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Mining and Community Shared Value (CSV) In Zimbabwe : Towards Wealth Sharing.

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Abstract -- In recent years, and following the continual exploitation of minerals, mining companies have been scrutinized as a major cause of social, environmental, and economic problems faced mainly by communities at the margins. In this regard, mining companies are widely perceived to be prospering at the expense of adjacent communities, who are the primary recipients of the externalities, mainly negative, from mining operations. Existing models fail to adequately ensure that mining firms internalize their externalities. The concept of shared value as postulated by Porter and Kramer in the January 2011 issue of Harvard Business Review as a way of fixing capitalism and bringing in a new wave of business innovation leaves a gap in wealth sharing between and resource owners. This paper broadly aimed at assessing the feasibility of community shared value model of wealth sharing in the context of the Zimbabwean mining industry with the central objective of helping business leaders advance their knowledge on the applicability and practice of this model. In order to satisfy the stated objectives, the study employed Meta ethnography, synthesizing qualitative studies whilst preserving their uniqueness, as the central methodology complimented by archival data and field research. This paper argues that if shared value projects are to be the primary way local people directly benefit from mine development, then the relationship between the value of those projects and the wealth taken from the location should be considered. In this respect, community beneficiation should be well defined and differentiated from company-oriented projects which form the premise of corporate shared value. Resource owners should participate in planning, implementing, monitoring and evaluation as well as dividends sharing of mining projects as advocated for by the Community Shared Value Model. It is also recommended that the adoption of the CSV Model will ensure a sustainable and harmonious co-existence between the predominantly capitalistic mining concerns and the resource owners and solve part of the current impasse to community development.

Key terms-- Shared value; community; governance; strategy; resource sharing; planning;

INTRODUCTION AND PROBLEM STATEMENT

"The country is starving, civil servants are going on strike, hospitals have no medicine, agriculture has no chemicals and schools have no books. We cannot continue to be playing around like you guys are doing…Are our diamonds meant to benefit certain individuals or it is intended to benefit the nation?" – The late Edward Chindori-Chininga, Former Chair, Mines and Energy Committee to a government witness

In recent years following continual exploitation and expropriation of minerals, mining companies have been scrutinized as a major cause of social, environmental, and economic problems (Elkington 2006; Ghoshal 2005; Picou & Rubach, 2006). Mining companies are widely perceived to be prospering at the expense of the broader community. This however does not mean that mining companies and government ignore their responsibility to give back and take care of the communities they are operating in. This truism has led governments to come up with strategies that empower communities in decision making and beneficiation from the exploitation of resources within their communities and Zimbabwe is no exception to this.

In trying to create wealth sharing between mining companies and communities the Zimbabwean government introduced the Indigenization and Economic Empowerment Programme on the 25th March 2011 through publishing General Notice 114. This programme pursues broadening of economic base by involving the bulk indigenous Zimbabweans in the conventional economy (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011), to achieve this Government has pre-arranged direct impartial participation by all relevant stakeholders and communities within which businesses are exploiting natural resources on commercial basis, through Community Share Ownership Trusts (CSOTs). The programme's focal point is on establishment of CSOTs which hold shares in business that are not owned by indigenous communities wholly. The idea of this scheme is that communities will profit from the extraction of natural resources within their areas. The expectation is that with the implementation of CSOT initiative there will be dynamic transformation of socio-economic circumstances of the majority of rural communities however, issues of wealth sharing remains blurred and fractional. This paper therefore seeks to give a detailed examination of the elements of CSOT, its structure, relevance and applicability as a tool for wealth sharing in the case of extractive industries of Zimbabwe.

Current and previous developmental and wealth sharing initiatives' failure in Zimbabwe's remote rural communities has been attributed to "top-down" developmental approaches adopted during colonial period and after independence period. Models of benefits sharing are distanced from the needs of people. Scholars attribute this divergence in models and needs of the people to the exclusionary nature of administration and the adoption of philanthropy as a way of giving back to indigenous communities by mining companies (Hodge 1992; Kramer & Porter 2011). This describes why conventional wealth sharing models adopted in sub-Saharan Africa between mining companies and communities have failed to act as accurate vehicles for rural transformation (Spence & Schmidpeter 2003; Warner & Sullivan 2004).

Poorly designed top down developmental approaches has resulted in people not benefitting from the exploitation of minerals within their locale and consequently over rely on donor aids (Spence & Schmidpeter 2003; Warner & Sullivan 2004). In instances where donors withdraw from funding livelihood security, communities tend to over-exploit natural resources at their disposal ultimately leading to stagnant rural economy characterized by adjunct poverty (Elkington 2006; Ghoshal 2005; Picou& Rubach, 2006). Of evidence are mismatches of needs and objectives between the donors and the recipients and hence results in lack of ownership from the community members of the projects ultimately leading to unsustainable development once donors withdraw. It is justifiable then to propose that top-down developmental approaches adopted by donors and governments lead to rural stagnantation. This study seeks to analyze how the CSOT can act as a tool for rural transformation in Zimbabwe and recommend a new model for preventing escape of wealth through mining.

With reference to Section 14(b)(1) of SI 21/2010 community is defined as residents within a specific Rural District Council established in terms of the Rural District Councils Act [Chapter 29:13] in which the business is being run. Consequently, this means that there can only be Community Share Ownership Trust within a geographic locale. This however disadvantages communities that doesn't have a strong mineral resource as well as inaccessible communities as experience have shown that business tend to concentrate in accessible areas. This therefore presents a challenge to equitable access to resources and development. An analysis of the CSOT proves that wealth sharing and development is locality defined. However for purposes of non-discriminatory and unbiased development of all Zimbabwean citizens this tool will perform best with some recommendations of this paper.

For development finance to work, financial institutions should not be far removed from the people they serve (Spence & Schmidpeter 2003; Warner & Sullivan 2004). They need to meet the demands of the people by providing development finances based on the need of the communities. In the same vein, the impact of having financial institutions that are far from the people is worsened by the fact that financial institutions which are foreign owned may decide not to lend to rural communities. The impact can be huge given that these financial institutions affect rural transformation in a big way, since they can loan to mining, farming, fishing and other projects which transform the rural areas (Elkington, 2006; Ghoshal, 2005; Picou& Rubach, 2006). Therefore, there is continual need for financial institutions to be flexible and aware to the plight of rural communities. This also applies to CSOT, for it to be successful as a rural transformation tool; there is need for close consultation with the recipients i.e. rural dwellers. It has to be locally generated and managed.

CSOT as tool for rural transformation brings together leaders from companies, community and government to build a strong and engaged national community around wealth. The paper therefore will provide opportunities for thought leadership, interactive discussion, learning, and research on CSOT as a promising approach for simultaneously sharing wealth, creating business value and addressing complex social problems. *The main aim of the paper is to help policy makers and business leaders advance the knowledge and practice of community shared ownership trust and to increase and support the adoption of engagement with shared ownership strategies by organizations around the Zimbabwean community.*

Following the assertion of World bank (1992) that recovery of African mining sector calls for paradigm shift from prioritizing political and economic control over natural resources to maximising long term sustainable development through wealth retaining, this paper seeks to recommend community shared value model for optimising wealth sharing between mining companies and communities in the Zimbabwean community. What we are proposing is a Community Shared Value model which facilitates and regulates wealth sharing between mining companies and local communities.

ASSESSING THE CURRENT TOOL FOR WEALTH SHARING IN ZIMBABWE CSOT

The theoretical thinking behind the establishment of Community Share Ownership Trusts is development and adoption of a development model that ensure that any development in communities is sustainable and independent from donor dependency. The main thrust of Community Share Ownership Trust (CSOT) is to ensure that communities benefit from the exploitation of natural resources by companies operating in these communities (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011). This is based on the fact that mineral resources are finite and in most cases companies leave ghost towns once they are done with the extraction of the resource. This has left the local communities with a burden due to the effects of environmental degradation, collapse of local economy leading to unemployment and deterioration of collapse of social infrastructure. Hence the abstract framework of the CSOT requires that communities develop or create secondary economies that will sustain the community post mineral extraction. This will entail that communities invest in other industries apart from the one they are getting monies from for example, the community may use money from mining operating company and invest in Agriculture, Tourism, Manufacturing and other areas of their interests. This will be informed by the community needs. This is aimed at ensuring that development is sustainable as local communities become less reliant on the mining activities for example. The Royal Bafokeng community in South Africa was being used as the model that CSOT should follow as part of transforming communities from donor depends towards the more sustainable community development in Zimbabwe (Elkington, 2006; Ghoshal 2005; Picou & Rubach, 2006).

Clearly the concept of Zimbabwe CSOTs echo with best practices. The international Council on Mining and Metals 'Community Development toolkit suggests that mining firms must localize procurement and encourage small business and in so doing build the capacity of the communities to survive long after the mining seize (Sachikonye 2009;

Katsaura 2010; Mtisi *et al* 2011). Such objectives include building and maintaining roads, dams, clinics, schools, dip tanks, and promoting self-help, empowerment and skills development projects. It is justifiable then to say that through CSOTs, communities are bound to regain confidence in them, become self-reliant and wean from the dependency on donor community for social, economic and infrastructure development and a general improvement in their livelihood.

The CSOTs are chaired by Chiefs and contain rural district council officials, key stakeholders within a community including, women, the youth, the disabled and other previously marginalized groups. Of the 59 community trusts already registered, more than 15 have been launched singularly or combined at a provincial level by the Head of State and Government President Robert Gabriel Mugabe. Some of the launches have taken place in Mashonaland West, Manicaland, Midlands, Masvingo, Matabeleland South and North as well as Mashonaland Central. Qualifying businesses in these provinces have disposed 10 percent shareholding to the community trusts and also donated seed capital to enable the trusts to undertake social development projects. Following the launch of CSOTs, the Ministry of Youth Development Indigenisation and Empowerment has been arranging capacity-building and training seminars for the trustees to train and develop their skills and knowledge in administration, investment, project development and implementation and corporate governance centred on management of trust institutions by the boards.

The key objective of the Community Share Ownership Schemes is to ensure that communities benefit from the exploitation of natural resources in their immediate environments (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011). Through this vehicle, companies are obliged by law to avail at least 10 percent of shares out of the total value of the company to a community represented by a Trust. The Indigenisation Charter seeks to: promote ethical business conduct; promote equitable access to the wealth of the economy by indigenous Zimbabweans; enhance employee and management stakeholder ship in business; promote the use of local raw materials and value addition in economic activities; promote local research and development; promote technology transfer; utilize indigenous knowledge systems; nurture and develop a skills base for the economic empowerment of indigenous Zimbabweans; and provide a generic framework for the development of sector-specific

CSOTs which is predicted to economically empower the indigenous majority in rural Zimbabwe however is not as legal entities as it should be. While the Act does not in itself effectively outline the vehicles through which the majority indigenous Zimbabweans will acquire the mandated 51 percent equity, it does in section 21 empower the Minister responsible for indigenization, being the Minister of Youth Development, Indigenization and Empowerment, to make regulations which can facilitate the distribution of the 51 percent indigenous quota.

Section 21 of the Indigenization Act provides that “The Minister may make regulations providing for any matters which by this Act are required or permitted to be prescribed or which, in his or her opinion, are necessary or convenient to be provided for in order to carry out or give effect to this Act”.

PRACTICE

Zvishavane CSOT has commenced initiating massive development programmes in the district with the US$3 million received so far. This comes against a backdrop of a deal in which Government and Impala Platinum Holdings signed terms for the Zimplats indigenization implementation plan to pave way for the transfer of a controlling stake in the entity from the South African firm to Zimbabweans. Provision has also been made for the continuous learning of the trustees as well as general support activities aimed at giving the trustees solid hands and confidence in their duties as trustees (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011) . Through the trusts, economic power has been restored to ordinary men and women in the villages. The CSOTs will provide a cornerstone against which rural Zimbabwe will be successfully industrialized for the benefit of the majority of local citizens.

Communities that have received funds and equipment have begun implementing projects that are beginning to slowly but surely change the faces of these communities. Although the value of the equipment was not immediately available, the impact was expected to transform the communities. These developments fly in the face of allegations by critics that state driven policies are meant to benefit a few elites aligned to the government. The Zvishavane CSOT has so far built two schools, two clinics and sank boreholes in the area from the US$3 million that has been disbursed so far from the US$10 million that Mimosa Mining Company injected in the Trust.

Some schools and clinics are at different levels of construction in five chieftainships covered by the Zvishavane trust. Trust chairperson, Chief Mazvihwa (Mr Calvin Hove), hailed the programme saying communities had started benefiting from the scheme because of the things the trust has done. He said they have managed to build schools, school blocks, clinics and started electrification programs. He also said money from the trust would be used to buy furniture for the blocks and there is no way their communities would have been developed at this rate had it not been for this scheme. They have also have managed to build houses for teachers and nurses. A school has been built in a resettlement area under Chief Mazvihwa where the nearest primary school was about 25km. To the indigenous communities’ development that would have taken years but because of this scheme spearheaded by the government, it has become real to the people that development can happen with the right policies. The concept of community share ownership scheme as an option for disposal of shares is a noble idea that if transparently and properly handled and managed can result in benefits flowing to communities affected by mining operations. One can also interpret the community share ownership scheme as part of corporate social responsibility in the mining sector. This is because in terms of section 14 of the Indigenization and Economic Empowerment (General) Regulations SI 21 of 2010 the revenue realized from the community share ownership scheme will be used for community projects such as hospitals, schools, irrigation.

Trust members said they were in the process of identifying students that needed scholarships especially under-privileged ones who excelled in their studies. They are planning to construct more schools in resettlement areas and other projects from the remaining US$7 million. Chief Mapanzure (Mr Collen Chimhofu) concurred: "This scheme is another milestone achievement after the land reform programme. He asserted that schemes appeal to ordinary people because it is their communities that are developed. It answers people's issues because it touches on social amenities like schools, clinics and roads. We want this programme to continue so that all communities may be developed." In Chief Mapanzure's area, the Trust has seen school blocks being constructed at Chivizima High School under Chief Mazvihwa, Chachitsa Secondary School and Mabasa Primary School under Chief Masunda. Other school blocks have been constructed at Mapirimira Primary School, Govarezadzo Secondary School under Chief Mapanzure while a new school Mpumelelo Secondary School was built under Chief Mafale. They also built school blocks at Mukwidzi Secondary School and Wedza Primary School as well. The Trust has also built teachers' houses at several schools in the area and also bought four tractor disc ploughs for each chief for the use by the community while a lorry has also been bought for the same purpose.

Similar schemes launched by President Mugabe include Chegutu-Mhondoro-Ngezi Zvimba CSOT at Zimplats, Tongogara CSOT at Unki Mine in Shurugwi, the Mashonaland Central CSOT and the Marange-Zimunya CSOT. Government and Impala Platinum Holdings signed terms for the Zimplats indigenisation implementation plan to pave way for the transfer of stake in the entity from the South African firm to indigenous Zimbabweans. Under the deal, with shares valued at US$971 million Implats will sell shares in Zimplats to Mhondoro-Ngezi, Chegutu and Zvimba CSOT (10 percent), Employee Share Ownership Trust (10 percent) and 31 percent to the National Indigenisation and Economic Empowerment Fund. Zimplats will facilitate the transaction by providing vendor financing at an interest rate of 10 percent per annum.

In fact, CSOT is a vehicle that had a potential to spearhead rural transformation in Zimbabwe through the 49/51 imperative. The objective of the 51 percent principle is to ensure indigenous people control the companies they would have acquired shareholding in. Once indigenous people have control, it will be easier for these companies to finance local projects for the benefit of indigenous people. The massive investment on donations and sponsorships by diamond mining companies with local majority ownership like Mbada and Marange Resources is ample evidence that local control provides a sure way to local beneficiation.

CHALLENGES

Wherever such a massive initiative like the indigenization and economic empowerment programme is implemented, the authorities should be aware of any potential challenges and hindrances that may derail progress. The key challenge facing the indigenization and economic empowerment programme is failure by financial institutions to embrace the programme and finance the requirements of local investors. Without a transformed banking and financial services sector, the plan to shift the levers of economic power in favor of indigenous people will remain a delusion. Thus, the whole nation should be rallied to demand that money generated locally should be primarily used for local development.

The second key challenge the nation faces with regards the indigenization and economic empowerment programme is to liquidate the gains made through major transactions like the Zimplats and Mimosa deals. While through some shrewd and tactical maneuvering Minister Kasukuwere has managed to elicit huge concessions from big companies in terms of majority share transfer, the majority of Zimbabweans are crying for immediate tangible benefits from those mega transactions (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011). Therefore, there is need to rally national expertise and devise financial strategies that ensure the close to US$4 billion worth of shares are converted to real cash that will be used to finance economic projects for the benefit of ordinary Zimbabweans.

The third key challenge is the misconception and lies spread by detractors that indigenization is meant to benefit the elite connected to the government. Facts on the ground with communities in Zvishavane benefiting from CSOTs have proved beyond doubt that the programme is broad-based and benefit ordinary Zimbabweans. Add to these achievements thousands of youths who have benefited from youth funds then the elitism allegation is dead and buried. After failing to convince Zimbabweans that indigenisation is an elitist project, critics have tried to argue that the CSOT programme is illegal and seed money availed by mining companies is a result of extortion. Thus, the entire communities of Zvishavane and thousands of youths, among others, have been reduced to criminals who illegally benefited from the empowerment programme. This argument reflects a failed understanding of the law and a desperate and futile attempt to rubbish the indigenisation programme to stifle people empowerment.

The other key and fundamental challenge that the nation faces is that people are failing to understand that the empowerment programme is not an event but a process. Empowerment is a whole package that includes awareness and opening up opportunities, training and financing. Thus, receipt of any one of these is a major form of empowerment. There is a wrong and mistaken belief that empowerment is only about receipt of money. The misconception that the indigenization and economic empowerment programme is only for the youth is another challenge preventing full and successful implementation of the program as a rural transformation tool (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011). The programme benefit women, men, the youth, the disabled, war veterans, collaborators, ex-detainees, Christians and traditionalists etc. But, the bias towards the youth stems from the fact that each and every household is somehow connected to a youthful person who if responsible will benefit the entire household when empowered. With youthfulness being a slippery phase of life, there is need to anchor peoples' lives on a firm foundation. Thus, economically empowering the youth will set them up for a future of prosperity.

All businesses that are committed to good corporate governance, which incorporates the following elements: regular board meetings, representation of shareholders' interests on the board, appointment of appropriately qualified persons as members of the board, the setting by the board of policies and processes to govern its operations, the compliance by the board with best business and other practices, and regular reporting by the board to its shareholders; all businesses must encourage employee/management participation in decision-making through such expedients as employee share ownership schemes or trusts and/or management buy-ins (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011).

There is inadequate legal backing for CSOT as there is no legal requirement for mining companies to dispose shares to communities. In the absence of such, the CSOTs will only be established at the discretion of the Minister of Youth Development, Indigenization and Empowerment. Lack of implementation clarity has been highlighted. Some companies instead of selling shares, are said to have 'surrendered' thus creating confusion as to what government means when it pronounces that 'companies are complying (Sachikonye 2009; Katsaura 2010; Mtisi *et al* 2011). Lack of community involvement is another finding. The top down and paternalistic implementation has been critiqued. The selected board of the trusts complain of no sense of ownership of the Trust in the community as the minister has sweeping powers over the establishment and management of the community trusts. Additionally there is lack of adequate community representation as structures of the trusts are dominated by adult males, further marginalizing women, youth and the disabled. These above mentioned challenges bring out the fact that CSOT is crippled with more cons than pros therefore we are proposing a new model to augment CSOT as a tool for wealth sharing between mining companies and indigenous communities.

UNPACKING SHARED VALUE

Shared value as a concept focuses on the link between economic and societal progress in releasing power for potential global growth. According to Porter and Kramer (2011) shared value is neither corporate social responsibility, philanthropy nor sustainability but, a new way of attaining economic success by both the mining companies and communities. For the purposes of this study shared value calls for the communities near mining operations to the sharing of mining benefits. This means that mining companies work with the community to ensure extraction of minerals is a catalyst for sustainable economic empowerment that can lead to improved services in the local communities and beyond (Porter & Kramer 2011; Perrini & Vurro 2010; Schmidheiny 1992).

The concept of community shared value resets the boundaries of capitalism (Porter & Kramer 2011). Through efficient connection between companies' success with communal improvement, CSV creates many ways of addressing community needs, transparency, accountability and ownership which help companies in gaining trust from communities and government and expansion of markets. What we are proposing as a model for harmonizing mining and communities a mentioned earlier on is a Community Shared Value model which centers around six principles which are structure, strategy, system, style, staff, staff and skills. These six principles are to be dependent on each other. The model deals with social exclusion at the crossroads of gender, ethnicity and class. The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and reinforce each other mutually (Elkington 2006; Ghoshal 2005; Picou& Rubach, 2006). So, the model can be used to help prevent wealth escape in the Zimbabwean mining industry in identifying what needs to be realigned to improve performance, or to maintain alignment and performance.

CONTEXTUALISING CSV IN THE ZIMBABWEAN COMMUNITY

STRATEGY: the plan devised to maintain and build competitive advantage over the competition. Here with the help of the model all active stakeholders indigenous communities included will agree on how to curb wealth escape which starts from problem analysis, objective analysis, planning matrix and plan of operations (Porter & Kramer 2011; Perrini & Vurro 2010; Schmidheiny 1992). Within the strategy the monitoring and evaluation plan is to be come up with an agreed upon strategy by all stakeholders.

STRUCTURE: it is the way the coalition is structured and who reports to whom (Spence & Schmidpeter 2003; Warner & Sullivan 2004). In this case of mining companies and indigenous communities, the mining companies are to be accountable to the communities and communities accountable to the mining companies and the government comes in as a facilitator of wealth sharing between these two major stakeholders.

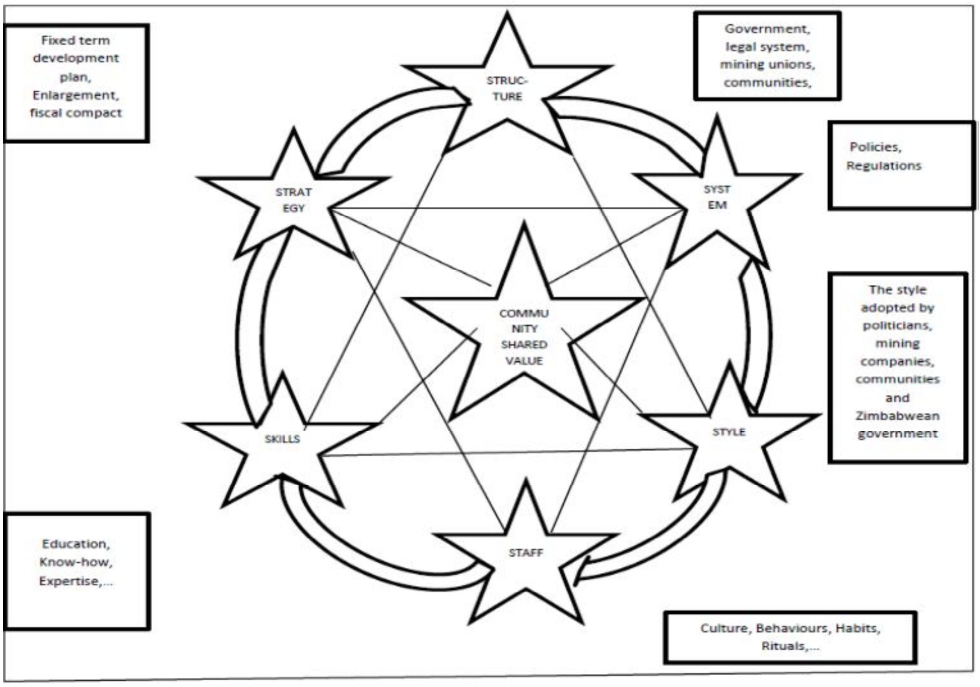
SYSTEMS: the daily activities and procedures that staff members engage in to get the job done (Spence & Schmidpeter 2003; Warner & Sullivan 2004). With the CSOT the mining companies decided what to do so as to get the job done, but we are proposing that community should have decision making powers as well on how minerals should be extracted from their land as this is associated with various impacts (see Msweli *et al* 2013; Mandudzo & Wushe upcoming)

SHARED VALUE: called "superordinate goals" when the model was first developed, these are the core values of the company that are evidenced in the corporate culture and the general work ethic. Conflict is frequently exacerbated by stakeholder misperceptions (Spence & Schmidpeter 2003; Warner & Sullivan 2004; Chambers 2006) therefore, with the interdependence of these six principle misconceptions and perceptions will be clarified leaving less room for suspicion and lack of trust.

STYLE: is the style of leadership adopted (Vurro et al 2009; Weisband 2009). Considering that we propose that the formerly passive recipients (communities) are incorporated into decision making boards of mining companies there is the likelihood of a transparent style of management of extraction activities and wealth sharing.

Staff: the employees and their general capabilities.

•**Skills:** the actual skills and competencies of the employees working for the company



Source: adopted and modified from (Spence & Schmidpeter 2003; Warner & Sullivan 2004).

With the model in place all necessary types of change will be made possible in the relationship between mining companies and communities. There is a clear way of restructuring, new processes, merging of companies and local communities, new systems, change of leadership, and so on. The model can be used to understand how the organizational elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration.

The strategy is fed by national development plans which feed into local partnerships between mining companies and local communities. What we aspire for is formation of partnerships that are linked and guided by national development plans. Once partnership and management of exploitation activities are linked with national developmental plans this means that the development benefits country wide communities and won't be geographic defined which was mentioned as one of weaknesses of CSOT. The CSV model to help analyse the current situation of wealth escape from communities by mining companies, a proposed future situation and to identify gaps and inconsistencies between the present and future (Elkington 2006; Ghoshal 2005; Picou& Rubach, 2006). It's then a question of adjusting and tuning the elements of the CSV model to ensure that Zimbabwean extractive industries work effectively and at the same time sharing wealth with the communities.

Communities' needs are huge arguably; they are the greatest unmet needs in the global economy (Porter & Kramer 2011; Perrini & Vurro 2010; Schmidheiny 1992). Businesses have spent decades learning how to explain and manufacture demand while missing the most important demand of all that is community needs majority of companies focus on the goodness of their products whilst ignoring the demands of the societies they are operating in. however with CSV it becomes a prerequisite to look and cater for community needs right from planning stages as the community is represented in decision making boards.

CONCLUSIONS AND RECOMMENDATIONS

The indigenization and economic empowerment programme is a path-breaking policy that had potential of benefitting Zimbabweans in their multitudes. The government hoped to bring total social, political and economic emancipation to Zimbabweans. However the interaction of mining activities with local communities had drastically changed therefore requires new models of manning the interaction are required as well. Exploration of minerals progressively occurs in remote areas with little or no development and devoid of adequate service delivery. So the consequence is the potential for mining companies wielding much power in the local context leaving first communities with no power and hence becoming passive recipients (Vurro et al 2009; Weisband 2009). However, with the implementation of the CSV model wealth sharing between communities and companies is facilitated.

The inherent tensions between communities and extractive industry on governance of minerals, wealth sharing and other benefits have been acknowledged as being caused by the unclear relationship between mining companies and communities. Therefore we are proposing use of CSV model for adequate compensation and contribution to sustainable development.

Another recommendation is that the deepening of advocacy in the extractive sector governance through workshops and dissemination of information, policing the formation of CSOTs and building local level interests and further to examine international best practices on community development and natural resource governance. In order to influence policy and legal processes, the programme targets legislators and other decision makers such as local authorities to pass laws and policies that ensure community benefit from their natural resources. Our paper proposes a model that could help mining companies and the investment community to better understand wealth escape and wealth sharing, and therefore more inclusive stakeholder- oriented governance systems, could positively affect mining companies performance.

Companiescan refer to that to better assess, reframe and improve their wealth sharing policies, in terms of their efficiency and effectiveness, by considering the mechanisms that could lead to enhanced performance (Porter & Kramer 2011; Perrini & Vurro 2010; Schmidheiny 1992). The mining community can draw on this model to increase their understanding of corporate initiatives and efforts, in order to better evaluate the real quality of management and the sustainability of the value creation processes developed by the companies they work with. Furthermore, our model could also assist a more balanced interaction between firms and the community. At the moment, this field suffers from a knowledge gap

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