

# **CORPORATE SOCIAL RESPONSIBILITY IN COPPER BELT OF ZAMBIA**

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*“We are in part to blame but this is the curse of being born with copper spoon in our mouth”.*

*Kenneth Kaunda, Former President of Zambia.*

## **ABSTRACT**

*CSR appears to be important challenge in the 21st century. In previous years, world politics and every person in general was busy with politics and war. But with the development of new technologies, the increasing number of plants and factories all types of manufacturing was a huge shift has been made towards social responsibility issues. Zambian mining companies are involved in CSR, to mitigate the problems of copper belt region in the field of Health, Education, Housing, Employment and Environment etc. Corporate social responsibility has become a widely accepted noncore but essential part of profit making corporations. Practices vary in different companies and different countries. The motivation for each is different but there is an agreed unwritten code about being good corporate citizens. CSR has become common place for companies in Zambia. Mining, telecommunications companies, banks and hotels practice CSR initiatives in different forms. Since the 1990, CSR has been taken on by the mining companies in order to contribute to the community where they are situated.*

**Keywords:** *Corporate Social Responsibility, Health, Education and Environmental Protection Etc.*

## **I. INTRODUCTION**

The concept of corporate social responsibility has recently gained traction in Zambia. General awareness of corporate social responsibility exists among both producers and consumers. Some local and foreign enterprises tend to follow generally accepted CSR principles such as Organization for Economic Cooperation and Development (OECD) Guidelines for multinational enterprises while other foreign firms ignore complex issues such as labour rights, environmental protection, bribery, corruption and human rights. After privatization, Zambia consolidated copper mines (ZCCM) was actively encouraged by the donor community as a means of reducing corruption, inefficiency and waste, supposed to bring new investment to the Copper belt reinvigorating the local economy and restoring its severely degraded and contaminated environment. Although the idea of corporate social responsibility is gaining some importance within policy debates in Zambia, it is not applied widely but usually associated with philanthropy.

## II. ENHANCING THE ROLE OF CSR INITIATIVES IN ZAMBIA

It would appear that the abundance of natural resources in Zambia has translated into resource-curse as there is still economic stagnation and resultant environmental and social challenges in the course of mining industry operations. It has necessitated the involvement of various stakeholders ranging from national government, resource produce communities, Multinational Corporations and Non-Governmental Organizations. It is the responsibility of the company's stakeholders to regulate CSR policies internally and externally at the Corporate and State level (both national and local government).

## III. GOVERNMENT

The duty of the government to regulate CSR cannot be over emphasized. Recognizing the mandatory approach to CSR and the role of government is minimizing corporate abuse. Zambia has adopted some global initiatives as part of their municipal regulation of CSR. MNCs are said to be powerful or more influential than some local governments. The main objectives of CSR are poverty reduction, sustainable development, ethical standards in business including issues of labour and anticorruption. Government should enact enforceable local legislations grave enough to serve as a deterrent to negative CSR practices and also improve local standards like international standards.

### 3.1 Multinational Corporations

Although the primary aim of the company is to maximize the profitability. The social and environmental implications of business activities have necessitated a focus on directors reconciling their drive for profit with sustainable business practices as shareholders are becoming more aware of the need to be socially responsible investors. Transparency and accountability can aid companies in mining industry to keep the public and their shareholders informed about payments made to host governments in addition to the social and environmental impact of their operations in the developing countries.

### 3.2 Resource Producing Communities

As the primary owners of the natural resources, RPC should play a participatory role in the exploitation and administration resources and benefits from their community. RPC should seek to be involved in raise awareness as to the human, social and environmental abuses existing in their communities, particularly as the world can only know if these issues are made public. Demand for social justice, activism and revenue transparency will aid the adoption and implementation of CSR as companies have come to realize that good CSR practices boosts their profit and gives them good reputation.

### 3.3 Non-Governmental Organizations

NGOs have contributed immensely to publicizing CSR and invoking increased allegiance on the part of the stakeholders. A Human Rights group like Amnesty International has mounted pressure on companies to adopt and publish their human rights commitments to fair and safe labour practices. Others like the Friends of the Earth (FOE) have sustained campaign for a greener earth. Thus with providing the public with the relevant

information and media publicity, helping companies develop corporate codes of conduct. It is hoped that pressures through the NGOs will help to make more hard law approach to the CSR in the future.

#### **IV. CSR AND EDUCATION IN COPPER BELT MINING REGION OF ZAMBIA**

There is a link between mining and education because mining companies provide access to education through CSR projects. The Zambian government spends 3.3% of public funding on education (Human Development Report, 2012). For this reason of low expenditure in education, there is a need to integrate economic and social policy within the public private sector nexus. Loxley (2013) also suggests there is a need to take advantage of the public-private partnerships in which the government and public sector can work together especially on infrastructure projects. Infrastructure is a critical need in Zambia. Infrastructure needs identified by the people and teachers accommodation, classroom blocks and bathrooms especially for girls. There is lack of availability of these things.

There is a great need for education especially in rural areas in Zambia. Education in Zambia is free from grade one until grade seven. A small amount is charged by the school for some administrative costs but no school fees are required in public schools until grade seven. From grade eight to twelve the fees are relatively high and many students cannot afford this. Since parents need to pay school fees which range between Zambian Kwacha (ZMK) 300 an equivalent of US \$60 to ZMK 500 an equivalent of US \$100 per term. High school education is very luxurious for most of the children in Zambia. Many parents cannot afford to pay this high amount of money, so parents appreciate the scholarships. MNCs give scholarships to students which comprise of schools fees, books and uniforms. The scholarship scheme starts from grade 10. The scholarship helps some children to complete their high school. In rural Zambia many families prefer to send their boys to school while girls stay at home to do house works. It was very common in patriarchal communities such as Solwezi. Some girls are drop out of the school due to early marriage the situation is slowly changing and there are more girls attending school now. There has been an increase in girls attending school because of scholarships and increased infrastructures. Kansanshi mine sponsored classroom blocks have been built in Kabwela and Mushitala. At the Solwezi High School, the mine has refurbished and equipped laboratories built a girls dormitory and secured funding for new electrical cooking pots. The Solwezi training centre was being upgraded and US\$ 5 million has been secured to build a high school for 1000 students in Solwezi. Community respondents generally identified positive impacts on education projects mainly through the provision of schools and teacher training, construction of teacher's houses and supply of books. Members of the Kabwela, Kyafukuma and Mushitala communities accepted that the Kansanshi mine had assisted them in promoting and improving the level of education.

##### **4.1 CSR and infrastructure in copper belt mining region of Zambia**

Most feeder roads in Zambia are gravel and very dusty in the dry season. Many of the existing communities around the mine lack basic services and infrastructure such as access to clean water and proper sanitation. First Quantum Mining Limited (FQM) is constructing a model community Kabataka Hills in Solwezi with 5,000 housing units open to employees of the mine and the general community. It is anticipated that this new housing development may contribute to a reduction in waterborne diseases in the community. In addition, the new homeowners will own the title to the land where each home is built, contributing to a consolidation of land

tenure security for smallholders. The Kansanshi mines launched poultry rearing, vegetable gardening and fish farming projects in Kyafukuma. Twenty five cooperative members were trained in community based poultry rearing by Kansanshi's project partner Ministry of Agriculture and Cooperatives. The vegetable gardening project involved the rehabilitation of an existing irrigation system fed by the Kyafukuma stream. Kansanshi improves access to water, 14 water wells were constructed in the Solwezi area. Furthermore Kansanshi mines provided to rehabilitate the local prison clinic and improve prisoner's access to healthcare and also funded the construction of a pedestrian bridge across the Solwezi River to reduce the number of road traffic accidents involving Solwezi pedestrians.

According to Mbwana Mkubwa mine report, the mine is involved in road maintenance and street lighting of Ndola residential areas where the mine is located. The company is also involved in upgrading of school facilities as well as sinking community boreholes to avail the residents with drinking Water. It was interesting to note that the company is involved in many community developmental projects of which some include the revamping of the Dag Hammarskjold Memorial Site as well as renovating of the local police station. Mopani Copper Mine (MCM) owns and operates two schools and two hospitals which are mainly intended to serve their employees and the local community.

Konkola Copper Mine (KCM) has been actively involved in community development projects which include construction of houses, churches, market, clinic, classroom block at an existing school at Kasumbalesa all at an estimated cost of US\$2million.

#### 4.2 Budget allocation for infrastructure development under sixth national plan, 2011-15 (US\$ million)

| Type of infrastructure                                 | 2011  | 2012  | 2013  | 2014    | 2015    | Total   |
|--|-------|-------|-------|---------|---------|---------|
| Transport infrastructure, including road, rail and air | 615.7 | 982.6 | 902.9 | 1,079.4 | 1,119.6 | 4,700.2 |
| Water  | 0.3   | 2.4   | 2.8   | 5.2     | 6.6     | 17.3    |
| Energy, including rural electrification                | 63.8  | 406.2 | 38.6  | 56.2    | 67.9    | 632.8   |
| Housing  | 0.8   | 4.6   | 4.8   | 5.0     | 5.3     | 20.4    |
| Other  | 1.0   | 376.2 | 6.7   | 22.3    | 21.9    | 428.1   |

Table-1 Source: Sixth National Development Plan, World Bank, January 2011

## 4.3 CSR and Health condition in copper belt mining region of Zambia

Mopani Copper Mines Plc. (MCM) is actively involved in malaria and HIV/AIDS prevention and treatment programs in Mufulira and Kitwe. These programs are mostly targeted at their employees as the majority cannot afford to pay for these services. Mbwana Mkubwa in Ndola like MCM is involved in Malaria control prevention program in which they are allegedly working in collaboration with the Ndola District Health Management Board. In Zambia, like many other sub-Saharan African countries malaria and HIV/AIDS are among the diseases that are killing millions of people. The company is involved in many community projects through the support of local government departments such as the Zambia Wildlife Authority (ZAWA). The Forestry department is also involved in sponsorship of sporting clubs for basketball and football.

The Mopani Copper Mines spends average US\$ 15 million per year on CSR projects. These projects include:

- Hospitals and clinics that are free for miners but where non-miners pay commercial rates
- The Wusakile Mine hospital with a bed capacity of 300 with 150 in use
- Malcom Watson hospital with a bed capacity of 120 capacity with 80 in use
- 4 township clinics at Mufulira and 3 at Nkana
- A free treatment program for children with clubfoot and a free cervical cancer screening centre.
- An extensive malaria prevention program
- HIV/AIDS counseling and testing
- Kankoyo domestic water supply where Mopani pays 50% of the bill for the water.

Konkola Copper Mines Plc implemented a comprehensive malaria control program in 2000 that focuses on indoor residual spraying. All habitable dwellings within a 10 km radius of the built up area in Chingola, Chililabombwe and Nampundwe are sprayed with a residual insecticide annually. The program was implemented in partnership with the community and the Ministry of Health through the National Malaria Control Centre (NMCC) and District Health Management Team. KCM's malaria control program covers an area of 842 square kilometers. All habitable dwellings whether traditional mud structures or modern western style houses with plastered and painted walls are sprayed with either a parathyroid wettable powder or wettable granules depending on the type of wall surface. Spray operators drawn from the local community are trained in conjunction with the NMCC.

The HIV program of First Quantum Mining Limited includes a mobile Voluntary Counseling and Testing (VCT) unit in Solwezi which does regular campaigns to raise awareness about HIV prevention and VCT as well as malaria, cholera and diarrhea diseases. Major campaigns take place in the month of May and November per year. In addition to a sexually transmitted infection (STI) focused campaign in June. Regular activities include weekly VCT at the Kansanshi mine for employees and monthly Behavior Change Communication (BCC) training for employees on the different roles of men and women in safe sex and prevention. This successful module piloted with the International Organization for Migration (IOM) initially under the name 'One Man Can' has now been expanded to a women's version 'One Woman Can'. Single sex trainings for both males and females are held and provide information to FQM about risk behaviors of the workforce. FQM spends US\$ 50,000 to 70,000 per year on health related scholarships and training for promising FQM employees and Declaration for Mental Health Treatment (DHMT) staff. This has included the training of FQM employees in Ndola and Solwezi, DHMTs as health promotion officers as well as providing training for a doctor and nurse

from the district in ophthalmology. Currently FQM is also financing an undergraduate in physiotherapy, an MSC in dermatology, a family medicine post graduate and Master of Public Health (MPH).

#### **4.4 CSR and Environmental condition in copper belt mining region of Zambia**

Copper belt people are confronted with a barrage of toxic chemicals and other pollutant all of which undermines their right to health and damages their livelihoods. Women, Men and Children are living with a range of environmental hazards on the copper belt. Heavy metals such as arsenic, lead and other industrial chemicals have contaminated streams in the main Kafue River. Waste dumps that scar the landscape are prone to erosion and highly unstable. The tailings dams which are polluted with potentially toxic waste provide a breeding ground for mosquitoes. Malaria is one of the area's major health problems. A variety of air pollutants like sulfur dioxide are pumped into the atmosphere from smelters and acid plants killing vegetation. Exposure to this kind of toxic cocktail is associated with birth defects, cancer, respiratory problems and weakening of the human immune system. Children are much more affected to these hazards than adults. Having higher metabolic rates than adults, children breathe air from closer to the ground and ingest higher concentrations of pollutants; inhaling them more deeply into their lungs than adults.

Konkola Copper Mines Plc. (KCM) mining operations have various implications on the environment. KCM inherited mines and processing assets that had been in operation for many decades and had many legacy environmental issues. Since Vedanta acquired KCM, series of actions have been taken to address many of the inherited environmental issues. KCM processes are fine tuned to ensure minimal environmental pollution and damage. KCM has a comprehensive and well funded program designed to address legacy environmental issues. Particular focus has been placed on the areas that most affected the surrounding communities when modernizing infrastructure to local and global industrial standards. As part of KCM's US\$ 2.9 billion investment program several environmental management projects were completed including Commissioning a new smelter increasing sulfur capture and energy efficiency with a highly automated plant to the cost of US\$ 500 million. The Nchanga smelter which replaced the inherited older Nkana smelter has one of the highest sulfur capture performances in the world with >99.6% of the sulfur captured thus ensuring limited air pollution. The new smelter has reduced fossil fuel consumption by 70%. Nchanga and Konkola with new machinery to achieve zero discharge operations to ensure no process discharge to the environment at a cost of over US\$ 230 million. KCM has revamping the piping and dam catchment for hydrometallurgical processing reducing run-off in areas most responsible for discharges to the cost of US\$ 30 million and US\$ 40 million respectively. Underground rehabilitation for water handling and pumping decreasing total suspended solids in the water discharged from the Konkola Mine to the cost of US\$ 20 million. (ECZ, 2008)

KCM operations have made significant strides in recent years to improve the environmental impact. The Konkola Mine is one of the wettest in the world so the primary focus has been on improving water quality or reducing discharges and increasing recycling. Over US\$5 million has been invested in underground water rehabilitation with new pumps to handle slurry and desalting, decreasing the total suspended solids (TSS) in discharged water by an impressive 75% in four years. The Pollution Control dam has been desalted and effluent from the Nkana refinery is being treated with the recycled effluent reused to wash copper cathodes and water vegetation around the mine site, reducing monthly domestic water consumption significantly by over 50%. Now

the Kafue River upstream and downstream is again a reliable water resource for irrigation, fishing and transportation for the communities that live along its banks and KCM is looking to improve global environmental sustainability standards. ([Kcm.co.zm](http://Kcm.co.zm))



**2007**



**Today**

Mopani Copper Mines Plc. (MCM) too focuses on the environmental activities such as:

- Set and achieve targets that include sustainable use of natural resources, minimizing pollution and care for their environmental and cultural practice
- Mopani has invested US\$450 million in the upgrade of the Mufulira smelter to end the 70 year old problem of sulfur dioxide emissions by 2013
- The new oxygen plants for the copper and the cobalt operations are now being built as well as the new roaster in the cobalt plant
- Along with these upgrades, SMS demagnetize is busy installing a matte settling furnace which will remove a significant portion of any copper remaining trapped in the slag. This project is a new departure for MCM and promises to recover about 30, 000 ton of copper a year that otherwise would have been discarded.
- MCM is also busy erecting a sulfuric acid plant which is being constructed by Grinaker LTA. The acid plant will serve to capture a large percentage of the SO<sub>2</sub> gases currently being emitted into the atmosphere and will fulfill what was one of the provisions of MCM's agreement with the government. Mainly the sulfuric acid plant will supply MCM's latest endeavor which is the onsite leaching project at Mufulira mine which will take up 400 t to 550 t of acid a day.
- Improve water sanitation in the community. ([www.zccm-ih.com.zm](http://www.zccm-ih.com.zm)).

## V. CONCLUSION

Zambia is very rich in natural resources. It is paradoxical that it classified as a poor country in the world. It is very difficult to reconcile how a resource rich country can be called a poor country. The Copper belt regions are developed rapidly in the early 20th century. The copper mining companies and the Zambian govt. collaborated to create significant urban and industrial centers with international support. Zambia has face the development challenges in the areas of poverty, HIV/AIDS, gender inequalities, water and sanitation, the fight against corruption and in the field of environment. The government of the Republic of Zambia has also created a framework for responsible development through publication of the Environmental Protection and Pollution

Control (Environmental Impact Assessment) Regulations 1997. It also has a number of sector specific laws and regulations related to the environment. There is need for the government to synchronize mining and environmental laws and the policies in Zambia so as to improve the conditions for the copper belt province and ensure social, economical and environmental sustainability.

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