

**An evaluation of co-management practices: A case of a South African platinum
mine management and the local community.**

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Abstract

A vast body of literature reveals the paradigm shift of South Africa's economy from an agricultural community to an industrial economy. Elbra (2013) illustrated that South African mining host communities viewed that mineral endowments have become a "resource curse" instead of a driver of local economic development for the benefit of the community. To understand the mining and community conflict and their subsequent complexities, the Marikana massacre in August 2012 must be revisited (Bell, 2016). The problems may be broadly summarised as a lack of stakeholder engagement and inclusivity. Studies involving stakeholder management and co-management focused on the identification of stakeholders and their management. The research evaluated the co-management practices between mine management and a local community. It considered the challenges that emanated from the co-management practices. The primary focus of this research has been to evaluate the co-management features between the mine management and the local community and to identify the challenges associated with co-management from a mine management perspective. Furthermore, the research attempted to find effective co-management practices between the mine management and the local community which may be used to improve the partnership.

Armitage, Berkes and Doubleplay (2007) recognised that in facilitating effective co-management, the commitment towards fulfilling good governance and accountability was paramount in ensuring that the rights and obligations of both private and public actors were achieved. However, Ran and Qi (2018) acknowledged that such partnerships were not immune to challenges because the poor implementation of co-management features like power-sharing could collapse a co-management partnership. This study aimed to evaluate the current co-management practices from the mine management's perspective.

A literature search revealed the range of co-management features that explained the different use of practices. The features included co-management and power sharing, co-management and institution building, co-management and trust and social capital, co-management as a process, co-management and problem solving, and co-management and governance.

The study evaluated the co-management features between the mine management and the local community, identified the current challenges associated with co-management from a mine

management perspective and attempted to make recommendations on effective co-management practices between the mine management and a local community.

A qualitative case study method was employed. This method allowed the researcher to evaluate multifaceted matters which may have been investigated in the past but not in considerable detail (Baxter and Jack, 2008). Data was sampled using purposive sampling. This was because the population sample was chosen according to their roles and responsibilities and their involvement in the co-management between the mine management and the local community. Data was collected through semi-structured interviews and document analyses. The findings of the research were derived from a range of company documents. Thematic analysis was employed to understand the practices of co-management which underpinned the co-management partnership between the mine management and the local community.

It was found that there was a positive relationship between the literature study and the response from the mine management. The shared responsibilities emerged out of a dialogue characterised by deliberation and negotiations between the mine management and the stakeholders. Berkes (2009), asserted that co-management bore a resemblance to the process of the sharing of ideas of how responsibilities could be better shared and that it emanated from a process of deliberation and negotiation. Furthermore, if the evolution of the co-management partnership was not managed carefully, it could pose a risk to the partnership itself. It was acknowledged by the research respondents that there were complications involved in having the community as a shareholder in the mine, but equally, the community showed an appreciation of being involved in building a sustainable mine.

The model of sustainable partnership emphasised that any viable partnership should adopt this model to achieve a sustainable performance (Thomson and Boutilier, 2011). This research showed that the co-management practices between the mine management and the local community concurred with the findings of Zvarivadza (2018). Trust and transparency between mine management and the community could go a long way in ensuring that the mine fulfilled its legal responsibilities in the local community where the mine is located.

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Table of Contents

Abstract	2
Acknowledgements	4
Chapter 1: Introduction	8
1.1. Background.....	8
1.2. Research aims and objectives	16
1.2.1. Aims and Objectives	16
Chapter 2: Literature Review	17
2.1. The emergence of co-management	17
2.1.1. Co-management defined.....	17
2.2. The evolution of co-management	19
2.2.1. Co-management and power sharing	19
2.2.2. Co-management and institution building	21
2.2.3. Co-management and trust and social capital	21
2.2.4. Co-management as a process.....	22
2.2.5. Co-management and problem-solving.....	22
2.2.6. Co-management and governance.....	23
2.3. Challenges of co-management.....	24
2.4. Stakeholders.....	25
2.5. Stakeholder Theory	26
2.6. Stakeholder Engagement	28
2.7. Community	29
2.8. Stakeholder Inclusivity	31
3. Strategies for productive partnerships between mining companies and communities	32

Chapter 3: Research Methodology.....	35
3.1. Introduction.....	35
3.2. Aims and Objectives.....	35
3.3. Research paradigm.....	36
3.4. Research Method	36
3.5. Procedures for Data Collection.....	36
3.5.1. Data Sampling	40
3.6. Data Analysis	41
3.7. Ethical considerations	42
3.8. Validity and Reliability.....	42
Chapter 4: Findings and Discussions.....	43
4.1 The features of mine management and local community co-management.....	43
a. Business Sustainability	44
b. Stakeholder Inclusivity.....	49
c. Power Relations	51
4.2. Challenges of co-management from the mine management’s perspective.....	54
4.3. Governance Framework of the co-management partnership.....	56
4.4. Enhancement Mechanism	58
Chapter 5: Conclusion and Recommendations.....	60
5.1. Introduction.....	60
5.2. Summary of Findings and Discussion	60
5.3. Recommendations.....	61
5.4. Limitations of the Study.....	63
5.5. Final thoughts.....	64
References.....	65

Appendix A- Gatekeeper’s Permission.....	74
Appendix B- Participant Informed Consent	76
Figure 1: Social licence pyramid model.	14
Figure 2: Co-management model	20
Figure 3: Model of sustainable partnership agreement	32
Table 1: Interview themes and questions.....	39
Table 2: Comparison Table of the sustainable partnership model and research findings	63

Chapter 1: Introduction

1.1. Background

It was only in the middle of the 19th century that South Africa changed from a predominantly agricultural community to an industrial economy (Canadians for Justice and Peace in the Middle East Foundation, 2014). The transition from an agricultural to an industrial economy in South Africa was spurred by the discovery of gold and the platinum group metals (PGMs) in 1924 (PGMs like chrome, vanadium and palladium) (Mining Africa, 2017).

Although South Africa managed to diversify its economy and became an emerging economy, it remains one of the most unequal societies in the world (Harvey, 2017). Literature (Auty, 1993 and Elbra, 2013) attributed these inequalities to racial lineage and the racial political history of South Africa.

This problem of inequality was recognised as early as the 1860s with the discovery of diamonds in Kimberly in the Northern Cape (Harvey, 2017). The discovery of diamonds led to the subsequent discoveries of gold, coal and platinum, which are today, South Africa's best-known minerals (Mining Africa, 2017). However, the inequality between shareholders, mine management, financiers, mineworkers and communities remained one of the defining features of the South African mining sector (Shiwamba, 2017). The disparate ownership and the control of mines amongst the shareholders, mine management, financiers of mines, mineworkers and host communities remained the defining inequality feature of the South African mining sector.

The South African mining host communities were of the view that mineral endowments have become a "resource curse" instead of a driver of local economic development for the benefit of the community (Elbra, 2013). The host community viewed the operations of the mines as primarily profit-driven at the expense of pursuing a balance between financial returns and community upliftment (Ololade and Annegarn, 2013). The perception held by local communities was that the mineral resources were perhaps a curse rather than a resource which should be uplifting communities, is still prominent in South Africa (Elbra, 2013). This perception held by society about the mineral resources was very similar to the ones opined by various authors (Griffin and Mahon, 1997; Williams and Conley, 2005; Hutchins, Walck, Sterk and Campbell, 2007). Clifton

and Amran (2011) stated that business was primarily focused on financial returns. Perhaps we should not discount the fact that South Africa is among the countries that can argue that its mineral endowment is not wealth but a curse, given the level of inequality that still exists among the majority of South Africans (Elbra, 2013).

Although South Africa had the world's largest Platinum reserves, weak growth, increasing poverty and inequality were prevalent (Akanbi, 2016). At the end of the apartheid regime, business in general, especially mining, was in the hands of the minority, with Anglo American controlling more than 40% of the Johannesburg Stock Exchange. It was the largest holder of the country's mineral rights at the time (Elbra, 2013).

Auty (1993), Elbra (2013) and Paredes (2016) concurred that investments in the mining sector facilitated significant economic growth in South Africa. They have also triggered resistance against mining projects in local communities. This resistance was attributed to arrangements which did not share the value created by these mining projects equitably.

The instability in the mining sector does not only emerge from the economic and political factors. It also stemmed from the way the sector managed the social contract on mutual benefit between the mining sector and the local communities (Paredes, 2016).

The lack of stakeholder inclusivity was prevalent in instances where business emphasised the short-term financial gain and not the long-term shareholder value creation (Lingenfelder and Thomas, 2011). The realisation by many organisations that the concept of business sustainability included the functionality of well-developed corporate governance frameworks, thus ensuring long-term value creation, was gaining momentum in many sectors. However, mining still lagged on the incorporation and the implementation of corporate governance frameworks at the project level (Clarke, 2005). Stakeholder inclusivity and corporate governance were regarded as fundamental to business sustainability. Neglecting these two factors would imply a disregard for the broader stakeholder community, which included, employees, government, community, and civil society organisations.

In recent years, post-Apartheid South Africa enacted laws and developed systems to regulate the provision of socio-economic development programmes by mining companies in host communities (Heyns, 2019). The Marikana massacre in August 2012 (Bell, 2016) enabled a clearer

understanding of the conflict between the mining sector and the community conflict with its inherent complexities. The horrific scenes of the 16th August 2012 remain part of the legacy of the Marikana informal settlement, Lonmin and the mining fraternity to this day, eight years later.

The issues contributing to the conflict at Marikana were the lack of community engagement, the poor working conditions, the poor social conditions, and the top-down management approach (Benchmarks Centre for Corporate Social Responsibility, 2012). According to Heyns (2019), the mining and community conflict emanated from the lack of definition of the various stakeholder roles and obligations.

Furthermore, these inadequate definitions had been amended a few times by policymakers and scholars (Heyns, 2019). This continuous alteration created more confusion and ambiguity about who were the beneficiaries of the mine community development (Hilson and Murck, 2000). Policymakers should accept that South Africa's quick development of the platinum mines, and the growing demand for platinum, have made it a viable economic option and an opportunity to move development into the rural communal land of the former homelands such as Bophuthatswana and the Lebowa (Mnwana, 2015). The growing demand for platinum and the opportunity to develop rural communal land further supported by the different strategies which were incorporated in the development of laws and regulations of the mining sector (Dodzo and Zvarivadza, 2015). These strategies have fostered development in South Africa making it one of Africa's most developed nations ahead of crude oil-rich countries like the West African countries such as Ghana and the Ivory Coast. The mining community conflicts, unemployment, and inequality have however overshadowed the achievements of the mining sector (Elbra, 2013).

The mining sector has made a significant contribution towards the South African economy as measured by its contribution to the country's Gross Domestic Product (GDP) and linkages with broader economic sectors (Dodzo and Zvarivadza, 2015). It is the sector's significant contribution to the socio-economic development of South African communities that should persuade stakeholders in the mining sector to find a viable way for host communities and mining companies to coexist for mutual benefit.

It was evident from a literature review that challenges like unemployment and poverty contributed to the inequality those host communities endured while mining companies continued to extract value out of the ground (Auty, 1993; Elbra, 2013 and Akanbi, 2016). These challenges have

created an asymmetric relationship between the mining companies and the local communities and showed the need for co-management arrangements between private and public participants (Zvarivadza, 2018). The Mineral Petroleum and Resources Development Act No. 28 of 2002 (MPRDA) and the Mining Charter of South Africa have a provision that covers community development, and this was further enacted in the Mining Charter of South Africa (Dodzo and Zvarivadza, 2015).

Furthermore, the redressing of past injustices finds resonance in Section 9 of the Constitution of the Republic of South African Act No. 108 of 1996 (referred to hereafter as the Constitution) which together with the MPRDA facilitated the participation of Historically Disadvantaged South Africans (HDSAs) in the mining sector. The MPRDA defined HDSAs as “South African citizens, category or community, disadvantaged by unfair discrimination before the Constitution (Act No. 200 of 1993) came into operation which should be representative of the demographics of the country”. However, there was a lack of emphasis on how to structure the co-management partnerships in both the MPRDA and the Mining Charter. Even though the enactment of the Mining Charter was done to spur the sustainable growth and meaningful transformation in the mining sector, there is still a long way to go before substantive transformation can be said to have been achieved, primarily with the current level of inequality in South Africa (Zvarivadza, 2018). Auty (2013) further pointed out that the lack of prescribed methods to integrate communities into mining projects added to the strained relationship between the mining projects and the local communities.

The MPRDA through Section 100(2)(a) of the Act, provided the development of the Broad-Based Black Economic Empowerment Charter for the South African Mining and Minerals Industry. Known as the Mining Charter, it gives detail on the shareholding distribution for the mining projects and new and existing mining right holders. Zvarivadza (2018) indicated that the eligible shareholding, which communities, employees, and a company that is owned and managed by black people, are entitled to, was a minimum in mining projects.

According to the Broad-Based Black Economic Empowerment Act No.53 of 2003, B-BBEE is defined as “the economic empowerment of all black people including women, workers, youth, people with disabilities, and people living in rural areas, through diverse but integrated socio-economic strategies that are not limited to” as listed in the provisions of the Act. The Act further

makes mention of the participation by HDSAs but does not define a method that should be followed to encourage co-management partnerships. Although the Act identified the structural challenges inherent in the incorporation of communities to co-manage mining projects, the sharing of socio-economic benefits has always been encouraged (Dodzo and Zvarivadza, 2015).

The mining company used as the case study in this project is Siyanda Bakgatla Platinum Mine (Pty) Ltd (SBPM). The mine, popularly known as Union Mine, is a platinum group metals (PGMs) producer located on the periphery of the North-West and Limpopo Provinces (Mnwana, 2015). Anglo American previously owned the mine before the conclusion of a buyout deal that resulted in the exit of the mining multinational, and the subsequent entry of three different groups of shareholders. These three groups of shareholders are Siyanda Resources (a black-owned and managed resources holding company), the local community of Bakgatla Ba Kgafela and the Employees of SBPM (Engineering News, 2018).

This research focused on SBPM and the local Bakgatla Ba Kgafela community which provided a relevant case study because of the unique co-ownership of the mine. The co-ownership is consistent with the developmental objectives promoted by the MPRDA through the Mining Charter.

Section 100 (2) (a) of the MPRDA recognise the importance of the Mining Charter 2010 as an instrument for the promotion of transformation in the mining sector. In aligning with the MPRDA, negotiations between the then owners of the mine, Anglo Platinum and Siyanda Resources resulted in an agreement in which Anglo Platinum sold its majority stake in the mine to make way for Siyanda Resources, the local community and the employees of the mine to take ownership of the mine, under the management of Siyanda Resources (Engineering News, 2018). Post the exit of Anglo Platinum from SBPM, the shareholding distribution was done between Siyanda Resources (65.7%), the community (27%) and the employees of the mine (7.3%) (Engineering News, 2018).

This transaction was not the first B-BBEE transaction in South Africa post-1994 but was the first of its kind in the mining sector in which a local community is the second largest shareholder in a mining project (Engineering News, 2018).

B-BBEE transactions have surfaced on the South African landscape since 1994 (Alessandri, Black and Jackson; 2011). The B-BBEE transactions aim to address the transformation goals of the South

African government in pursuit of addressing the unjust imbalances of the past. These transactions involved the disposal of equity by companies to black investors who have grouped themselves within a consortium (Alessandri, et al., 2011). In respect of the mining sector, the B-BBEE deals were intended to further the South African government's goals of integrating the participation of the HDSA in the economy through the ownership, training and the development of the host communities.

The unique co-ownership of this mine emerged from the broad-based empowerment transaction, which saw Siyanda Resources buying out Anglo American's platinum subsidiary, Anglo Platinum. After buying out Anglo Platinum, Siyanda Resources gave the local community of Bakgatla Ba Kgafela a stake in the mine as part of the broad-based initiative (any transaction, practice or scheme which affects the compliance of the B-BBEE Act or any other law promoting B-BBEE) in order to get a buy-in from the community.

Siyanda Resources met the strategic direction of the Mining Charter, the National Development Plan, and the B-BBEE legislation. This type of co-ownership and co-management arrangement in which a local community is the second-largest shareholder in a mining project was a first of its kind in the South African mining sector. The ownership and co-management arrangement and the engagement of the community with the mine management has fundamentally changed due to the community becoming a shareholder in the mine. Their status in the mine as a community and shareholder does not only give them shareholder rights but a sense of entitlement as the second largest shareholder of the mine. Research supporting this type of arrangement may be obtained from Hilson and Murck, (2000) who stated that in the 21st century, mining operations and communities should co-exist if they wish to create value.

It has become the order of the 21st century that mining houses are required to adhere to and attain a social licence to operate. This phenomenon dates to the early to mid-1970s and is not new to the 21st century (Matebesi and Marais, 2018). A social licence to operate is the approval that a mining project receives from the local community and other stakeholders that constitute part of the community (Ofori and Ofori, 2019). However, a lack of a social licence is known to cause community unrest towards the mining company in the host communities. Matebesi and Marais (2018) supported the social licence as being necessary for fostering business sustainability. Social licences are imperative for a successful relationship between mining houses and local

communities. Without a social licence, there could be a lack of transparency, community unrest, human rights violations, unfulfilled promises, and unfulfilled demands for community development that would characterise the relationship between the mine and the host community (Ofori and Ofori, 2019).

Some mining houses have succeeded in attaining and adhering to the social licence to operate. Others, however, have failed. This failure served as an indication of the importance of cooperation between a mine and a host community. The social licence pyramid by Thomson and Boutilier (2011) below provided some basis for understanding the phenomenon of the social licence to operate. It also indicated why some mining companies, without social licences, have failed.

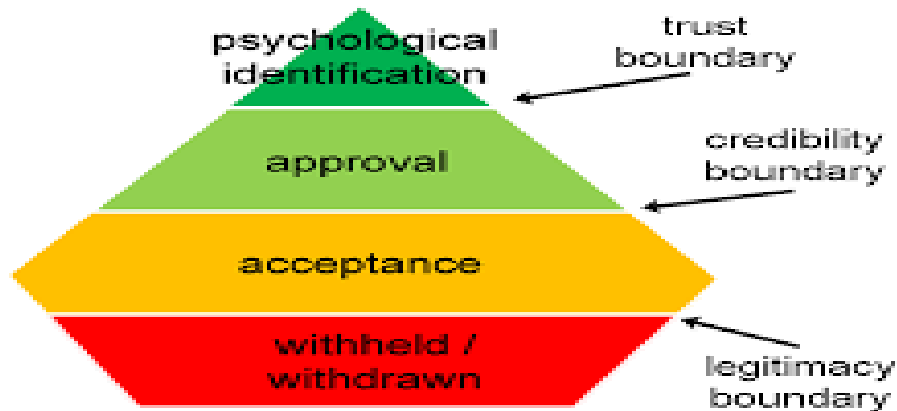


Figure 1: Social licence pyramid model. (Thomson & Boutilier, 2011).

The model shows how a mining company can get acceptance by legitimising itself in the community. In addition, constant engagement over time, driven by transparency and respect, would enable the mining company to get the approval to operate in the community because of the trust that has developed. Moreover, the model showed that for a mining company to move up the pyramid, stakeholder engagement was central to gain legitimacy from the local community (Ofori and Ofori, 2019).

Gaining legitimacy would involve the mining company conducting comprehensive consultations, including a transparent process for the sharing of comprehensive information about the entire project. Of key interest to the local community was the availability of reliable information which

demonstrated the nature and the extent of potential community benefits from the mining project. Reaching the acceptance level indicated that a project may carry out its activities, but it does not mean the end of the engagement, as the project has not reached the approval stage. The highest social licence that any mining company could enjoy as per the social licence pyramid model is that of co-management (Thomson and Boutilier, 2011; Owen and Kemp, 2013; Matebisi and Marais, 2018).

All of this connects with the concept of sustainability and corporate social responsibility, so it is important to consider these concepts briefly for setting the appropriate context of this research. According to Goel (2010) business sustainability is defined as managing any organisation by striking a balance between the economic, social and environmental aspects. Durst and Zieba (2020) suggested that this phenomenon of business sustainability forced organisations to take a long-term view when analysing the three aspects to strike a balance and use natural resources sparingly. Sustainability was defined as developments that met the needs of the present generations without compromising the needs of future generations (Durst and Zieba, 2020). There is a relationship between business sustainability and sustainable development which together enabled an organisation to impact any economy on a micro and macro level (Goel, 2010).

Central to the definition of sustainability is the application of the three elements: economic, environmental and social and their impacts on a business (Goel, 2010). The economic elements speak to the value created to the broader economic spectrum and its ability to support the needs of the future generations. The environmental element refers to business conduct, which does not negatively affect natural resources for future use, and according to Goel (2010), this implied the efficient and optimal use of resources with minimal ecological impact. The social element covers business conduct concerning the fair treatment of labour and society. The economic element refers to the sharing of economic value with the community. Carroll (2016) regarded this practice as a social, economic and ecological contract between the business and the community.

The definition of Corporate Social Responsibility (CSR) gained prominence in the 1950s. Carroll (2016) indicated that the core value of CSR was that it endeavoured to improve the social setting of the different stakeholders that existed in the communities in which corporates operated.

The definition of CSR was broadly classified into four parts, namely economic, legal, ethical and discretionary (Carroll, 2016). Every business has a responsibility to the society that allowed for its

formation and sustenance. It is also expected that the business should operate in line with legal requirements.

Carroll (2016) indicated further that society still expected that aside from its legal obligations, the business should still conduct itself ethically. This means that business would conduct themselves with the best possible norms and practices, that are deemed good business practices, even though they are not legislated. Considering sustainability and CSR within good business practice perspectives, allows one to further contextualise the importance of responsible management for this research study.

1.2. Research aims and objectives

The aim and objectives of this research were formulated by understanding the co-management features and the challenges that emanated from the current mining management arrangement. Armitage, Berkes and Doubleplay (2007) recognised that in facilitating effective co-management, the commitment towards fulfilling good governance and accountability was paramount in ensuring that the rights and obligations of both the private and the public stakeholders were mutually achieved. However, these types of arrangements were not immune to challenges and Ran and Qi (2018) agreed that factors such as the poor implementation of features such as power-sharing and the lack of collaborations between stakeholders could collapse a co-management arrangement. This finding led to the objectives that are listed below.

1.2.1. Aims and Objectives

The overall research aim is (Que, et al., 2018) to evaluate the current co-management practices from the mine management. The sub-objectives were the following:

- To evaluate the co-management features between the mine management and the local community;
- To identify the current challenges associated with co-management from a mine management perspective; and
- To make recommendations on possibly effective co-management practices between the mine management and the local community.

Chapter 2: Literature Review

This chapter discusses the various features of co-management which fundamentally explain the different forms of co-management. These features include co-management as an approach to governance, the institutional building, the process, problem-solving, developing trust, and social capital. The range of features reviewed in the co-management literature was governance, institutional structure, social capital, value creation, and power-sharing.

2.1. The emergence of co-management

The natural resource management of either forests, watersheds, protected areas, and other natural resources that include minerals resources, require combined efforts between resource owners and users to ensure that equity and economic benefits were realised (Berkes, 2009). These combined efforts from various stakeholders do not only promote a power-sharing ideology between the public and private parties in managing natural resources but also encourage collaboration between the parties. According to Que, Wang, Awuah-Offei, Kwame and Yao (2018), the participation of the local community was regarded as one of the solutions to reduce the risks of community unrest. Therefore, the co-management approach which the mine management utilised had an impact on the sustainable operations of the mine (Que, et al., 2018). Furthermore, Zvarivadza (2018) supported the view that a healthy relationship between the mines and the local communities was fundamental and beneficial to the mining arrangements that are co-management- orientated in nature.

2.1.1. Co-management defined

Co-management is a covenant where two or more stakeholders share power (Carlsson and Berkes, 2005). Furthermore, Carlsson and Berkes (2005) defined the concept as a state of affairs in which two or more stakeholders negotiated, identified and provided each other with the assurance that there was an equitable sharing of governance tasks, allotments, and responsibilities. Carlsson and Berkes (2005) alluded to the three objectives of co-management, which emphasised that co-management should be understood as an inclusive approach incorporating governance, institutional building, the process, problem-solving, building trust, and social capital and not just a mere power-sharing arrangement. Over time, the different elements of co-management that included the distribution of power and responsibilities among social participants have evolved, and they are used, where parties were managing natural resources (Berkes, 2009). In the context of

ensuring sustainability, co-management endeavoured to create a responsible and democratic approach, which would incorporate the needs of the communities to ensure sustainability.

However, co-management is not without its challenges. Berkes, (2009) showed that in co-management, there were skewed power relations, including economic imbalances that could undermine this approach. It was observed that co-management was an evolving partnership process between public and private participants and took place along a continuum (Berkes, 2009; Quimby and Levine, 2018). Further, it had been observed that even in the implementation of co-management, there were challenges concerning power-sharing and equitability arrangements between the mine and community. The problems that existed in co-management included the dynamic and iterative nature of the system, the complexity of co-management as a governance system, and the convolutions that existed in a community (Carlsson and Berkes, 2005).

Additionally, the complications that made the community a complex system included the different interests of the gender specific, the ethnic, and the socio-economic groups. They were further propelled by communities that may be characterised by a lack of cohesion because the community neither relied upon nor promoted the principle of 'unitary community' (Carlsson and Berkes, 2005). Carlsson and Berkes (2005) explained that a system should be understood as a process in which parties and their relative influence, positions, and activities were continuously re-adjusted. Moreover, co-management as a governance system included the set of rules, the application of regulations, and the enforcement and adjudication of rules. However, the involvement of the local community could pose a challenge to the functionality of the governance system. This was because of the complexities inherent in communities. Berkes (2009) warned against seeing co-management as a magic bullet for legitimacy. Bene and Neiland (2006) also argued that the record of accomplishment of co-management was weak in the assuagement of poverty and the empowerment of the previously disadvantaged and marginalised.

Armitage, Berkes and Doubleday (2007) recognised the importance of creating a conducive environment through policy interventions to facilitate effective co-management arrangements between a mine and a community that commit to a process of good governance and accountability to ensure that the rights and obligations of the parties were mutually attained. Co-management underpinned by these principles could lead to transparent management processes and democratic and participatory governance practice. Such co-management arrangements would minimise the

challenges relating to poor leadership and community organisations, which tended to undermine the effectiveness and sustainability of co-management arrangements (Quimby and Levine, 2018).

2.2. The evolution of co-management

The evolution of co-management has taken different forms, namely power-sharing, institutional development, process, problem-solving, governance and trust, and social capital. With regard to power-sharing, there was consensus that it was an explicit tenet of co-management, which made power relationships between the mine management and the different levels of the local community a programmed design (Berkes, 2009; Quimby and Levine, 2018). However, co-management was also understood to be an evolving phenomenon, and Berkes, (2009) and Ostrom (1990) established that attention should be given to identifying and advancing institutional building. Furthermore, (Berkes, 2009) developed the notion that in co-management, either in a formal or semi-formal scenario, there should be agreement on the process of sharing management tasks and responsibilities. In addition to the process, mine management and a local community should engage in deliberations to solve problems or challenges (Berkes, 2009). The idea that governance was critical in co-management because it managed the relationship between private, state, and local users were reinforced by Carlsson and Berkes (2005).

In the context of this research, stakeholders that meet the criterion of private entities were the mine management and the local users, that is, the local community. There was consensus in the literature that trust was regarded as a determining factor in successful cases of co-management (Kruse, Klein, Braund, Moorehead and Simeone, 1998; Berkes, 2009; Quimby and Levine, 2018). Berkes (2009) stated that trust was one of the fundamental principles of a co-management approach between a mine and a local community, which affected the extent and nature of participation. Furthermore, the methods above contained the common underpinnings of the concept, which are power, participation, and equity. These three common underpinnings need careful management to ensure sound relationships between the stakeholders.

2.2.1. Co-management and power sharing

The management of natural resources falls under the ambit of the state or the central government. However, it was through arrangements and partnerships between participants that power sharing

and responsibilities could be shared among stakeholders. This is depicted in Figure 2 below (Berkes, 2009). Quimby and Levine (2018) showed that power sharing could also be defined as a move from the traditional top-down, government-controlled model to a more multi-faceted partnership that involved different stakeholders. According to Berkes (2009), the advantage of power sharing in co-management was that it allowed for the utilisation of the different skills and capacities that emerged out of a power sharing model. Furthermore, it could serve as a conflict resolution mechanism between stakeholders. Quimby and Levine (2018) were of the opinion that bargaining and establishing a co-management partnership reduced conflicts when the trust was being eroded.

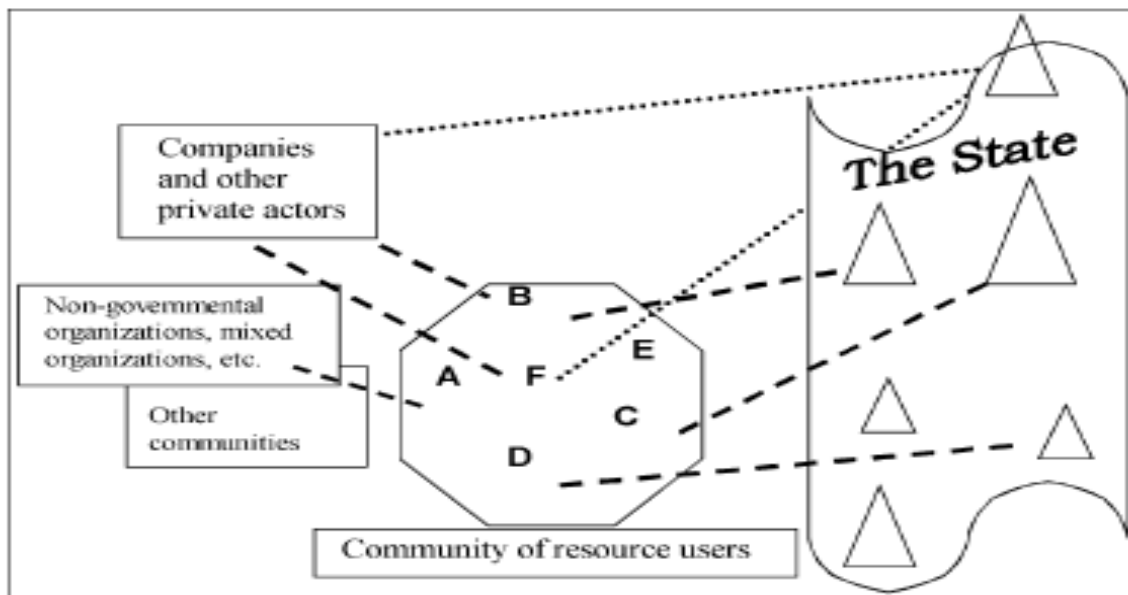


Figure 2: Co-management Model (Carlsson and Berkes, 2005)

The figure above illustrates the different types of co-management tasks labelled A-D. The letter F further illustrates the relationship between the state and companies and other private actors and the interdependence thereof (Carlsson and Berkes, 2005). The network approach to co-management appreciates that it is in such relations that make up the system, the co-management network. The sharing of power and the different responsibilities between stakeholders was central to co-management (Berkes, 2009). However, it was also this very aspect of power-sharing that made the power-sharing model complex and challenging. The creation of equitability within co-management could be possible through the formalisation and the establishment of the institution. The co-management model depicted above illustrates the different stakeholders that are eligible

for a power sharing model that may be formed to ensure there is an institutionalised joint decision-making process.

2.2.2. Co-management and institution building

Castro and Nielsen (2001) opined that the establishment of institutional arrangements to find ways to manage conflict between private, public, civil society and local communities would reduce conflict and encourage stakeholder participation. The institutional building was regarded as one of the many ways of encouraging the development of an enabling policy environment to ensure a coordinated regime optimised for cooperation and power sharing (Quimby and Levine, 2018).

One of the challenges, as cited by Quimby and Levine (2018), was that institutional building with the possible incorporation of traditional and customary leadership was often introduced and included in the formal governance structures. This practice could influence the selection of the groups which would participate in the co-management partnership. Furthermore, the local communities seldom had the experience of functioning within established partnerships with either, the government, the private sector, or the civil society organisations (Berkes, 2009). The ability to create institutions that enabled collaborations giving rise to an efficient and functional co-management system was built on institutional arrangements such as community forums and public institutions. The alignment of the interdependence between the public, the private entities, the communities, and the civil society organisations was fundamental to the evolution of co-management (Carlsson and Berkes, 2005).

2.2.3. Co-management and trust and social capital

According to Berkes (2009), trust between the stakeholders, either, the government, civil society, the local community or the private sector was regarded as one of the determinants of a co-management partnership's success. A successful co-management agreement was supported by a partnership that was backed by knowledge generated from the participation of the local community due to the increased trust gained through continuous engagement with stakeholders (Zvarivadza, 2018).

There were benefits associated with social capital in co-management and these advantages as concluded by Castro and Nielsen (2001) are summarised below:

- Incorporation of the traditional and customary values of communities;

- Nurturing the decision-making institutions that have local community representatives;
- Developing an iterative process for dispute and conflict resolution mechanisms; and
- Increasing trust among local community representatives and other stakeholders such as private entities and the government.

Trust and social capital were found to be interconnected. Putnam (1993) considered trust as a reliable source that could over time sustain relationships when coupled with social capital. Furthermore, Nahapiet and Ghoshal (1998) concurred that trust was fundamental to harness stakeholder value from social capital. Adler and Kwon (2000) agreed with Putnam (1993) that the relationship between trust and social capital indicated they are fundamental inputs into co-management partnerships.

Building an efficient co-management model should include the building of trust between all the different stakeholders as well as power-sharing, and institutional building (Berkes, 2009). Although power-sharing may be one of the fundamental foundations of collaborative partnerships, trust was prevalent in many partnerships (Carlsson and Berkes, 2005).

2.2.4. Co-management as a process

For an arrangement such as co-management, the process is fundamental to ensuring that the shared responsibilities are carried out procedurally. However, it should be noted that co-management still involved trust development, and the complicated matters that arise out of the arrangement are part of the iterative process. Berkes (2009) stated that co-management resembled a form of a procedure because of the brainstorming on how to share responsibilities better emanated from a dialogue that involved deliberation and negotiation.

Carlsson and Berkes (2005) considered that the process of co-management evolved over time due to the dynamic nature of the complex systems in which it operated. For Ostrom, (1990), co-management was not regarded as a product but an evolving or developing process which had significant value for partnerships.

2.2.5. Co-management and problem-solving

Carlsson and Berkes (2005) considered that in any management role, the primary responsibility was decision making. For Berkes (2009), co-management was not different; it involved testing and validating between different possible scenarios that could solve a problem. Furthermore, co-

management could be used in conflict-ridden communities to establish power-sharing, especially where the end goal was to share responsibilities (Borrini-Feyerabend, Pimbert, Farvar and Kothari, 2004). Ostrom (1990) asserted that a successful reduction of conflict was fundamental to creating an incentive for investors to consider investing their capital in the institution that had been created through co-management agreements. Therefore, it was deemed appropriate to state that in problem-solving, there was institutional building and the creation of proper institutions that would attract investments. However, Borrini-Feyerabend, et al., (2004) pointed out the methodological implications of co-management. The alternative view that emerged out of collaborative problem-solving was that co-management should be task orientated, placing more emphasis on primary responsibility (Carlsson and Berkes, 2005). Moreover, this approach supported the view that co-management emerged out of dialogue and negotiated a position that was process-based.

If you were considering co-management as a method to manage the relationship between stakeholders, a comprehensive methodological approach should embody the following:

- Mapping the fundamental management tasks to be carried out, clearly defining the participants in co-management activities;
- Analysing the links and assessing the scope of the institutional and capacity building;
- Developing risk mitigation scenarios is traditionally inherent; and
- Evaluating over time what is still working, and which features could be improved. Co-management is an evolution in its real sense (Berkes, 2009).

2.2.6. Co-management and governance

Prno and Slocombe (2012) believed governance was a term that has been used in different ways and it had evolved. Kooiman (2003) further stated that there was a shift in the conventional manner in which governance was conducted. The governance procedures and authority no longer rested with the government or the state alone, but the power of governance shifted downwards, from the political to the government and further down to the local communities. The shift had also moved to civil society and Non-Governmental Organisations (NGOs) and as a result, the stakeholders also moved and increased within governance.

The value that was derived in governance and governing was due to the manner in which the governing was done, that is, the use of negotiation, compromise, and cooperation and not the

regime of command and control (Kooiman, 2003). While governance acknowledged and recognised the role that institutions played in governance and co-management, it was essential to note that the functionality of these institutions still required different stakeholders to ensure the execution of the institutions' responsibilities.

The interaction between the different stakeholders with differing objectives and views should be managed. Therefore, governance with co-management remained the cornerstone of this phenomenon (Ostrom, 1990). According to Kooiman (2003), the involvement of local participants in managing a natural resource, that was regarded as the cornerstone of the community's existence and survival, was motivation enough to believe that this was how you fostered good governance. It would be more beneficial if it involved the participation of the local community in problem-solving and the resolution of conflicts between the public and private participants. The connections between numerous stakeholders in a co-management arrangement required established institutions to manage the interactions that could be multifaceted and complex in practice.

2.3. Challenges of co-management

The definition of co-management, according to Carlsson and Berkes (2005) does not differ from that of many scholars who defined it as a process in which parties came to agree on the arrangement. However, the arrangement was not fixed but often evolved with time.

Therefore, the following themes or key factors could help in understanding this phenomenon (Berkes, 2009):

- Co-management is classified as something of a partnership agreement that involves more than one party, which is typically an arrangement between public and private stakeholders;
- Co-management is usually associated with the management of natural resources; and
- Co-management is not a fixed process but takes place along a continuum.

However, co-management like many other processes that take place along a continuum, was not immune to challenges. The problems that characterised co-management included but are not limited to;

- the complex nature of a local community;

- the complexity of managing the environment that provided the resources (Carlsson and Berkes (2005));
- the dynamism of the iterative process (Berkes, 2009); and
- the complexities of governance (Kooiman, 2003).

The complex nature of a local community emerged from the premise that gender specific, ethnic, and socio-economic groups, amongst the community members, with their contrasting views, and their different interests may cause instability. The changing nature of the local community allowed it to be regarded as a multi-dimensional phenomenon (Berkes, 2009). Moreover, the behaviour of local communities in a co-management arrangement could be highly unpredictable.

2.4. Stakeholders

According to Freeman (1984), the *stakeholder concept* originated from business science literature. Academic research brought the concept into management literature and it was introduced through the generalisation of the idea of shareholders as the sole group for which the management of any company should consider and cater (Mcgrath and Whitty, 2017). The argument by Freeman (1984), was that management could not only consider shareholders as the sole group because they were not the sole component of the corporation; other parties were involved in the corporation's affairs. In addition, he mentioned customers, human capital, regulatory authorities, civil society organisations, and interest groups (Mcgrath and Whitty, 2017).

Cragg and Greenbaun (2002) stated that any individual with a material interest in any corporation's proposed objectives was considered a stakeholder. According to the stakeholder perspective approach, the recipients of companies were the stakeholders (Clifton and Amran, 2011). Clifton and Amran (2011) further iterated that any group or individual who could affect or was affected by the company's objectives was regarded as a stakeholder. The origin of the word stakeholder exposed the importance of normative theories that continued to use the term (Orts and Strudler, 2002).

The stakeholder view of the firm, as represented by Freeman (1984), emphasised that the stakeholders of the company were broad. Furthermore, to ensure the sustainability and success of an organisation, the organisation needed to identify and cluster its stakeholders accordingly (Freeman, 1984). This idea that stakeholders should be known and managed was also supported by Ranangen (2017).

An increase in the relevance of the stakeholder phenomenon and the need to benefit from the potential spillovers that came with a broader consideration of stakeholder engagement in any iteration process that involved decision making was witnessed across the corporate governance spectrum (Brumbaugh, 2017).

The benefits that could be derived from stakeholders included and were not limited to:

- Better consideration and accountability of the diverse views among the different stakeholders;
- Enhancement of trust amongst the stakeholders;
- Quality management decisions that are taken through a rigorous process given the diverse views from stakeholders;
- Development of a shared vision and the reduction of the trust deficit; and
- Increased stakeholder ownership due to their participation in forums making decisions.

Stakeholders in co-management are beneficial, especially because they add a greater dimension to the decision-making process (Berkes, 2009).

2.5. Stakeholder Theory

The theoretical foundation for this research was the stakeholder theory in which organisational management and good ethics are central (Phillips, Freeman, and Wicks, 2003). Stakeholder theory was used as the foundation for this research because it also highlighted that the ability of an organisation or firm to succeed in value generation lay in the capability of the organisation to manage its stakeholders (Rhodes, Bergstrom, Lok and Cheng, 2014). Moreover, any firm should understand the management of the participants, either public or private and their interests in any relationship (Borrini-Feyerabend, et al., 2004). Stakeholder theory assisted in separating the public and private participants based on three variables, namely, legitimacy, power, and urgency. The combination of these variables could affect the involvement of the stakeholder in different ways within co-management (Borrini-Feyerabend, et al., 2004). Stakeholder theory demonstrated that there were gaps regarding what an organisation saw as issues of importance to all stakeholders Harrison and Wicks (2013), and what the stakeholders deemed important. The theory further elevated the correct definition and asserted that the meaning of the rights and obligations of stakeholders was paramount to a successful implementation of co-management arrangements. As alluded to above, power-sharing was defined as a process of sharing responsibility for decision-

making and the implementation of the decisions among different stakeholders. However, the challenges in developing a co-management plan were caused by the poor implementation of power-sharing and the unwillingness to make, collaborate or withdraw from such agreements due to the reluctance towards power-sharing (Ran and Qi, 2018). Mainardes, Alves and Mario (2012) considered that the theory was underpinned by sociology, economics, politics, and ethics. Furthermore, the theory connected the central tenets of the philosophy to define the boundaries of the stakeholder theory and the manner in which stakeholders with comparable interests formed a group. The theory stemmed out of a corporation where a business community understood the autonomy of and the reliance on the external environment (Mainardes, et al., 2012).

Jonker and Foster (2002) considered that the stakeholder theory had evolved in terms of its terminology from different schools of thought. According to Freeman (1984), stakeholders are all the parties that could affect or would be affected by the corporation's desired objectives. The argument at its core was that every organisation must engage and include all its stakeholders to be successful.

According to Freeman (1984) and Harrison and Wicks (2013), the common characteristics that defined the stakeholder theory were:

- Corporations entered into an engagement with groups of people that could either affect or would be affected by the firm;
- Relationship management was inherently valuable;
- The theory's core focus was on managerial decision making;
- One of the focal points was relationship management in corporations; and
- The understanding of the corporation's stakeholders and maintaining a balance between the different needs was essential.

Phillips, Freeman, Edward and Andrew, (2003) showed that the stakeholder theory was distinctive because it addressed the issue of morals and values openly. The acknowledgement of these issues was considered a fundamental feature for the management of a corporation. Phillips, et al. (2003) were of the opinion that this was due to the critical examination of the activities as contained in the theory which was not found in many other approaches of strategic management.

According to L'Huillier (2014), stakeholder theory suggested that co-management was one way of developing a vehicle that coordinated stakeholder interests and alleviated the asymmetric relations that could emerge in the absence of co-management arrangements. Co-management had governance as one of its features. Governance was regarded as one of the platforms on which stakeholders could express their views and reduce any tensions that could arise from inconsistencies in the disseminated information (Kooiman, 2003). Phillips, et al. (2003) suggested that embedded in the stakeholder theory model was the view that co-management could be ensured through the balancing of the stakeholder (including civil society) views. And that all corporates would be acknowledged in their quest for taking part in co-management.

2.6. Stakeholder Engagement

Greenwood (2007) suggested that stakeholder engagement was a practice that a corporation undertook to involve those that affect or were affected by the firm's activities or objectives. Theoretically, stakeholder engagement consisted of a distinctive approach in which the organisations responded to the needs of their stakeholders, including any moral and legitimate claims (Mzembe, 2016). Furthermore, studies by Owen and Kemp (2013) showed that managers had resorted to the utilisation of different strategies for the engagement of their stakeholders. Porter, (1980) and Barney and Clark, (2007) concluded that stakeholder engagement was one of the mechanisms by which firms created a competitive advantage. They also showed that previous research indicated that the organisations that carried out effective stakeholder engagement had reaped sustainable returns over a long period. The characteristics of stakeholder engagement and partnerships were labelled as forms of trust relationships between private, public, and civil organisations with different goals that could be achieved as a collective (Rhodes, et al., 2014).

As part of the stakeholder engagement strategy, academics adopted the instrumental stakeholder engagement approach (Ball, 2017). The instrumental stakeholder engagement approach adopted the framework that deployed the use of four approaches that corporations should implement when responding to the needs and concerns of stakeholders (Mzembe, 2016). Heugens, Van Den Bosch and Van Riel (2002) advocated the following strategy that should form part of the instrumental stakeholder engagement; buffering, co-optation, mutual learning, and meta-problem-solving strategies, to improve a firm's performance.

Mnwana (2015) conducted studies in sub-Saharan Africa which concluded that the most fundamental challenge that leads to community unrest and geopolitical conflicts was the absence of direct community control in these mines. Ikelegbe (2005), De Koning (2008) and Obi (2008) cited the following reasons as contributory factors to the communal unrests: environmental degradation, poor communication between mine management and the local communities, lack of compensation for operating mines in local communities and the mines' failure to attain a social licence to work in the local communities (Ikelegbe, 2005).

Stakeholders are powerful participants with the ability to influence the outcome of any firm to either fail or succeed (Brumbaugh, 2017). The influence of stakeholders could be different throughout the different levels of the business, such as affecting the company's social licence to operate and increasing the trust deficit between the company and the stakeholders. Jonker and Foster, (2002) considered that stakeholder engagement was one of many ways in which companies could ensure there was an understanding between the different perspectives and the alignment between key stakeholders.

L'Huillier (2014) stated that the values derived through stakeholder engagement by companies could be more far reaching than just merely informing stakeholders. There was value in co-management as much as there was value in stakeholder engagement. Stakeholder engagement could result in the convergence of different perspectives for the creation of new ideas and innovative thinking and it could also enhance brand equity Porter (1980), and Barney and Clark (2007) considered that stakeholder engagement was one of the mechanisms by which firms could create a competitive advantage. Stakeholder engagement was relevant to co-management for there was value in different stakeholders sharing ideas on how to create a competitive advantage.

2.7. Community

The definition of 'community, according to the South African mining and land legislation act as enshrined in the Constitution, in Section 152(1), only makes mention of the municipalities' role and does not define community per se (Heyns, 2019). There is no mention of the true meaning of community and what constitutes a community although municipalities are made of communities or organised social settings.

In the context of the Municipal Systems Act No. 32 of 2000, which gives sense to the constitutional definition and the obligation of the mine community's development, there is no definition of

community in its real sense. However, Section 31 of the Constitution, according to Zvarivadza (2018) provided the right for persons to form cultural, religious, and linguistic communities to engage in any form of activities that were associated with these communities. Again, this was not a definition of the community in connection with the mining development, but a community was defined for other organised groups for a purpose such as religion.

According to Section 24(b)(iii) of the Constitution, the emphasis was placed on the right to a healthy environment for the current generation and the protection of the environment for ensuing generations. In ensuring that the healthy environment was realised, the law had a provision that enforced the socio-economic development in a way that development took place within the principles of sustainable development.

In the context of mining, the MPRDA Section 1(c) of Act No. 49 of 2008, read with the Mining Charter (2010) and the Social Labour Plan (Regulation 46 of MPRDA Act. No. 28 of 2002), a consensus was reached on two types of communities.

The two communities are “community” and “mine community.” The definition, according to MPRDA (2002), is, “a community is a setting where land and customs are shared”. This definition was aligned with Section 31 of the Constitution.

Furthermore, the 2010 Mining Charter, also referred to a community, as ‘a setting where land and customs are shared’. The second definition of a community was referred to as “mine community,” which is defined as ‘a setting in which mining development takes place and labour-sending areas’. Labour sending areas are areas where most mineworkers were sourced from, previously and currently (Heyns, 2019).

The noticeable inclusion in the latest 2018 Mining Charter was the inclusion of the “host community.” Heyns (2019) considered that “Host community” referred to those communities that were located within the local, district, or metropolitan municipality next to the mining development.

It is important to note that the definition of community in all three definitions does not exclude Section 31 of the Constitution which talks about shared land and customs.

The sharing of responsibilities between the private, and public participants, together with local communities according to (Zvarivadza, 2018), gradually proved to be useful and empowering to the local communities. Relationships are the core of co-management and when a community was considered a shareholder and not just as a host community, a greater benefit was derived. Borrini-Feyerabend, et al. (2004) concluded that respect for the different traditions in co-management was essential and could play a significant role in helping to resolve situations that may be complex. Hence the role of community in co-management was regarded as an essential and integral component to a successful co-management partnership.

Community, as defined in the Constitution of South Africa, carries the principle of shared land and customs or values.

2.8. Stakeholder Inclusivity

Rensburg and de Beer (2011) stated that the prominence of stakeholder inclusivity emerged out of South Africa with the publication of the King Code. It contributed to the early rise of the term and the principles embodied in stakeholder inclusivity. Lingenfelder and Thomas (2011) and Visser (2005) suggested that there was sufficient evidence that stakeholder inclusivity was becoming essential in ensuring the implementation of governance and corporate citizenship in the mining sector (Visser, 2005) concluded that the sustainability of mining operations was dependent on the incorporation of stakeholder engagement, community participation, and inclusiveness. Integrating the knowledge that was gained from stakeholder dialogue had a positive effect on the profitability of a company. Furthermore, the value created through stakeholder inclusivity was enormous; businesses that embraced the management of stakeholder relationships exhibited enhanced value creation (Porter and Kramer, 2006).

Freeman (1984) stated that stakeholders were a group or individuals who were affected or could affect in any way the firm's desired objectives. Any firm that wished to achieve its desired objectives should regard stakeholder inclusivity as one of its core responsibilities to achieve sustainable co-management. Studies by Baxter and Clark (2013) and Freeman (1984), on the topic of stakeholder engagement, emphasised the influence of stakeholders on the organisation's desired objectives, with stakeholder inclusivity assisting an organisation to reach its desired objectives. The actions of the stakeholders can negatively or positively affect the firm's success in achieving a sustainable co-management.

3. Strategies for productive partnerships between mining companies and communities

Zvarivadza (2018) stated that the most crucial element of any partnership was built on honesty and transparency, which together with increased trust. Any mining company had a responsibility to engage the host community because the community believed the land is their birth right, and they are entitled to socio-economic benefits.

The different strategies for productive partnerships discussed below promote both sustainable development and community development. The essential characteristics of sustainable agreements between mining companies and communities are illustrated below in Figure 3.

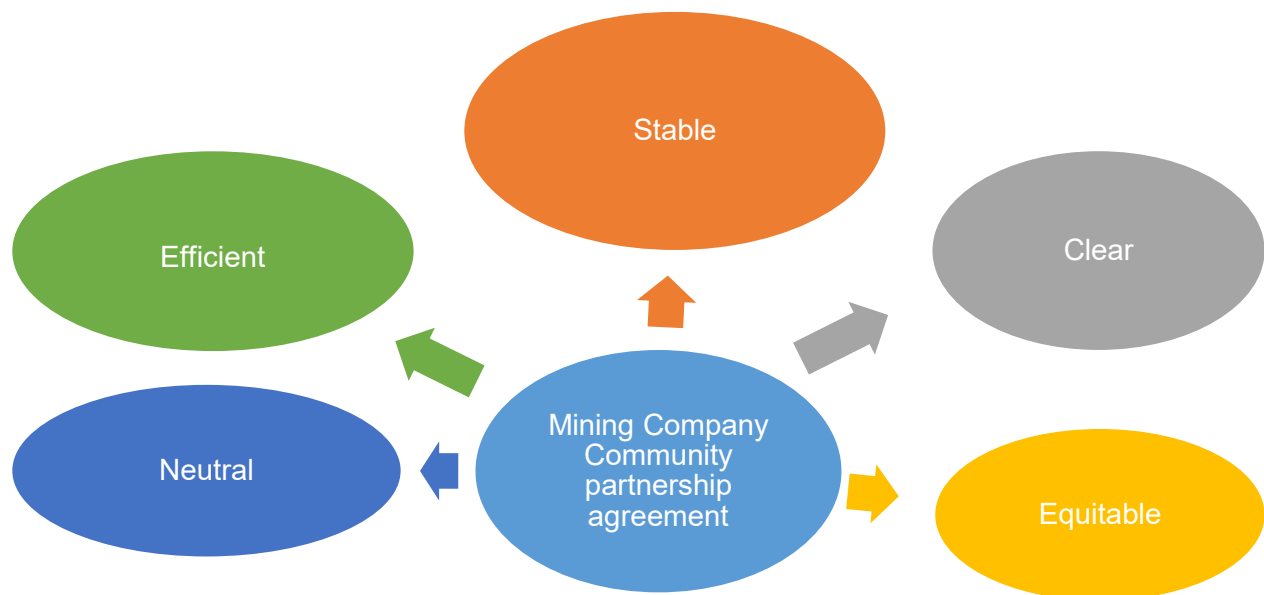


Figure 3: Model of sustainable partnership agreement (Zvarivadza, 2018).

This model is, by far, one of the most progressive that any company should adopt should they wish to build a sustainable and successful partnership with any community. Zvarivadza (2018) believed that communication, in its purest form, was one way of building trust and increasing transparency between the mine and the local community.

When the information is communicated, the communicator should take into consideration the issues of language, culture, and the literacy level of the message recipient to ensure that even the community member at the grassroots level understands the information. The utilisation of

communication channels that are conducive to the local community is vital. Owen and Kemp (2013) stated that the community should always receive information that was clear and undistorted.

Ofori and Ofori (2019), considered that investing in education, training, and development would ensure that the community remains a sustainable post, the life of a mine and Zvarivadza, (2018) concluded that a sustainable partnership agreement should have a set of achievable goals which emerged out of rigorous consultation with the local community. This process may take time to complete, given the complex nature of a community setup.

However, the community trust which holds the shareholding on behalf of the local community and was supported by mutual trust and endorsed by the majority, if not all, alleviated failure (Berkes, 2009). Zvarivadza (2018) also stated that incorrect information dissemination or a lack of information, in the beginning, could be dangerous and catastrophic and could lead to a loss of trust that could not be recovered.

The dissemination of information that was correct, consistent, and carried out by people that had integrity should reduce the chances of mistrust between the mine and the community according to Owen and Kemp, (2013). The mine should place transparency, accountability, responsibility, and respect towards the local community as a prerogative to ensure a sustainable relationship. Overlooking any of these factors could lead to mistrust and possibly a collapse of the partnership before it began (Ofori and Ofori, 2019).

Mines that invested in community trusts which were not managed effectively could breed conflicts because they were deemed a viable option only if executed properly (Zvarivadza, 2018). When such structures are developed, the community with all its related structures would need to engage thoroughly using the established forums to engage on issues such as employment and business opportunities. Furthermore, these forum platforms should be used for engagement on leadership selections as well. This would oversee the election of the trustees, and the division of the proceeds coming from the mine between members of the community. Dodzo and Zvarivadza, (2015) indicated that community consultation linked well with the attainment of a social licence to operate. Regardless of the mine attaining legislative permits from authorities, they must still get buy-in from the community for operations to proceed without any hindrance from the local community as one of the key stakeholders.

Owen and Kemp (2013) suggested employing the labour force from the local community as the employee benefits would foster socio-economic development in the community and would assist in community development. The mine could appoint employees with low-level skills such as security officers, cleaners, and drivers from the community. However, even highly skilled labour could be sourced from the community through investing in education, training, and the development of youth from the local community.

One of the co-management features that emerged in the literature by Borrini-Feyerabend, et al (2004), Carlsson and Berkes (2005), and Berkes (2009) was that the relationship between the mining company and communities should be carefully managed to create an enabling environment for any business to flourish. Strategies referred to by Zvarivadza (2018) reinforced the importance of co-management, because its features, promoted and upheld sustainable partnerships when managed in a clear, equitable and efficient manner. Owen and Kemp, (2013) concurred that the success and sustainability of any partnership would be dependent on having honesty, accountability, engagement and equity amongst its core features.

Chapter 3: Research Methodology

3.1. Introduction

This chapter provides details of the research method employed in the study. A qualitative case study was used because of the nature of the study. The data was collected through in-depth semi-structured interviews which are useful in exploring experiences, views, opinions, or beliefs on specific matters.

Moreover, this chapter outlines the sampling and data analysis of the data collected. The aims and objectives, the research paradigm, the research method, the analysing techniques, the sampling methods, and the ethical considerations that might have been encountered in the research study are also outlined in this chapter.

Furthermore, the suitability of the research design is justified, and the research procedure and possible limitations of the study also form part of this chapter.

3.2. Aims and Objectives

This research aim was to evaluate the current co-management practices from the mine management with the following sub-objectives:

- To evaluate the co-management features between the mine management and the local community;
- To identify the current challenges associated with co-management from a mine management perspective; and
- To make recommendations on effective co-management practices between the mine management and the local community.

Co-management is explained as a complex phenomenon that may be understood as governance structures as explained in Chapter 2. Furthermore, these structures might consist of a variety of actors tied to each other through a network that involves the state, local community, private actors, NGOs and a variety of public institutions. It is the co-management features that characterise this

relationship and how the management of the mine manages this phenomenon that remain central to this research.

3.3. Research paradigm

The research adopted a post-positivist paradigm. The post-positivist paradigm assumes a system of realism (Ball, 2018). It presumes that human observations find the basis on a set of authorisations. This basis could change if further investigations are carried out and reveal other perspectives, thus altering what was perceived initially as being the truth (Allmendinger, 2002).

3.4. Research Method

A qualitative case study methodology was used because of the nature of the study. The qualitative case study method is a broad definition of a case and the analysis thereof (Starman, 2013). This method allows the researcher to evaluate multifaceted matters, which might have been investigated in the past, but not in detail (Baxter and Jack, 2008). The choice of the qualitative case study method emanated from the fact that this case involves humans and their behaviour, which cannot be measured using quantifiable language. Qualitative case study methodology allows the researcher to assess the situations and factors that are unique to the case, which is not always possible in a quantitative study.

3.5. Procedures for Data Collection

The data was collected via semi-structured interviews, which lasted between 20 minutes to 60 minutes at the most. Initially, face to face meetings was scheduled with the participants. However, we were only able to conduct these meetings with two of the participants, and we had to resort to recorded telephone interviews with the remaining participants.

There is an acknowledgement that if interviews are not kept spontaneous and interactive, they can be rigid (Fontana and Frey, 2000). According to Song and Parker (1995), there is the possibility of an imbalance of power between the researcher and participant which may emerge during the interview process. Efforts were made by the researcher to minimise and neutralise the imbalances and make the interview engaging throughout.

Data was also collected from document analysis and key informant interviews.

Document analysis is another form of qualitative research where documentation is interpreted by the researcher to give meaning to the subject matter (Rubin and Rubin, 1995). Furthermore, it offers a firm, meticulous way of gathering data (Yin, 2005). The method was also used to ensure that there was corroborative evidence from other sources that were consulted during the study. According to Yin (2005), there are an additional three different uses for document analysis which are:

- The document analysis assists in the verification of the correct spelling and the titles and the names of the people who may have been mentioned during the key informant interviews;
- Participants can also provide the researcher with other information that can assist in corroborating the data from other sources that have been consulted; and
- Inferences can be drawn from the document sources.

Document analysis was used for the assessment of the company's policies, the stakeholder management framework, and the relationship between the mine management and the local community.

Key informant interviews helped in hearing and collecting first-hand information from the mine management of Siyanda Bakgatla Platinum Mine. According to Baxter and Jack (2008), key informants are deemed knowledgeable about the issues that the researcher is researching and are willing to talk about them. Moreover, key informants can provide the researcher with other key informants that may provide more information to assist in the corroboration of the evidence already collected.

The qualitative research design allows the researcher to engage the mine management by means of structured interviews because they are useful to explore experiences, views, opinions, or beliefs on specific matters (Baxter and Jack, 2008). These participants were expected to respond to semi-structured questions during pre-scheduled face-to-face meetings. Further, this method allows the researcher to incorporate relevant additional information that may emerge during the key informant interviews (Yin, 2005).

The reason for not employing structured interviews is that they do not allow the flexibility that may assist in unearthing relevant data, which may not be addressed in the set of thematic questions.

The advantage of using semi-structured interviews is there is no need to standardise responses for data coding and comparison.

Each interview followed the following structure when the semi-structured interviews were conducted:

- i. Introduction:
 - Introduction of the researcher;
 - Presentation of the research study; and
 - Explanation of the consent form and procedures.

Table 1: Interview themes and questions

Interview theme	Sample Questions
Linkage of co-management and sustainable performance	How vital is co-management to the sustainable production of the mine?
Features of co-management and its dynamics.	What are the features of co-management, and what are the power dynamics that are related to co-management? If any, how did you deal with them?
Challenges of co-management	Which of the features of co-management has been the most challenging to deal with, and why? What do you think are the challenges associated with the co-management from a mine management perspective?
Shareholding	What do you think are the effects of having a local community as a shareholder?
Institutional establishment	Which structures have been established since the start of the co-management agreement between the mine and the local community?
Benefits of Co-management	What co-management features do you think are the main drivers of a successful co-management agreement? What do you think should be the right combination for a successful co-management, particularly in a mine? What factors should be considered to enhance effective co-management?

ii. Interview

- Semi-structured interviews followed the interview themes and questions as per the table above.

iii. Conclusion

- The researcher inquired if the interviewee could be engaged concerning the research at a later stage if there is some clarity required; and
- The researcher concluded the interview by thanking the interviewee for their participation.

In line with ethical research practice, all the interview sessions were recorded on a digital recorder with permission from the interviewees and transcribed for further examination.

Rubin and Rubin (1995), acknowledged the effectiveness of probing participants to engage freely without deviating from the subject matter and while taking this as another conversation. However, the responses needed to be as comprehensive as possible. The approach did not only prove to be very useful but easy to use as well.

3.5.1. Data Sampling

The sampling technique used for the research was purposive sampling. Purposive sampling was chosen because the population sample was chosen according to their roles and responsibilities and their involvement in the co-management between the mine management and the local community. According to Marshall (1996), a purposive sampling method is also defined as non-probability sampling, which acts as a targeted sampling that is driven by a purpose.

The sample size was the mine management personnel responsible for engaging and managing stakeholders of the mine and who were involved in the current co-management arrangement. The sample included but was not limited to Senior Management of the mine who are referred to as respondents in the rest of the study.

The criteria alluded to above served as the parameters of the population sample. The purposive sampling method was employed to increase the precision of the data. Furthermore, the snowball sampling technique was deployed to further assist in the research study to identify other members/documents of the population sample (de Vos, Strydom, and Delpont, 2011).

3.6. Data Analysis

The findings of the research study were derived from different company documents that were analysed and findings from the interviews with the participants. These documents included the policy and governing documents such as the Memorandum of Incorporation (“MoI”) for SBPM.

In addition, a thematic analysis was employed to derive the themes that assisted in understanding the practices of co-management that underpinned the relationship between the mine management and the local community. Thematic analysis was suited for the research topic because qualitative research study is multifaceted (Holloway and Todres, 2003). Data from a publicly available source may be subjected to validation from the releaser or publisher to suit the needs (Yin, 2005). It is for this reason that the researcher took into consideration the source of information in the research study and the impact on quality (Yin, 2005). Moreover, stating the origin of the information in the research study enabled the reader to distinguish for themselves the validity of the availed information.

After completion of the data collection, the recorded interviews from the respective participants in no particular order of their seniority in mine management, but based on their availability, were transcribed and analysed using thematic analysis. To ensure the patterns from the data could channel the data into meaningful themes, deductive thematic analysis was deployed (Braun and Clarke, 2006).

The approach used, offered an opportunity to identify the themes that emerged from the different data through coding and the categorisation of the themes through a deductive method. This type of method assists in testing the reliability of the research participants and their varying experiences (Braun and Clarke, 2006). Moreover, this approach was suited to the study’s aim, which was to evaluate the current co-management practices from the mine management perspective in dealing with the local community, which is a shareholder in the mine.

The thematic analysis process involved a lot of repeated reading to identify common features and to code the data according to the common features. The common features were then reduced and categorised into themes. The themes were taken through a process of further refining to ensure that they reflect the data collected in line with the research questions (Braun and Clarke, 2006).

To clarify, the themes were further reduced into categories that followed the objectives of the research to ensure that the research study's objectives were achieved.

3.7. Ethical considerations

The information utilised in the study was not publicly available and a Non-Disclosure Agreement was signed between the company and the researcher. The researcher also attained gatekeeper permission attached in Appendix A, signed as part of the data collection process, and to ensure the research was done according to ethical principles. To avoid any unintentional bias from the researcher, the company provided the researcher with company documents such as operational policies and statutory documentation for review to ensure the researcher analysed the current practice adequately.

Ethical approval was obtained from the Rhodes University Ethics Committee. All the participants in the research study were above the age of 18 years, and they were interviewed voluntarily, and the research participants gave consent to the researcher as part of ethical practice. The sample of the participant informed consent is attached in Appendix B. There were no rewards or incentives offered to research participants. Research participants were requested to sign consent forms before the start of the interview. In the event of the telephone interviews, they gave verbal consent on the phone and processed the written consent form after the interview.

As part of ensuring that all the ethical clearances have been attained, the final thesis (after examination, to ensure the company's management didn't interfere with the content and introduce possible bias) and they approved the use of their company name and the content of the research.

3.8. Validity and Reliability

Information credibility and reliability is regarded as one of the fundamental aspects of any qualitative study, which is the ability to ensure that participants have the experience to discuss the research phenomenon that the researcher pursues (Cohen, Manion and Morrison, 2000).

To ensure that the research participants had the relevant experience and engagement with the local community, they were requested to disclose their position in the business at the start of every interview. Furthermore, to ensure reliability and validity, a well thought out design of the semi-structured interview questions was developed in line with themes that linked to the research objectives (Cohen, et al., 2000).

Chapter 4: Findings and Discussions

This chapter presents the findings of and discussions about co-management practices with Siyanda Bakgatla Platinum Mine and the host community of Bakgatla Ba Kgafela as a case study in line with the research aims and objectives presented in Section 3.2 of Chapter 3.

The chapter analyses and presents the findings on co-management features, current practices, and challenges from the mine management perspective.

For ease of presentation, each finding is followed by a discussion to consolidate the relevance of the research output to the aims and objectives. Throughout this chapter, the basis for each research finding relative to the data collection method employed is iterated.

The analyses of the data and the presentation of the findings and discussions from the mine management's perspective on the nature and extent of the co-management arrangement with the host community was based on eight thematic areas.

The eight areas are the following: sustainable performance, co-management features, power relations, challenges of co-management, social licence to operate, institutional arrangements, stakeholder inclusivity and enhancement mechanism.

For ease of presentation of the findings and discussions, the researcher has grouped together the thematic areas based on the procedures of data collection as set out in Table 1 in Chapter 3.

4.1 The features of mine management and local community co-management

The research focused on business sustainability, stakeholder inclusivity, and power relationships as the features underpinning co-management in relation to the mine management and the host community. For a successful partnership to prevail in such an arrangement, Zvarivadza (2018) advocated honesty and transparency as fundamental elements for increasing and sustaining the level of trust between mine management and a host community. The findings and discussions of the mine management's perspective with respect to each feature of co-management are presented below in detail.

a. Business Sustainability

The concept of business sustainability emerged as one of the features that all the research participants deemed a fundamental feature of co-management for a stable relationship between the mine management and the local community.

The research found through individual interviews that more than 70% of the research participants regarded transparency arising from good governance and accountability was a cornerstone for successful mining operations in a co-management environment.

The interviews revealed that transparency is the foundation upon which a stable relationship between the mine management and the local community is built and therefore, the basis for a stable environment for mining operations. The positive relationship between a stable community and a conducive business environment for a mine was underscored during the interviews by the Chairperson of the SBPM when he emphasised that:

“[For] The stability of the mine operations to continue throughout you need a stable community...” (Respondent 1, 2020)

The appreciation of the significance of business sustainability was a key feature of co-management from the mine management’s perspective and finds overwhelming support from studies by Armitage, Berkes and Doubleday (2007) and Quimby and Levine (2018). The authors argued that in order for mining operations in a local community to thrive, on a stable business environment facilitated by an effective co-management arrangement between the mine management and the local community, would be necessary. The authors further emphasised that for this cornerstone to exist, there must be a commitment to good governance and accountability, to promote the transparency of business operations relating to the mine. This is because the promotion of transparency is central to enabling and sustaining the social licence between the mine management and the local community in relation to the mining operation.

The inability of any business to assist its stakeholders in creating institutions that enable collaborations which give rise to an efficient and functional co-management system built on institutional arrangements such as community forums, and public institutions, could threaten the success of any partnership including co-management (Carlsson and Berkes, 2005).

These findings are supported by the research of Visser, (2005) and Lingenfelder and Thomas (2011). There is sufficient evidence to deduce that community participation brings some level of stability for a business within a co-management partnership.

The findings by Greenwood (2007) revealed that community participation was one of the ways of promoting good corporate governance and stability within a business. From the interviews, it was deduced that good corporate governance and transparency of the running of mining operations strengthen the trust between the community and the mine management because the information is freely available to the community.

Furthermore, the results of the interviews showed that the nature and the manner of the information relating to mining operations are central to managing and mitigating any possible disruptions to the mining operations. The research findings place the transparency of information in respect of mine operations by both the management and community representatives as a central feature of the co-management partnership.

The research found that from the mine management's perspective, the mine management must understand the nature and the extent of the underlying features of the co-management partnership as a critical factor for the sustainability of the mining operations. For this to happen, the research further found that the mining company must develop and maintain a good understanding of the interests of the community to enable mine management to avoid any potential disruption to the sustainability of mining operations.

The interviewees regarded that having a robust understanding of the community interest is essential for mine management as evidenced by Respondent 2, who said:

“When co-managing, there has to be sharing of the strategic objectives...” (Respondent 2, 2020).

The analysis of the data indicated that the mine management should bear the responsibility of bringing the community on board and ensure that the strategic objectives of the mine are an entity in which the community is part of the decision making and shareholding structures. For this to happen, it requires a good understanding of the interests of the local community in the co-management of the mining operation.

Mine management accepted that it also had a responsibility to bring the local community on board to ensure alignment with strategic objectives by developing a good understanding of the local community's interests in the operations of the mine. Clearly, there is a positive relationship between an organisation that displays sustainable performance over time with the alignment of the strategic objectives of the organisation as informed by the interests of both parties.

Furthermore, it is essential to highlight that the study has shown that if mining operations are to remain sustainable, it is imperative to adopt an approach that fosters co-existence with the local communities and other stakeholders. The local community should not be regarded as just the provider of the setting but also as a stakeholder with a fundamental role in creating value for the mine and all its stakeholders, the community included.

Therefore, the assertion by Zvarivadza (2018) that mining companies which accepted that a mine needed the community to thrive just as a community needed a mining company to develop and maintain the operations of the mine resulted in a sustainable mining business.

In addition, the research has identified through the interviews and the documented material that while the sharing of strategic objectives was important in the co-management of the mine between the mine management and the local community, it was not the only basis for a successful co-management arrangement. This point was indicated by the following summary of findings in this case study:

- Whilst the community had elected community representatives on the board of SBPM, it did not translate into a shared vision;
- Although there was sharing of the strategic objectives between the community members and the mine management, there were personal objectives of the elected members which competed with those of community, thereby undermining the strategic objectives between the parties;
- The sustainability of shared strategic objectives between the mine management and the local community was viable where there was a separation of roles between all the structures involved in the co-management arrangement; and
- Transparency and accountability were paramount in ensuring shared strategic objectives to derive mutual stakeholder value.

The interviews revealed the importance of consistent communication through persons and structures with integrity, for the social licence to operate a mine in the local community. However, the research further found that there was a lack of a viable communication strategy by the mine management which did not consider the social dynamics, the language, and the culture of the local community. From the mine management's perspective, this was a key challenge in the co-management of the mine with the local community.

Further, the mine management has cited the lack of consistent communication with the community as one of the most significant features that created a lack of collaboration and teamwork within the arrangement. However, the mine management has reiterated that they do communicate with the different leadership structures as agreed between all parties. However, they communicate with the different forums established and not through a structured communication channel such as a website and social media. 42% of the respondents cited that there was a lack of a dedicated communication strategy that considered the language, culture, and literacy level of the information recipients. It was a challenge cited by one of the top management personnel whose views find support from Owen and Kemp (2013) that communication of information should consider language barriers, cultural values, and literacy level in the communities. Furthermore, the usage of communication tools and platforms that are suited to the local community was vital in ensuring that the community received undistorted and useful information. This would strengthen trust not only between the mine management and the community but more importantly within the community itself.

The research found that the mine management and the community do not have an effective communication strategy which considers the language, culture and literacy levels within the community and that would promote reliable communication of information on mining operations to the community.

Respondent 3 (2020) indicated that the communication strategy would not ensure trust from the community because the people involved in the messaging value-chain have questionable integrity. Respondent 3 concluded that this situation had contributed significantly to the potential and real disruptions of the mining operations. *“Communication that is consistent and communicated by people of integrity to not compromise the social contract...”* (Respondent 3, 2020)

The importance of a reliable communication strategy as an integral component of managing and mitigating a threat to the social contract due to a collapse in trust between the mine management

and the local community arising from poor communication as well as its devastating implications on mining companies' fortune was recognised by Zvarivadza (2018). The importance of co-management as the basis for the sustainability of a mine was emphasised by 90% of the interviews. This feature had been a consideration for many mines over a long period as identified by Matebesi and Marais (2018).

The research study has asserted that a lack of collaboration in many instances has posed a severe problem when it was not adequately appreciated. The different parties that form part of the stakeholder arrangement need to work together. If there is no collaboration, it tends to create problems not only for the mine but also for the community. The community leadership also gets affected, and it develops factions between the community engagement forums that further divide the community and the institutional arrangements that exist within the communities. This, in return, impacts negatively on effective implementation of the co-management arrangement. The expectation by the mine management is that information is continuously disseminated to the stakeholders across the villages that make up the local community.

Through the analysis of interviews and the documented data, the research found that collaboration between the mine and the local community does not only refer to the understanding of the roles and the responsibilities but working together while observing the delegation of authority that guides the governance processes between all parties.

The Respondent 2 (2020) indicated that: *“The first key issue is collaboration... because between the mine as a company and the local community, we need to work together to ensure sustainability...”*.

This statement indicated that collaboration becomes possible and fruitful only when the mine management and the local community understand their roles and responsibilities and use the understanding to work closely with each other for the mutual benefit of the parties. All research participants agreed that boundaries in the co-management arrangement need to be clearly defined, understood, and applied to ensure a successful collaborative engagement between the mine management and the host community.

b. Stakeholder Inclusivity

The main drivers of a successful co-management relationship include the management of stakeholder expectations, the separation of roles and responsibilities, constant communication, and proactive stakeholder engagement (Porter and Kramer, 2006). Continuous stakeholder management, understanding of the organisation's vision, mission and objectives is believed to foster collaboration between parties.

The research found that stakeholder inclusivity was central in the co-management arrangement between the mine management and the local community as demonstrated by the following statements from senior management of SBPM:

- *“When we set business plans and strategies, we need to take the community on board, in simple terms, stakeholder inclusivity”* (Respondent 4, 2020)
- *“As South Africans, we need to learn the sharing of the cake and not just in line with the law but to look [at] our community as our brothers and sisters so that we will treat them as our own family, not just looking at this from the legal imperative... Community development, skills transfer, and ensure that there is Developmental Impact...”* (Respondent 4, 2020).
- *“Ensure stakeholder buy-in...”* (Respondent 1, 2020)
- *“Collaboration and sustainability are key to any co-management relationship...”* (Respondent 2, 2020).

The research findings, as listed above, emphasised the importance of stakeholder inclusivity from the mine management's perspective. Furthermore, Lingenfelder and Thomas (2011) and Visser (2005) recognised that stakeholder inclusivity was essential for ensuring the implementation of governance and corporate citizenship in the mining sector. Porter and Kramer (2006) supported this view by reiterating that businesses that embrace careful management of stakeholder relationships become successful in creating value in co-management. The mine management has also cited that the value that they get from having the community as a shareholder in the mine is enormous. This is further supported by the findings of Porter and Kramer (2006) that businesses which embrace the management of stakeholder relationships are regarded as fostering enhanced value creation.

The importance of integrating the knowledge that is gained from stakeholder dialogue has a positive effect on the profitability of a company. Furthermore, the value created through stakeholder inclusivity is enormous; businesses that embrace the management of stakeholder relationships understood it is one of the effective ways for enhanced value creation (Porter and Kramer, 2006).

There was also consensus that understanding the needs of the community or even developing reports with scientific research that shows that the local community is enhancing its social licence to operate by managing the expectations of all stakeholders. It is also vital to indicate that, like any other partnership, trust among the stakeholders plays a fundamental role, as highlighted in point 2.2.3 of Chapter 2.

Berkes (2009) asserted that an effective co-management partnership was not only about power-sharing and the building of institutions but encompasses trust among all stakeholders as equally important. The assertion made by Ostrom (1990) that any firm's management should always foster a reduction of conflict to create an attractive environment for owners of capital to invest in the firm because there is reduced conflict in a co-management partnership successfully done.

The community does not only provide the mine management with human capital but also the social licence to operate. For any mining operation to conduct business in any community, there is an expectation that they should have a social contract with the local community to permit operations of a mine with minor aggravations. This notion was asserted by Matebisi and Marais (2018) that mining companies should adhere to and attain a social licence to operate in the host communities even though it was considered an informal contract. The absence of this social contract indicated the absence of the local community, while the presence of the social licence suggested the involvement of the local community. When the social licence was not secured legitimately in the eyes of the community, there existed the greater potential for frequent disruptions to the operations of the mine.

Matebisi and Marais (2018) further alluded that it was the responsibility of the mine management to ensure that they legitimised the mine's existence in the community. The mine management asserted they have been proactive in attaining and committing to the social contract. When they initiated the transaction to buy out Anglo Platinum, the approach adopted was underpinned by the

principles of ubuntu and the constitution of the country, which is that any development should not leave a community worse off than it was before the onset of the development.

The current social contract that exists between the local community and the mine resonated with the social licence pyramid model (Mnwana, 2015). This is because it showed that the mine management earned trust over time. Hence, they were able to establish the mine in the community and the mining company legitimised itself in the local community. The respondents have further indicated that they were proud of having the mining operation in the host community because of the community's shareholding of 27% in the business which is the most significant achievement in South Africa's mining sector. The assertion is not different from the ones made by (Matebisi and Marais, 2018; Thomson and Boutilier, 2011; Owen and Kemp, 2013) that the highest licence that any mining company can enjoy as per the social licence pyramid model is co-ownership and management.

c. Power Relations

Power sharing is one of the features that is contained in co-management and is regarded as a permanent tenant within it. The design thereof is regarded as a programmed design due to the iterative nature of the concept of co-management (Berkes, 2009; Quimby and Levine, 2018). According to Berkes (2009), the sharing of power and different responsibilities between stakeholders was central to co-management.

The research found that power sharing at the SBPM mine hinged on a sense of entitlement by the community due to the community having a shareholding in the mine. This signifies the magnitude of the power dynamics experienced in this co-management arrangement between the mine and the local community. For instance, the community were of the view that they were entitled to 30% procurement spend of the SBPM by virtue of their equity in the mine.

The Respondent 2 (2020) indicated that: *“Bakgatla Ba Kgafela shareholding in the mine places a sense of entitlement from the community... They think that they are entitled to employment, business, and any other benefits that emanate from the mine because they are a 27% equity shareholding.”*

This statement supports fully the mine management's perspective on shareholding as a primary driver of a sense of entitlement from the community with respect to both employment and business

opportunities regardless of whether the demands are sound in law or viability of the business sustainability of the mine.

The research found further that approximately 80% of the research respondents regarded the aspect of the sense of entitlement as an element which not only created a power struggle but also made it difficult for the mine management to manage operations without the fear of instability as highlighted by (Respondent 1, 2,3, 4 and 5, 2020).

This continuing sense of entitlement has been a spectre hovering over the co-management since the takeover by Siyanda Resources in partnership with the Bakgatla Ba Kgafela community and employees of SBPM. The mine management has indicated that the sense of entitlement issue is manifested in the constant demand for jobs, business contracts, and community development. The main concern is that in most cases, the demands by the community members do not consider the business viability and the sustainability of the mine as well as compliance with legal prescripts regulating company management in general and the mining management. This finding is further linked to the research findings as cited by Respondent 2 (2020), which emphasised that when co-managing, the mine management and community should share strategic objectives.

The mine management has continuously engaged the community as a way of mitigating the risks associated with the constant demand for opportunities from the mine.

Procurement is one of the regulated activities in a mine and the regulation of this activity was the reason used to keep the procurement of the allocated 30% procurement spend within the realm of the mine. The sense of entitlement over business opportunities through tenders has been a key contributory factor to power relations between the mine management and the local community (Respondent 1, 2020).

The Traditional Leadership of Bakgatla Ba Kgafela demanded that 30% of the procurement spend as contained in the Memorandum of Incorporation be handled through their office. However, the mine management refused because legally, the procurement services remain with the mine management as the Department of Mineral Resources (DMR) regulates this feature (Respondent 3, 2020). Furthermore, respondents cited reasons such as the lack of a system to run the process, community factionalism and issues of accountability and the conflict of interest that may arise out of the process. The community expected that they would be consulted for every decision in the

mine. However, the mine management refused because this was not only a management challenge but also a breach of governance where the shareholder would be interfering in the mine's daily operations.

Procurement of services emerged as a bone of contention that the mine management identified as one of the challenging problem areas which at times destabilised the power relations. In the MoI of the mine, there is a provision that gives the community a 30% procurement spend. The traditional leadership of Bakgatla Ba Kgafela wanted to take the 30% procurement allocation outside the management and control of mine management. This view was not allowed for obvious reasons; the procurement system always needs to be transparent to ensure that the mine is not found wanting by the Department of Minerals Resources (DMR) who are the regulators of mines in South Africa. It is because procurement in the mining sector is regulated in line with the MPRDA and the Mining Charter provisions, especially on Local Content spend on which mines are evaluated annually. The Mine management insisted that their responsibility when it came to issues of power relations ensured that there was always a creation of equitability within the co-management partnership. Berkes (2009) validated the assertion that the creation of equitability in co-management was possible through the formalisation and establishment of institutions that ensured equitability was achieved.

The data collected shows that the mine management placed a high premium not only on the principles but on the practical application, of proper stakeholder management between parties. This approach finds support in Visser (2005) and Lingenfelder and Thomas (2011) who advocated for integrating stakeholders such as local communities within the mining companies, including involving stakeholders in making decisions about procurement-related matters.

It should be appreciated that the community is a complex phenomenon for any structure to manage them effectively. One of the respondents agreed that they are complex and have their internal problems that do not include the mine management. The mine management observed that even within itself, the local community experienced legitimacy issues which impacted negatively on co-management as often it led to uncertainty about the bona fide representatives of the local community on specific matters.

The research findings indicated and re-emphasised the complexity of dealing with communities, the nature of a local community emerges from the principle that there are different interests

amongst the community members. From the data accrued in this research, the sense of entitlement emerged as one of the variables that can impact any power-sharing model negatively. As highlighted in the literature, (Owen and Kemp, 2013), the evolution of a local community created a multi-dimensional phenomenon that can be difficult to manage. Hence, the community was often regarded as a highly unpredictable stakeholder in partnerships.

It is through continuous stakeholder management and the understanding of the organisation from a strategic point of view, vision, mission, and objectives that co-management partnerships can be nurtured. The sustainability of mining companies was cited as a process that involved the participation of stakeholders at a different level of the governance chain (Zvarivadza, 2018). Consistent communication with all parties concerned breeds an empowered community.

4.2. Challenges of co-management from the mine management's perspective

The data from the research study reiterated that a lack of collaboration between stakeholders poses severe challenges to the sustainability of any mining firm. Respondent 2 (2020) identified the lack of collaboration as posing a significant threat when there was an uneven understanding by both parties in co-management of the challenges posed to the business sustainability of the mine.

This finding was further supported by Freedman (1984) who stated that if firms succeeded and achieved above-average returns currently and in the future, they were compelled to identify and cluster their stakeholders accordingly. The classification and activation of these stakeholders were further supported by Ranagen (2017). The mine management emphasised this by acknowledging the importance of collaboration among stakeholders.

The lack of accurate information dissemination has been cited as one of the factors that created some level of mistrust between the mine management and the local community and therefore had the potential to undermine effective collaboration.

Approximately 70% of the respondents mentioned that the lack of a coordinated stakeholder engagement approach exacerbated the decrease in trust within the co-management agreement (Respondent 3, 2020; Respondent 4, 2020; Respondent 6, 2020 and Respondent 2, 2020). The aforementioned participants indicated that information was continuously disseminated to the different stakeholders, but sometimes it did not reach every member of the community, and this oversight resulted in community squabbles (Respondent 2, 2020). If the information did not filter

down to the intended community, members posed a risk to the collaboration and the synergies between stakeholders. Hence, the conviction that a lack of collaboration can be a challenge in an arrangement such as co-management.

The key findings relating to the impact of a lack of collaboration in a partnership such as co-management are summarised as follows:

- Although a trust cannot be bought but is earned, trust was paramount for any relationship to function optimally.
- The sustainability of the co-management partnership required the presence of trust between all stakeholders;
- The sharing of correct information did not only ensure that the community was informed, but it increased the level of transparency and the building of trust over time; and
- When the information did not reach the intended recipients, it harmed the ability for stakeholders to draw synergies and to collaborate.

The issue of how the allocated 30% of procurement was determined, as per the MoI remained one of the contentious points in this co-management relationship. At what point does the community have a say in procurement, remains a question for which the local community, especially the traditional leadership, wishes to get an answer from the mine management.

While traditional leadership might endorse the nominated leadership, it does not mean that the community supports the leadership. It is not a given that the whole community will endorse leadership that is elected by the traditional council- some parts of the community still feel, they are not represented as per the findings from the interview:

“A practical example like Sefikile, we are talking co-management, and the traditional council nominates whoever that sit on the board, but the community still feels that they are not represented... (Respondent1, 2020)”.

The leadership nomination process should embody the principles of participation through recognised community representative structures to ensure effective co-management between the mine management and the local community.

The research findings of the challenges of co-management are not fundamentally different from those contained in literature. These challenges included the complex interactions within the local community and the complexity that comes with managing the environment that provides the natural resources. These challenges were supported by the work of Berkes (2009) on the definition of co-management.

However, the research data showed that procurement and how it is shared within the community emerged as one of the features that posed a challenge to the co-management partnership between the mine management and the local community.

4.3. Governance Framework of the co-management partnership

The structures that exist in the co-management relationship between the mine and the local community included the governance framework that is contained in the South African Companies Act No. 71 Of 2008. The structure typically consists of the board of directors and statutory committees such as the Audit Committee and the Social and Ethics Committee. The institutional arrangements that are referred to in this theme are over and above the legislated ones.

The co-management approach is rooted in the definition by Carlsson and Berkes (2005) which involved the identification and the provision of assurance that there was an equal sharing of governance duties and responsibilities.

This was supported in Section 2.2.1 in Chapter 2, in which equitable power sharing was deemed a key feature of effective co-management.

The respondents in this study placed this definition under the umbrella definition of collaboration. Stakeholders collaborated to achieve a common objective even though they were performing different tasks to achieve the overall objective/s of the mine. The collaboration between the mine management and the local community alluded to the principle of the separation of duties and responsibilities between stakeholders to ensure there is no overlap. Furthermore, this approach was considered as one of the ways of ensuring that there was a sharing of power, participation, and equity. The sharing of responsibilities was supported by literature as not being new to co-management (Berkes, 2009).

The research found that the local community engagement forums have been established in all of the 32 villages that make up the community of Bakgatla. The forums were established as part of

establishing the governance frameworks that would govern the co-management partnership between the local community and the mine management. This was also done to allow the communities to have a voice on how the community can be developed with proceeds from the mine. Also included was the Social Labour Plan (SLP) project, and the dividends declared from the mine to feed into the implementation of the blueprint document the Bakgatla Ba Kgafela have developed as a strategic guide which the community should follow.

Structures such as the employment clusters and the business forums, continue to offer the community a platform that is fully dedicated to addressing the two most pressing issues for the Bakgatla namely, employment and business opportunities.

The research found that the establishment of the employment clusters and the business forums were created to address these aspects in addition to community engagement forums, which are normally utilised by the Tribal Council for their engagement with the different villages and the mine when holding discussions on SLPs.

In keeping with the operational struggles of business forums and employment clusters, monthly management reviews were created between the community representatives on the board and the chairman of the SBPM, to ensure that issues which may pose a risk to the relationship were resolved timeously. The sustainability of the mine remains vital, hence the establishment of a sustainability committee that looked at stakeholder engagement issues between the mine and the local community, especially on matters concerning employment and business opportunities.

Typically for a mining operation of this magnitude, the governance structures would depict the legislative prescripts of the company formation and operations, and SBPM is no exception. The governance structures that exist at the mine are a board of directors, statutory committees (Audit Committee, Social and Ethics Committee, and Remuneration Committee) and, some structures have been established to ensure that the social contract between the mine and the local community is not compromised.

The mine management has been proven to be proactive in establishing additional structures that will assist in managing the co-management relationship. Further, literature is not saying differently with Berkes (2009) asserting that local communities seldom have the required experience of operating within formal institutional arrangements.

The community of Bakgatla benefits from the institutional arrangements that have been established in addition to the typical legal structures to assist the community in managing its governance matters better. The additional structures include community engagement forums, business forums, sustainability committees, employment clusters, and monthly review committees. It can be expected that even over and above these structures, there are still stakeholder management and governance challenges.

The inability of any business to assist its stakeholders in creating institutions that enable collaborations which give rise to an efficient and functional co-management system is built on institutional arrangements such as community forums and public institutions could threaten the success of any partnership including co-management (Carlsson and Berkes, 2005).

4.4. Enhancement Mechanism

In trying to find the right combination of practices that underpin the co-management that exists between the mine and the local community, numerous aspects were identified. These included but were not limited to, capacity development, proactive stakeholder engagement, structured communication, and training.

Conducting a scientific baseline study could be the guiding tool that could assist the mine management in finding the right combination of co-management practices that would enhance the existing practices. -This view is evident from the quote below:

“In understanding the real needs of the community, the mine should conduct a scientific baseline study that evaluates the community’s real needs...” (Respondent 2, 2020).

The respondents emphasised the importance of conducting a scientific study that is backed by data, which informs the mine management of the real needs of the community. Communication of the outcomes to the community and all its relevant structures would enable all the stakeholders to have an informed discussion about the developmental trajectory that the community should follow. Communication remains fundamental to the improvement of the relationship. Furthermore, communicators must embody the highest level of integrity. Stakeholder inclusivity was highlighted as one of the key aspects for developing a strategy for a business, that is, take the community on board as is evident from the statement below:

“Ensure stakeholder buy-in...we need to take the community on board, in simple terms, stakeholder inclusivity...” (Respondent 3, 2020).

When developing business plans and strategies, the community should be taken on board. If there is any significant capital expansion that the mine wants to implement, such as building a new metallurgical plant, they need to engage the shareholders about such plans as well and indicate the impact of the capital expansions on the bottom line. Furthermore, the effect on the dividend profile should be explained and suggestions made about the length of time it would take to return business operations to a normalised state that will ensure the business achieves a liquidity event such as the declaring of dividends.

The shareholders should be consulted on such matters, primarily if they affect liquidity events in the business and if the company needs shareholder approval to embark on such projects within the business. The suggestion emanating from interviews is that shareholders should be engaged before the board, especially if, ultimately, according to the delegation of authority, the business requires their approval for such initiatives. It is important to remember the board approves these initiatives based on technical knowledge and understanding. At the same time, the shareholders would consider how the initiative affects the dividend profile, and if they are not aligned, all efforts would be futile. In many instances, this step is done in the reverse order, which often creates problems.

Chapter 5: Conclusion and Recommendations

5.1. Introduction

If the features of co-management are to play an essential role in the future of community participation in a mining project and socio-economic development in South Africa, co-management partnerships are fundamentally important. This research aimed to evaluate the current co-management practices from the mine management and the local communities. The current challenges associated with co-management from the mine management's perspective were also investigated to identify the possible recommendations to enhance the current co-management practices by the mine management.

5.2. Summary of Findings and Discussion

In any partnership, evolution will take place because the process takes place with so many varying factors. The co-management between the mine and the Bakgatla Ba Kgafela community was not an exception. The respondents agreed that there is a lot that has been done to ensure the co-management partnership got to this stage. Co-management is indeed a process for ensuring that there are shared responsibilities between all parties of the partnership, and it was done procedurally. The co-management partnership between the mine management and the local community was no different from what literature suggests. There is a relationship between what is contained in literature and the response from the mine management; the shared responsibilities emerged out of a dialogue characterised by deliberation and negotiations between the parties involved. Berkes (2009), asserted that co-management has a resemblance to the procedure through the sharing of ideas on how responsibilities could be better shared, and it emanated from a process of deliberation and negotiation.

The evolution of the co-management partnership, if not managed carefully, could be a risk to the partnership itself. It is because, as the literature shows, that the concept evolves. Carlsson and Berkes (2005) agreed that the definition of co-management was a process that involved the coming together of parties to agree on the arrangement, but it is not fixed, and it evolves continuously. The theoretical themes that help in understanding this phenomenon agree that there is an evolution in co-management. It is indeed not a fixed process but takes place along a continuum (Ostrom, 1990).

The respondents acknowledged the complexity of having the community as a shareholder in the mine but, equally, show appreciation of their contribution to building a sustainable mine. Moreover, the respondents acknowledged that the behaviour of local communities in co-management partnerships is unpredictable. However, there is an acknowledgement that individual practices can be improved over time through a rigorous and proactive stakeholder engagement process. Furthermore, companies need to adopt the principle of co-optation in dealing with the local community. The co-optation process is defined as the overhauling of the company's process to gain the cooperation and support of the local community as a vital and significant stakeholder (Mzembe, 2016).

The research findings agreed with the stakeholder theory which reiterates the importance of collaboration between stakeholders. The theory, according to Freeman, (1984) and Harrison and Wicks (2013) concurred that the management of the co-management relationship is inherent of high value and none of the interests could be perceived to be more important than the others. Furthermore, firms must ensure that they understand and maintain a balance between all stakeholders.

5.3. Recommendations

The model of sustainable partnership emphasised that any partnership should adopt this model to achieve sustainable performance. It is because the research showed that the mine management concurred with the literature findings from Zvarivadza (2018) which stated that, communication that is consistent and in its purest form is regarded as one of the ways of building trust and increasing the level of transparency between stakeholders. Owen and Kemp (2013) further reiterated that the community should receive information that is consistent and not distorted.

The sustainable partnership agreement is progressive because of the features that underpin the model and the fact that it advocated for communication that it is carried out in its purest form. Zvarivadza (2018) agreed that it is one of the ways in which a company and its management could build trust and increase transparency when dealing with the community as a stakeholder. The successful implementation of the model, together with the attributes depicted in Section 3, Figure 2 of Chapter 2, could create an enabling environment for mine management to operate a stable and sustainable mining operation.

The sustainable partnership model as depicted by Zvarivadza (2018) was regarded as progressive and resonated with the findings of the research regarding co-management practices by the mine management when engaging with the Bakgatla Ba Kgafela community in the following manner:

- The sustainable partnership model and the research findings advocated for building relationships that are founded on trust and transparency with stakeholders;
- Procuring of local labour and services from the local community;
- Implementation of SLPs through investing in community survival projects;
- Attainment of a social licence to operate;
- Understanding of the community's, the mine's and mine management's needs; and
- Community participation and stakeholder inclusivity;

As alluded to in Section 3 of Chapter 2, the successful implementation of the sustainable partnership model does not only create an enabling environment for the mine to operate but could also create an investor friendly environment which could attract foreign direct investment (Zvarivadza, 2018). Any mining company that wished to build a long-lasting relationship with stakeholders should make community engagement and participation one of its core values (Erzurumlu and Erzurumlu, 2015).

It is incumbent on the mine to understand the needs of the community as much as it is the community's responsibility to understand the needs of the mine and mine management as advised by Zvarivadza (2018). This mutual understanding may be achieved through the sustainable partnership model and is alluded to by the Social Performance Manager (2020) in Section 4.1.4. of Chapter 4 that SBPM should conduct a scientific baseline study to understand the needs of the Bakgatla Ba Kgafela community.

If there are to be any improvements to the co-management partnership between the mine and the Bakgatla Ba Kgafela community, there are features that underpin the sustainable partnership model. The co-management features that emerged from the research findings should be incorporated into the co-management partnership between the SBPM and the local community of Bakgatla Ba Kgafela. The different strategies that the sustainable partnership model advocated for and the co-management practices that are regarded as vital are tabulated below:

Table 2: Comparison Table of sustainable partnership model and research findings

The features of sustainable partnership model.	Co-management features from the research findings.
Honest and transparent community engagement	Promotion of transparency reinforces the social licence to operate.
Realistic and attainable goals set in consultation with the community	Implementation of SLPs to foster survival community driven projects
Investing in education	Understanding the community's needs and interests through the conducting of a scientific baseline study.
Establishment of survival community projects	Consistent communication
Attainment of social licence to operate	Collaboration
Procurement of labour and services from communities where possible	Stakeholder buy-in

It is evident that the co-management agreement between SBPM and the Bakgatla Ba Kgafela community is the cornerstone on which sustainable communities are built, beyond the life of the mine. Co-management features have been alluded to in the research and stakeholders must start any relationship with honesty and transparency.

In understanding the real needs of the community, a scientific baseline study should be conducted for the community of Bakgatla Ba Kgafela. Structured communication to ensure all stakeholders remain informed timeously and, in this manner, proactive stakeholder engagement will be achieved through the same process. Moreover, in ensuring community consultation, and the management of stakeholder expectations, the mine management showed the interest and the desire to start doing community roadshows annually to share the achievements and the challenges of the previous financial year and the plans for the year ahead.

5.4. Limitations of the Study

There are various reasons for not looking at co-management features from the local community's perspective. The local community may possess a skewed view that the status quo may change due to their involvement in the study regardless of the researcher informing them of the research goal

of the study. The issue of safety for the researcher while doing data collection was also among the reasons for limiting the engagements to mine management. Mining communities have proven to remain volatile because they remain convinced that the mining companies do not have their best interests at heart, and the Bakgatla Ba Kgafela community is not different. It is for these reasons that the study focused on the co-management from the mine management's perspective.

5.5. Final thoughts

Co-management features have been alluded to in the research papers and include, stakeholder inclusivity, community participation, consistent communication, collaboration, understanding of the community's needs and interests, investing in training and development, implementation of SLPs to foster survival community driven projects, attainment of a social licence to operate and the procurement of labour and services from the community. However, there is a strong emphasis that the methodological implications of co-management should not be viewed as a deterrent but rather as an incentive to allow the evolution of the practice. Every partnership, over time, needs evaluation and the reassessment of which of the practices is still beneficial, and the ones that need enhancement. This is clearly shown in the consensus between Berkes (2009) and Carlsson and Berkes (2005) that co-management is an evolving concept in its real sense.

It is, however, not all doom and gloom; the research has made mention of some trials that make it challenging for the mine management to keep the co-management partnership intact. Some challenges alluded to in the research are the lack of collaboration and the lack of consistent communication with the community. Community leadership and the legitimacy of those selected for leadership roles does pose a threat to the stability and the sustainability of the co-management partnership. And these can be improved as per the recommendations above. Furthermore, an enabling environment which is formed based on trust and transparency between the mine management and the community facilitates the mine to fulfil its legal responsibility (duty of care) towards the community in which the mine is located (Zvarivadza, 2018). This is a good foundation on which to build and to improve their shared approaches to management.

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Appendix A- Gatekeeper's Permission



ACCESS LETTER REQUESTING PERMISSION TO CONDUCT RESEARCH

Rhodes University
Drostdy Road,
Grahamstown,
6139

The Chief Executive Officer
Siyanda Bakgatla Platinum Mine

[REDACTED]
[REDACTED]
[REDACTED]

Date: 12/06/2019

Dear Mr. [REDACTED]

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a registered Master's student at Rhodes Business School at the Rhodes University. My supervisor is [REDACTED]

The proposed topic of my research is an evaluation of co-management practices: A case of a South African platinum mine management & local community. The objectives of the study are:

- (a) To evaluate the co-management features concerning mine management and the local community;
- (b) To identify current challenges associated with co-management from a mine management perspective; and
- (c) To make recommendations on effective co-management practices between mine management and a local community.

I am hereby seeking your consent to interview the mine management in your company that

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are responsible for co-management between the mine and the local community. To assist you in reaching a decision, I have attached to this letter:

- (a) A copy of an ethical clearance certificate issued by the University; and
- (b) A copy the research instruments which I intend using in my research.

Should you require any further information, please do not hesitate to contact me or my supervisor. Our contact details are as follows:

Mr. [REDACTED]
[REDACTED]
[REDACTED]

Or my supervisor:

Ms [REDACTED]
[REDACTED]
[REDACTED]

Upon completion of the study, I undertake to provide you with a feedback

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

Signature

Name: Tebogo Matsimela

Rhodes University, Research Office, Ethics
Ethics Coordinator: ethics-commitee@ru.ac.za
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Appendix B- Participant Informed Consent



PARTICIPANT INFORMED CONSENT

INFORMED CONSENT DECLARATION

(Participant)

Project Title: Co-management between mine management and local community: The case of South African platinum mine.

██████████ from the Department of Rhodes Business School, Rhodes University has requested my permission to participate in the above-mentioned research project.

The nature and the purpose of the research project and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

1. The purpose of the research project is to evaluate the features of co-management between the management of a mine and a local community and to identify and critically discuss the current challenges associated with co-management from the mine management perspective.
2. The Rhodes University has given ethical clearance to this research project and I have seen/ may request to see the clearance certificate.

3. By participating in this research project, I will be contributing towards improving effective co-management practices between mine management and a local community.
4. I will participate in the project by fulfilling the role of a researcher who collects data through interviews with selected individuals. Furthermore, I will conduct a document analysis on company policies and agreement such as shareholders agreement. Upon collecting the data, I will analyse and make finding and recommendation on how effective co-management can be improved between mine management and a local community.
5. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequences.
6. I will not be compensated for participating in the research, but my out-of-pocket expenses will be reimbursed.
7. There may be risks associated with my participation in the project. I am aware that
 - a. The following risks are associated with my participation: misconception of my role as a researcher for the study and the study's purpose.
 - b. The following steps have been taken to prevent the risks: However, the mitigant is that the participant in the study is limited to the mine management.
 - c. There is a 0% chance of the risk materialising.
8. The researcher intends publishing the research results in the form of a mini-thesis. However, confidentiality and anonymity of records will be maintained and that my name and identity will not be revealed to anyone who has not been involved in the conduct of the research.
9. I will receive feedback in the form of recommendations regarding the results obtained during the study.
10. Any further questions that I might have concerning the research or my participation will be answered by [REDACTED]
11. By signing this informed consent declaration, I am not waiving any legal claims, rights or remedies.
12. A copy of this informed consent declaration will be given to me, and the original will be kept on record.
13. Request to take pictures, video and voice recording for this study

I, have read the above information / confirm that the above information has been explained to me in a language that I understand, and I am aware of this document's contents. I have asked all questions that I wished to ask, and these have been answered to my satisfaction. I fully understand what is expected of me during the research.

I have not been pressurised in any way and I voluntarily agree to participate in the above-mentioned project.

.....
Participants signature **Witness** **Date**

Rhodes University, Research Office, Ethics

Ethics Coordinator: ethics-committee@ru.ac.za

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