date in the Northwestern Province (New Copperbelt). This paper draws upon a case study on the Kansanshi mine in Solwezi District, Northwestern Province, which reopened in 2005 and is the eighth largest copper mine in the world. Interviews with community, company and local government stakeholders were conducted and the resulting data were analyzed using an inductive approach. Note that this research is part of a larger study aiming to increase understanding about the extractive industries in industrialized and developing countries and enhance community capacities to negotiate more effectively with the extractive industries for sustainable local benefits (Van Alstine, et al., 2011).¹

The findings of the analysis help to contextualize the manner in which communities perceive the positive and negative impacts of mining, as well as the causes of such impacts. This study compares and contrasts community perceptions against those of companies and local authorities in order to inform how community development opportunities are shaped and constrained in extractive contexts. The paper begins with a discussion of the challenges of resource-led development. It then focuses on the experiences of Zambia with copper mining and provides background information on the New Copperbelt region. Next the research methodology is presented followed by a discussion of the primary findings, the perceptions of community benefits and barriers to those benefits according to community, company and local government actors. The implications of these findings are discussed, and the paper concludes by summarizing key company, community and local government challenges to resource-led development. In terms of wider implications, lessons learned in the context of this

¹ Case studies include communities from five countries (Ireland, Uganda, Ghana, Zambia and Brazil). For more information see: www.lse.ac.uk/communitycapacities.

study could be utilized in order to improve understanding of the issues affecting sustainability in the various regions in which the extractive industries operate.

2 Background

Zambia has a long history of mineral dependence, with copper and associated products (e.g. cobalt and gold) currently providing nearly eighty percent of exports (Carmody, 2009). Zambia is the fourth largest copper producer worldwide, holding some six percent of global deposits (World Bank, 2011). At independence in 1964, Zambia had one of the strongest economies and one of the highest per capita incomes in Africa, due primarily to its mining sector (Auty, 1991). However, a combination of factors, such as the nationalization of the copper mines in 1969 and the oil and mineral price shocks of the 1970s, threw the Zambian economy into recession and crisis for most of the next three decades (Carmody, 2009). Zambia is currently 164th out of 179 countries in the UNDP’s Index, with about 60 percent of the population living below the national poverty line (UNDP, 2011).

The Zambian economy has since then enjoyed a notable change of fortunes, attributable mainly to increasing prices for metals, including a fivefold rise in those of copper; from about \$1,500 in 1998 to about \$9,000 in 2007 (Bush, 2007). Even though the 2008-2009 global recession and the resulting dramatic reductions by up to 65 percent in copper prices adversely affected Zambia’s mono-economy, high demand from rapidly emerging developing countries, coupled with large-scale investments in Zambia by Chinese state-owned enterprises, largely contained the overall losses (Carmody, 2011). As of 2012, the copper price has substantially recovered, allowing Zambia to experience economic growth at an average of approximately 5.5 percent (World Bank, 2011).



Figure 1: Map of the study area in the Northwestern Province, Zambia

Whereas the Copperbelt has traditionally been the industrial heart of Zambia, recent discoveries of oil and gas reserves, plus the opening of the Lumwana mine, the development of the Trident mine and the resuscitation of the Kansanshi mine in Solwezi, have put the Northwestern Province under the spotlight. This is the most sparsely populated of Zambia's nine provinces, with an area of 125,826 km² and a population of 706,462 (Republic of Zambia, 2011). Solwezi is the provincial capital and Kaonde the largest tribe represented in the area. The primary industry is copper mining at the Kansanshi mine (about 10 km north of Solwezi) and Lumwana mine (65 km to the west) [Figure 1]. Kansanshi Mining Plc, a First Quantum Minerals (FQM) subsidiary, owns 80% of the Kansanshi mine, while the remaining 20% is owned by Zambia Consolidated Copper Mines Ltd (ZCCM). FQM is a Canadian-based company listed on the Toronto and London stock exchanges.

This research focuses on the Kansanshi mine, given its long history and relatively recent redevelopment (Kansanshi, 2010). Kansanshi acquired the mine in 2001; construction began in 2003 and was completed in 2005. The mine employs in total about 4000 staff; 1500 are employed directly by Kansanshi Mining Plc, while the rest are employed through contractors.

Although there is little material available about policies and practices within Kansanshi Mining Plc on the Internet and FQM website, FQM has published Sustainability Reports for 2008, 2010 and 2011 and has articulated a group Sustainability Strategy. The Sustainability Strategy has specific objectives for employee responsibility, corporate ethics, governance and risk management, employee responsibility, environmental and social performance, security, and transparent operations (FQM, 2011b). As articulated in its Sustainability Reports, FQM takes a project-based approach to socio-economic development for its "employees, families and immediate communities" (FQM, 2009). The broad categories for corporate social investment include: health care, staff housing, enterprise development, infrastructural development, and education (FQM, 2011a).

Although Kansanshi has undertaken a wide variety of social investment projects and programmes in Solwezi and the rural communities adjacent to the mine, sections 4 and 5 will highlight some key issues that the mine needs to address, such as: increasing CSR and community engagement staff, developing a coherent CSR project strategy which aligns with national and local development strategies, and facilitating senior management buy-in.

3 Methodology

The fieldwork for this study was conducted over two weeks in the Solwezi District of the Northwestern Province during November 2010 and for one week in September 2011, with a focus on those communities directly impacted by Kansanshi's

operations. Six researchers collected the data, which mainly originate from interviews conducted in the communities of Kimasala, Zambia Compound, Mushitala, Kabwela, Kyafukuma and New Israel (Figure 2). All of these communities were chosen due to their close proximity to the mine, except for New Israel which was relocated 40 km to the north of the mine site. Community stakeholders interviewed included women, youth groups, elders, marketers/business people, farmers and local leaders.² Community stakeholder groups were identified through working with local community-based organisations, such as the Catholic Diocese of Solwezi. Data were collected in both English and local languages, with translation when necessary for English-only speakers from the research team. In addition, senior management and community relation officers at the Kansanshi mine were included in the sample, as were various local government officials. In total, 106 individual, small group and focus group interviews were conducted with stakeholders from communities, local authorities and company (including union and contractor representatives; see Table 1). A snowballing sampling strategy was employed to ensure the views of hard-to-reach groups, such as women were also obtained. Of the total interviews, 13 were conducted in groups in order to derive insights from the shared language/responses (or not) established by the group, as well as acquire a better understanding of community and company power dynamics.

Table 1: Stakeholders interviewed.

Stakeholders	Numbers Interviewed*					
	Total	Male	Percentage	Female	Percentage	Groups
Community	85	47	55.3%	38	44.7%	7 mixed, 2 male, 4 female,
Mine Companies	6	3	50%	3	50%	0
Union/Contractors	9	3	33.3%	6	66.7%	0
Central/Local Government	6	5	83.3%	1	16.7%	0
Total	106	58	55%	48	45%	13

*Excludes numbers in focus group discussions.

Interview data were collected and analyzed using an inductive qualitative research approach which begins with generative questions that guide the research but are not limited or confining (Esterberg, 2002).³ Thus, as data were gathered, core concepts

² With regards to local leaders, the research team interviewed a Sub-Chief, Group Leader and Area Development Committee Chairman. The traditional authority structure in the Northwestern Province includes Chiefs, Sub-Chiefs, Group Leaders and Headmen in order from most wide-ranging to local in terms of spatial representation. Area Development Committees and Rural Development Committees are multi-stakeholders groups formed by the local council to determine the course of development in a rural or residential area.

³ This methodology was originally developed by Business-Community Synergies as a way to strengthen relationships between large extractive firms and communities where they operate (see: www.bcsynergies.com). It has been adapted in this case to explore how communities may be able to hold companies and local governments to account.

and themes were identified, coded and linkages were developed. Every interview with community, company and government representatives was introduced using the same four themes. First, interviewees were allowed to describe in their own language the nature of their contact/interaction with the company, community or local authorities. Second, respondents were asked to answer whether and to what extent the communities have benefitted from the presence of the mine. Third, they were invited to offer their perspectives on the barriers to community benefits. Finally, they were encouraged to provide an ideal scenario from their own perspective with regard to what they would change and how if given such an opportunity.

A strength of this approach is that a 'perception gap analysis' is undertaken, so that the differing perspectives of stakeholder groups can be assessed and compared. However, confidence and relevance of this research is dependent upon interview technique and sampling strategies, as well as establishing reflexive understanding through comparing patterns of these data (Bauer and Gaskell, 2000). Limitations of this inductive approach include the time available for data collection and the influence of the researcher in the interview/group discussion. Several steps were taken to mitigate these biases: 1) substantial and detailed secondary data was reviewed; 2) the research team combined local knowledge with extensive international experience; 3) team members received training prior to the study; 4) researchers worked in teams whenever possible (the research team was comprised of six individuals – three lead researchers and three research assistants); 5) daily summaries of interview data as well as coding and discussion sessions facilitated reflexive understanding; and 6) validation workshops were held for the community, company and local government representatives. Nevertheless, the information generated during the study exhibited a high degree of consistency within and across the different groups, thus we have confidence in the research findings.

4 Community benefits and barriers

This section addresses two related questions: i) How have communities benefited (or not) from extractive industry development; and ii) what are the barriers to these benefits? Key benefits from Kansanshi mine development include improved infrastructure and CSR projects, employment, and local economic development. Barriers include unfulfilled expectations, security, corruption, and compensation issues. Interviewees often identified linkages between both benefits and barriers.

4.1 Infrastructure and CSR projects

Regarding infrastructure, Kansanshi staff noted that there existed a variety of projects which have or will be undertaken, such as the construction and improvement of bridges in New Israel and Kyafukuma, investments in local road infrastructure and provision of funding for the extension and patching of the Solwezi airport runway. Local government officials welcomed a number of infrastructure projects, such as the

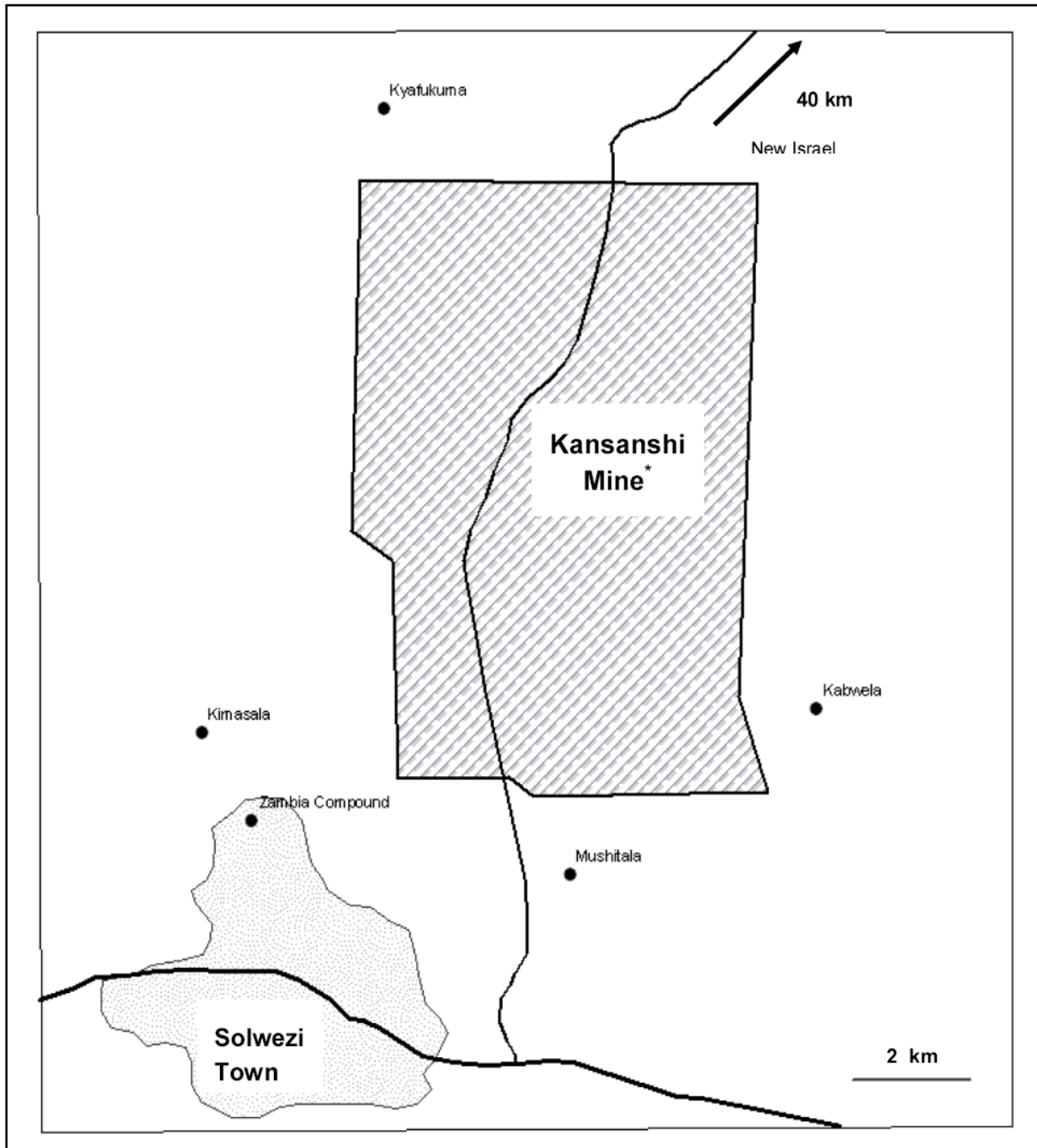


Figure 2: Map of Kansanshi Mine and adjacent communities
 * Note that the perimeter of the mine is actually a road

partial rehabilitation of the Chingola-Solwezi road, but also said that communities had unrealistic expectations of the mine: 'When Kansanshi does not deliver, people complain of not benefiting from the mine, even when the demand is a responsibility of government.'

The mine also supports a variety of CSR projects in areas such as health, education and local enterprise development. With regards to healthcare, a variety of relevant initiatives and projects were identified by Kansanshi staff. For instance, Kansanshi facilitated community access to clean water through the construction of several water

wells. In addition, a community HIV/AIDS project has been implemented, as well as measles campaigns, condom distribution, an anti-cholera water purification campaign and a malaria prevention programme. A plethora of health-related infrastructure projects were reported as being planned for the future, such as training for traditional birth attendants, upgrading the Solwezi General Hospital (US\$2.2 million), renovating various clinics in the area, plus constructing a health post for New Israel.

Sentiments among communities regarding healthcare were somewhat mixed. On the one hand, Kabwela, Kimasala and Zambia Compound community members expressed satisfaction with the periodic health campaigns organized by the mine in collaboration with the Health Directorate in Solwezi. On the other hand, several communities expressed concern with lack of access to proper medical facilities, and hence recommended that the mine should invest in upgrading some of the local clinics. In Kyafukuma for instance, the only health facility in the community is understaffed, with only two nurses serving the entire community and other nearby hamlets. In New Israel, several years after relocation, inhabitants still have to walk five hours to the nearest health clinic.

'When we first came here and when we fell sick we walk for eight km to the main road; if we found a car on the road it would charge us ZMK10,000 (US\$2). If we didn't find a car we would walk to Solwezi Town. I have walked five times to Solwezi Town.'

Turning to education, Kansanshi-sponsored classroom blocks have been built in Kabwela and Mushitala. At the Solwezi High School, the mine has refurbished and equipped laboratories, built a girls dormitory and secured funding for new electrical cooking pots. The Solwezi training centre was being upgraded at the time of data collection, a community school is planned to be built in Israel, and US\$ 5 million has been secured to build a high school for 1000 students in Solwezi. Community respondents generally identified positive impacts on education projects, mainly through the provision of schools and teacher training, construction of teachers' houses and supply of books. Members of the Kabwela, Kyafukuma and Mushitala communities acknowledged that the Kansanshi mine had assisted them in promoting and improving the level of education, even though some concerns were highlighted in relation to unfulfilled promises. In Kabwela, for instance, assurances for the construction of a second classroom block and staff houses were not met, leaving the 412-student local school with one teacher, who problematically lives 15 km away from the community. In New Israel, however, lack of proper education facilities altogether was noted.

'We used to live near a school and clinic. Even the hospital in Solwezi Town was close. This place is far from anything. Even the school we have we have struggled to construct as a community, except for the iron sheets provided by the mine.'

Closing with enterprise development, Kansanshi has engaged with communities through a variety of initiatives, which include bee-keeping projects in New Israel,

conservation farming in Mushitala, fish and vegetable farming in Kyafukuma, and poultry rearing in Mushitala, Kabwela, New Israel and Kyafukuma. Community members said that Kansanshi should engage in more tangible projects, such as roads, houses, boreholes, schools and clinics. While the company has supported several infrastructure and CSR initiatives in all six communities, much of the criticism hinged on the perception that there was little or no project follow up and that the mine was not completing projects it had promised and/or started. There was therefore a common sentiment among communities that their expectations had been raised but the company had not fulfilled them.

'Kansanshi mine projects in our community are a drop in the ocean.'

In terms of remedial action, the company set up a Foundation in 2006 to channel funds to infrastructure projects in Solwezi. While the Foundation was allocated US\$1 million for projects in the area, several limitations have since emerged with regards to its operations. For instance, during the economic crisis (2008-2009) the Foundation was inactive, while it was also highlighted that there were in the past instances of mismanagement of funds through corruption, such as taking bribes from contractors. Another complication concerns the fact that the Board of the Foundation is composed of the same individuals on the Kansanshi Mining Plc board, which substantially restricts the ability of local stakeholders, e.g. Chiefs, government and community representatives, to engage and participate with the Foundation's funding process.⁴

When evaluating the mine's social and economic impact on the host community, local government officials generally adopted a more positive stance than did residents. Starting with social benefits, they were pleased that Kansanshi was able to complement government efforts in such areas as education and healthcare. Apart from undertakings in the communities per se, well received were projects in Solwezi proper, such as the construction of classrooms in the Solwezi High School and of a new mortuary unit at the municipal Hospital. Kansanshi's help was also acknowledged with regards to the financial and material support provided for various government programmes, such as international women days.

4.2 Employment

With regards to the mine's economic impact on the host community, Kansanshi staff held that there existed a number of positive developments, particularly in the field of employment. Commenting on community concerns over the lack of local employment opportunities, Kansanshi and its contractors stressed that the large majority of

⁴ In August 2011, following a review of the draft report on which this study is based (Van Alstine, 2011), Kansanshi confirmed to the research team that it will be putting in place an engagement mechanism for the Kansanshi Foundation that will ensure that local stakeholders decide upon local development priorities by evaluating and short listing Foundation projects for approval by the Board.

workers were from Zambia. Indeed, FQM's 2010 Corporate Sustainability Report highlighted that 'local citizens' accounted for 90-95 percent of the workforce, while one of the contractors, Teichmann, highlighted that out of its 526 employees only 2 percent were non-Zambian (FQM, 2010). However, how many workers come from the Solwezi area is a far more difficult figure to quantify.

'Getting locals (for employment) has been quite a bit of a challenge, who is a local? We try to encourage them (i.e. contractors) to hire locals, but if a contractor comes from the Copperbelt, they come with their own workers.'

Highlighting a barrier to local employment opportunities, local government respondents said that the low level of education among community members is the main issue preventing them from securing high skilled jobs.

Mixed responses were again recorded in the six communities with regards to employment. Positive impacts in the form of some new job opportunities were identified, but community representatives felt these were largely limited. In all six communities employment was highlighted as the reigning concern, with corruption, in-migration and lack of necessary skills to gain employment at the mine being noted as major barriers. The vast majority of skilled labour is sourced from the Copperbelt Province and if locals do succeed in getting low-skilled jobs, they are often paid low salaries working for contractors. Lack of salary harmonization between those employed directly for Kansanshi and those working for contractors was often stressed: 'There is no equal pay for equal work at the mine.' Notably, contractors are mainly from outside Solwezi and are therefore more prone to recruiting workers for the mine from their areas of residence. Kansanshi staff said they encourage contractors to adhere to their labour/hiring policies, but are unable to enforce them.

'The Kaonde stand no chance of employment at the mine: they have no skills, no money to offer bribes, and no relative in the mine. If you see someone working at the mine, know they have got their job through bribery or nepotism – without these two, you are out of the system.'

In terms of remedial action linked to employment, Kansanshi instigated a community recruitment programme called 'Lucky Dip' in 2010, which was run using a ballot system. Communities, however, expressed dissatisfaction with the modalities and frequency of this mechanism. For instance, Lucky Dip occurred only twice in Kabwela during 2010, while the selected unskilled workers were only employed for the course of a few weeks or months. As of September 2011, Kansanshi discontinued Lucky Dip given the challenges of administering the programme. In its place, a casual labour stakeholder database is maintained at Kansanshi's office in Solwezi.

4.3 Local economic development

Kansanshi staff stressed the positive impacts of the 'multiplier effect' on the local economy, meaning the manner in which spending in town by mine employees

creates additional business opportunities, thus contributing to the promotion of prosperity and progress in Solwezi. As one community member commented:

'Definitely, there are more people with money in their pockets.'

Furthermore, it was stressed that because of the mining-related growth of the Northwestern province, banks and telecom companies established themselves in Solwezi.

Local procurement was also highlighted as a means through which the mine helps stimulate the regional economy. Kansanshi, for instance, is supporting local communities by buying their harvested maize. According to mine officials, out of a total US\$ 540 million spend on procurement, US\$ 430 million was actually Zambia-based. Of course, how much of the Zambian procurement spending actually stays within the country is unknown. Yet, beyond salaries, the bulk of the expenditure – particularly in relation to the mining and processing of ore – should unequivocally be for supplies which cannot be sourced in Zambia.

Kansanshi officials also noted that there existed a number of barriers to doing business in Zambia, such as high start-up costs for small businesses, high manufacturing taxes and unrealistic contract bids by local suppliers. As one mine manager highlighted:

Zambia is a business unfriendly environment; there is very little manufacturing. Manufacturing tax in Botswana is 15%, manufacturing tax in Zambia is 35%.

Indeed, the above remark corroborates findings from other studies, which indicate that several companies view corruption, high taxes and transportation costs – the latter due mainly to Zambia being landlocked – as standing out among the difficulties with operating in Zambia (Carmody, 2011).

From a local government perspective, the most visible economic benefits from Kansanshi include the increased revenue for the Solwezi Municipal Council, which is receiving over ZMK3 Billion (~US\$600,000) in property rates, plus the mine's contribution to the national tax base. In addition, similar to the company perspective, it was indicated that the presence of the mine had a positive impact on the local economy in terms of bringing in auxiliary industries and therefore more disposable income for people. Farmers, as well as small and medium-sized enterprises, were also described as beneficiaries, on the grounds that population growth had resulted in increased market size. A number of communities reported mixed impacts from the increased economic activity that followed the commencement of operations by Kansanshi in 2005. Residents of Kimasala and Zambia Compound stated benefits in that several locals working for the mine have been able to acquire assets such as

farm land, houses, and vehicles for commercial and private purposes. Indirect benefits were also highlighted.

'Employees from the mine buy chicken from here. They are giving us money, and we are giving them chicken, so we are benefitting also.'

Yet, in-migration and the resulting increase in population size in the two aforementioned communities, had resulted in accommodation becoming quite expensive, plus it had increased pressure on infrastructure such as schools. In New Israel, complaints centred on scarce and costly public transportation, following the relocation of the community 40 km north of its previous location. Residents in particular were critical of the fact that since moving to the new site the high bus transport cost to Solwezi had consumed a substantial share of the resettlement allowance provided by Kansanshi.

4.4 Crime, corruption and compensation

In response to concerns about security and crime, Kansanshi staff acknowledged a number of impacts related to the presence of the mine, even though it was noted that an upsurge in such problems is inherent in every area experiencing rapid population growth. For instance, broken mineworker families were identified as a complication requiring urgent attention, given family separation due to migrant labour.

'Most of employees are migrant workers, their families are elsewhere. When they come here of course, living in all sorts of places, because accommodation is a problem. Some get missed, some drink, and land in problems. Broken homes are rampant.'

Regarding corruption, while recognizing that accusations of occasional corporate bribery were valid, one staff member referred to the Kansanshi Foundation to note that following the hiring of a new Foundation Coordinator "there [was] a new sheriff in town." Interestingly, lack of proper accountability in communities and local government was identified as the prime issue necessitating more immediate attention, since the company would be prepared to contribute more financial resources to the locality had there been assurances of greater transparency.

'When we give out money, it gets misused by almost everyone. We expect that money goes to communities, but it ends up in people's pockets.'

Almost all communities reported negative impacts. Issues of nepotism and bribery when seeking employment at the mine were frequently raised. In the communities closest to Solwezi, namely Kimasala, Zambia Compound and Mushitala, theft and prostitution due to in-migration were described as being on the rise. Cultural impacts were mainly raised by members of communities most adjacent to Solwezi, such as Kimasala and Zambia Compound. In particular, mining development was pinpointed as having disrupted social norms and community ties.

'Workers from Kansanshi, they are too much drinking beer. At the end of the month they will get drunk and be beaten. They end up grabbing the wives of their friends, because they have money, they can do whatever they want.'

A number of complaints were also reported in those communities whose land areas were completely or partially appropriated to accommodate the mine and related developments. Mushitala residents, for example, claimed that compensation of community property lost as a result of fencing the mine's golf course was still incomplete. In Kabwela, although several farms were displaced as a result of the operations of the mine, compensation packages for the assets never occurred. Currently, given Kabwela has been earmarked for the construction of a new tailings dam, the situation regarding lack of information about compensation is causing significant concern within this community.

'Agreement on displacement has not been reached yet but they have already taken action of measuring our fields for a dam, we are worried because we don't know where we will be displaced to...'

Company officials felt people who were unwilling to be resettled or land speculators seeking compensation from the company negatively impact company-community relations.

5 Discussion

As highlighted above, Kansanshi has had a rather ad hoc approach to community development through its CSR projects. Although local government officials applauded the mine's efforts to complement government-sponsored initiatives in areas such as education and health, community members consistently identified lack of project follow up, coherency between projects, and 'unfulfilled expectations' as significant barriers. Critiques often identify short-sighted and paternalistic approaches of extractive firms as the root cause of suboptimal community development outcomes (Muthuri, 2008).

However, Kansanshi has begun to recognize past shortcomings and has taken some actions to address them. In interviews, Kansanshi personnel highlighted the need to increase CSR and community engagement staffing. As of November 2010, there were only three community engagement officers who were tasked with covering all of the communities – rural, peri-urban and urban – surrounding the mine. The limited capacity in mid-tier and junior mining companies, particularly related to resources and skills, to effectively engage with community and sustainable development issues has been identified in the literature (Buxton, 2012). In August 2011, following a review of the draft report on which this study is based (Van Alstine, et al., 2011), Kansanshi confirmed that it had recruited additional staff members in the field of CSR, and that it was in the process of recruiting a monitoring and evaluation officer.

Interviewees also indicated that the community engagement strategy needed urgent buy-in from the highest levels of management at the mine, stressing that adequate sensitization of board members and senior level staff represented a key precondition for building a healthy relationship with the surrounding communities. This link between the preferences and strategies of key senior managers and the adoption of effective CSR strategies is documented extensively in the literature (see e.g. Baumgartner, 2009).

Secondly, although the local authorities applauded much of the social investment from Kansanshi, the relationship between the mining company and local authorities is strained. Much of the literature explores the interaction between companies and communities, and the ways through which mining companies tend to reluctantly assume state-like responsibilities (Campbell, 2012). There has been comparatively little focus on how local authority-company relations may impact distribution of community benefits. According to interviews from provincial and local government officials, the interactions between the company and local council started out very poorly.

'Kansanshi overlooked the Council in the past, the Council was nobody, even in their attitude to obligatory issues such as paying rates.'

Difficulties remain, as for example the local council was not invited to participate in the formulation of development agreements between Kansanshi and higher levels of government: 'When we try to engage the mine on issues, we are told... this has been discussed with the Minister.' Interviews revealed that the company is seen to be 'in cahoots' with authorities at the national level, which has resulted in the emergence of an antagonistic relationship between the local council and Kansanshi.

Factoring in local government-company relations could immensely enhance our understanding of the manner in which the livelihoods of mine-affected communities could be improved. Kansanshi could ensure that local government officials are appropriately kept informed of its deliberations with the national government, so that they are in a better position to adequately represent local interests. In addition, local government could facilitate transparency and accountability in council budgeting processes, which is one of Kansanshi's primary concerns as indicated above in section 4.4. Stakeholder engagement in the local council budgeting process is in fact in their by-laws, but has not been fully implemented. There is need for clearer definition and understanding of the roles and responsibilities of different stakeholder groups, such as government at different levels, the mining company and traditional authorities.

Third, the results of this study support arguments by other authors (see e.g. Garvin, et al., 2009), according to whom locals are interested in the environmental

consequences of mining, but social and economic impacts may often take precedence. Indeed, throughout this research, environmental issues did not feature as high in the agenda of community members as did employment concerns. Consistent issues highlighted by both community and company representatives were variations between the recruitment policies of Kansanshi and its contractors. Harmonization of policies and practices between the two is an important step to be taken. Kansanshi needs to encourage sourcing of as much casual labour from local communities as possible and should require contractors to adhere to Kansanshi's hiring policies instead of simply encouraging them.

Fourth, with regards to the New Israel resettlement in 2005, it appears little was done to follow International Finance Corporation (IFC) and World Bank resettlement guidelines on physical and economic displacement related to land acquisition and involuntary displacement. It is thus imperative for Kansanshi to ensure that the Israel resettlement plan is revisited to adhere to IFC's Performance Standards, and that this assessment is externally audited (see IFC, 2012). Interestingly, the Environment and Social Impact Assessment (ESIA) study in relation to the new tailings storage facility near Kabwela has been conducted by a South African consultancy according to international best practice. The contractor held extensive consultations with Kabwela community members with regards to the ESIA, which had a positive impact on community-company relations (Van Alstine, et al., 2011).

Finally, this paper adds to the rather limited literature dealing with pathways for communities to more successfully engage with firms, hold companies and local governments to account, and maximize sustainable local benefits (see e.g. Muthuri, 2007). Capacity may need to be developed within communities in order for participatory monitoring and evaluation mechanisms to be implemented. For example, resettlement and compensation schemes should be monitored and evaluated, in conjunction with Kansanshi, in order to assess whether the mine has followed best practice such as the IFC's Performance Standards. However, development practitioners and industry leaders highlight the dearth of domestic non-governmental organizations (NGOs) and community-based organizations willing and able to work with mining companies within host communities. In fact, Kansanshi personnel noted few civil society organizations (CSOs) in Solwezi that were interested and able to work with the mine to implement community development objectives. Often local organizations, such as the Catholic Diocese, would take strong advocacy stances at stakeholder meetings, but were less willing to engage on an ongoing basis with the mine on community development issues. As of September 2011, Kansanshi was working closely with an international development consultancy to implement the mine's local development plan, which it sought to align with local council development goals. This exemplifies limited local civil society capacity in Solwezi to engage with mining companies on community development issues.

Two recommendations were distilled from community interviewees on how to strengthen community participation in development matters. First, community project committees, which are set up by the company to implement CSR projects, could be more proactive in responding to community concerns and following up on pending projects and improvements. Second, community participation in Kansanshi quarterly stakeholder meetings could be improved through the inclusion of representatives from project committees. Typically, communities are represented at stakeholder meetings by their Group Leader (or Sub-Chief) and Area Development Committee (ADC) chairperson or secretary. However, the dynamics between a democratic local government system and a less participatory traditional system are complex and potentially problematic. Given a company's initial entry into a community is through the Group Leader or Sub-Chief, it is assumed that they represent community concerns, but the way they came to power may have little to do with community interests. Interviewees highlighted that Group Leaders and Sub-Chiefs may in fact block the implementation of community-company projects. ADCs are set up by the local council in order for rural communities to feed into local and national government strategies, but how these community governance bodies actually work in practice and represent community concerns was questioned by some. Thus, it was recommended that individuals from project committees also represent communities on a rotating basis at quarterly stakeholder meetings.

6 Conclusion

This paper drew upon a case study from Zambia in order to discuss the different perceptions of communities, companies and local authorities with regards to the benefits and barriers of copper mining's contribution to community development in Solwezi District, Northwestern Province. Key company, community and local government challenges and potential solutions were identified.

One area that is understudied is the way "mining capital itself is highly differentiated" (Bridge, 2004: 240). This is quite significant as junior and mid-tier companies are likely to respond differently to social pressure than larger-scale mining firms, which may have higher reputational risks. Corporate styles, capacities and cultures differ, thus it is highly relevant to assess how companies vary in their approaches to community development (Bebbington, et al., 2008). The evidence demonstrates how Kansanshi has struggled with various community development aspects, including formulating a coherent CSR and infrastructure project strategy. Although the mine is seeking to address some of these concerns, its somewhat ad hoc and fragmented approach confirms observations that junior and mid-tier companies often take pragmatic case-by-case responses to sustainable development issues, which "in some cases results in good work but is generally not benchmarked to international standards and can be highly variable in the quality of both delivery and outcome" (Buxton, 2012: 8). However, best practice guidelines and international standards may

in fact be tailored to the priorities of industry, rather than to those of mine-affected communities (Whitmore, 2006).

Another substantive research finding, as noted above, concerns the limited abilities of communities to hold companies and local government to account, particularly in the New Copperbelt. Policy coherence is needed to align CSR strategies with district, regional and national development objectives and drive the transparency and accountability of both private and public actors. Linkages between local CSOs and national/international NGOs could, for example, enable communities around the mine to share experiences, lessons learned, and effective company and local government engagement strategies. There is also an interesting opportunity to carry out similar research in other extractive contexts within and beyond Zambia. This comparative research can provide important insight into effective community-company-local government engagement, and build linkages between CSOs and communities living in close proximity to large-scale mining operations.

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