

2010

Corporate Social (Who's) Responsibility?

Perceptions on the social role of the private sector and other responsible agents in the mining sector in Zambia.



ERADICATE EXTREME
POVERTY AND HUNGER



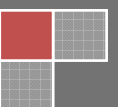
ACHIEVE UNIVERSAL
PRIMARY EDUCATION



COMBAT HIV/AIDS,
MALARIA AND OTHER
DISEASES



ENSURE
ENVIRONMENTAL
SUSTAINABILITY



Topic	Description
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Explanation of Cover Page

The background color of the cover page represents the mining sector. Grey is the color of the rock that a mineworker sees all around him/her and which depicts their daily working environment. The green squares on the left represent the four entities that make up Mopani Copper Mines: Glencore International, First Quantum Minerals, Zambia Consolidated Copper Mines Investment Holdings, (ZCCM-IH) and the Individuals who make Mopani what it is today. The other squares represent the four Millennium Development Goals (MDGs) which are most significant to the developmental objectives of Mopani Copper Mines (MCM).

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Executive Summary

This research helps define the role of the private sector concerning social responsibilities that they were accustomed to in the days of Zambia Consolidated Copper Mines (ZCCM). This is why it researches the perceptions of the people that live and work in the two regions that Mopani mines operate. It does so in order to provide quantitative data about the role of the private sector in the eyes of the residents. This research was done in order to assist in Corporate Social Responsibility (CSR) policy making. What should MCM Plc take into consideration when updating their CSR policy taking people, planet and profit into consideration?

Methodology

A questionnaire was targeted at residents of Kitwe and Mufulira. Using an online sample size calculator¹, a sample size of 384 was calculated. The confidence level being 95%, with a confidence interval of +/-5% resulted in the sample size of at least 384 respondents. A total of 387 correctly completed questionnaires were entered into the database. It was deduced that 80% should come from Kitwe and the remaining 20% come from Mufulira in order for the two regions to be represented as a single population. The reason these two regions are grouped as one, is because these are the two regions where MCM Plc is in operation.

Only after the data had passed its quality check within Microsoft Excel 2007, was it entered into a Statistical Programme for Social Sciences (SPSS). Secondly, two audio interviews were carried out in relation to Mopani's CSR in terms of People (Manpower superintendent) and Planet (Group Head of Environment). Lastly, the findings about the activities of the Corporate Affairs Department (CA Dept) were documented by the researcher by the method of observation since that was the department he was working in.

Findings

The minimum wage for the most basic of jobs set by the government of Zambia is K268.000 per month (\$54 USD). The most basic paid employed individual at MCM receives a minimum salary of K2.000.000 (\$397.00 USD).

When it comes to the pensions, a total 16% of an individual's salary goes towards his/her pension every month. Of this 16%, 11% is paid by MCM and 5% is deducted from the individual's salary.

¹ Creative Research Systems: <http://www.surveysystem.com/sscalc.htm>

Training is also an important part of MCM's internal people care. An approximate annual cost that the company spends on training every year amounts to \$300,000.00 USD.

Looking now towards external people, the individual perceives him/herself to have on average 50% of the responsibility in insuring that any activity takes place. The individual then perceives the government to have 30%. The private sector is only expected on average to have 12% and (International) Non Governmental Organizations ((I)NGO's) are perceived to have 8% of the responsibility. Using these as the baseline perceptions, it was also possible to find which agents are the most relevant to the specific social subjects by observing the difference from the average in terms of averaged ratios. These findings show that the subjects that are perceived by the people to be most relevant to the private sector are: recreational activities, garbage removal and conservation of the environment. This does not mean that the private sector should handle these social responsibilities; however it does show that if the company did want to do something in the community, a boost in one of these social segments would be appreciated by the people.

Another significant finding was the differences between high, medium and low class areas. Using the low class areas as the baseline, a ratio could be derived to help compare the three classes. People living in a high class area gave the individual agent more responsibility than the medium class and the low class area. Inversely, the low class gave the (I)NGO agent the most responsibility followed by the medium and then the high class. The private sector agent is not perceived to be very relevant in working towards social development. Interestingly, all the classes appear to perceive the government to have the same amount of responsibility with all the classes close to the constant of one.

As time moves on, the people perceive the private sector as less of an agent that provides social benefits. It is still expected to be active in certain areas, but it is not seen as the primary agent to bring about social developments. Therefore, the people do not see the private sector in the same way that they saw ZCCM. The people understand that for social development, they should look at either their abilities or those of (I)NGO's

The environmental standards are set up by the Environmental Council of Zambia (ECZ). The ECZ makes the environmental standards for the mining sector to which all mining companies must

adhere. The ECZ is established by the Environmental Protection and Pollution Act (EPPCA) of 1990².

Thus, under the EPPCA, all effluents and emissions from mining operations are regulated through a system of permits (Operating Environmental Permits or OEP) and licenses. These permits carry the conditions that the company must adhere to and in the event of breach, fines are imposed. High environmental impact situation will mean that a permit is more expensive than low environmental impact situation. This method is known as the Polluter Pays Principle (PPP)³. The ECZ also reserves the right to the duration of the permit's validity and also reserves the right to deny issuance of a permit or deny a request for a permit.

The Environmental Impact Assessment Regulations (EIAR) requires that an Environmental Impact Assessment (EIA) be prepared for all investments that are likely to have a major impact on the environment.

The annual budget averages between \$700,000, 00USD-\$800,000, 00USD. This budget covers costs such as the monitoring of environmental impacts, paying for and acquiring permits, paying for external auditors and surveying.

The largest environmental problem being faced by MCM Plc is the emissions of Sulphur dioxide (SO₂) into the atmosphere. Two acid plants have been built at both mine sites respectively. However, there are designs and plans in place to modify the acid plant in Kitwe and have another acid plant built in Mufulira to address this problem.

The CA Dept. is the face of the Mopani when it comes to news and current affairs. Below follows a summary of the department's CSR activities.

Firstly there is a complaints register which is reviewed every month during the departmental meetings. Secondly, individuals and organizations within society may request funding in the form of money or materials to assist them with a project of their choice. These are known as One-Off-

² <http://www.necz.org.zm/cep/rationale.html>

³ The term 3P's has a different connotation. Apart from being People Planet Profit, it is also the abbreviation for the Polluter Pays Principle (PPP).

Donations. MCM Plc also offers grants to recreational organizations in Kitwe and Mufulira. The CA Dept has a total monthly budget of \$25.000, 00 for the one off donations as well as grants.

Thirdly, MCM Plc has also got infrastructure in the medical field and runs two hospitals namely Wusakile Mine Hospital (Kitwe, ISO 9000: 2001 certified) and Malcolm Watson Hospital (Mufulira). This mine hospital is open to miners as well as the general public and MCM employees enjoy cheaper medical care. HIV/AIDS is a prevailing problem in Zambia. To implement the company's HIV Policy, MCM has partnered with the Government of Zambia (GRZ), an NGO called Comprehensive HIV AIDS Management Programme (CHAMP) and the Catholic Relief Services (CRS) in order to have enhanced workplace and community programme activities to fight HIV/AIDS.

The company owns and runs a primary and secondary school in Kitwe and Mufulira respectively that are open to the public as well.

The CA Dept. offers visitors the opportunity to visit the mine surroundings including the underground mines. A visitation request for those with an interest is possible, but is subject to management approval and ensures that all its visitors have the correct and appropriate PPE⁴.

MCM plc has also set up a farm called Makumbi farm for retired miners in Mufulira. This farm produces products such as bananas, eggs; milk, sour milk, groundnuts, sweet potatoes and also pastoral farming produce such as chicken, pork and beef. There are plans underway to include fish farming within Makumbi.

The CA Dept has close contact with the members of the various Regional Development Committee members (RDC) and the Ward Councilors. This ensures clear communication between the company and members of society concerning all necessary issues of common interest.

⁴ Personal Protective Equipment (helmet, industrial boots, dust coat, gas mask, etc)

Recommendations and Conclusions

A total of four (4) recommendations and their explanations have been outlined below:

1. MCM Plc should ensure that its mission statement remains as focused on the 3P's as it can to cater for the growing international importance of CSR.

The mission statement as it now stands is CSR focused; however by using the 3P'S (People, Planet and Profit) as a mean of assessing the mission statement, it falls short on the 'People' because its only reference to the environment is towards the 'natural environment.' It may be better to have a mission statement that shows responsibility not only towards the physical environment, but also to the social environment. This can be achieved in the mission statement by removing the word 'natural' before 'environment'.

2. Pro active projects should be found that relate to CSR and MDG 1

As the research has shown, it is not because people are lazy nor is it because they want to be spoon-fed and rely on 'big brother.' It is most likely because of external problems such as poverty and lack of opportunities due to lack of adequate education or general lack of economic growth in relation to Gross domestic product in relation to purchasing power parity (GDP PPP). Private sectors investments in society should be mutually beneficial to the company and the recipient. One direct way to do this is to increase their agency by assisting them with self income generating projects.

3. Look for mutually beneficial projects in the following fields:

According to the perceptions research it has been shown that the areas that the private sector was perceived to have the highest significant result were in the following topics:

- a. Recreational Activities
- b. Garbage Removal
- c. Conservation of the Immediate Environment (MDG 7)

Supporting recreational activities can have mutual benefits such as reduced stress and depression amongst employees. Quantitative research has shown that people who perceive conservation of the environment as an individual responsibility are more likely to pay for garbage removal. Therefore one possible way to reduce the amount of garbage in certain townships would be to educate the people about conservation. This would have other benefits as well such as better health for employees.

4. Continue to work close with the community as they are understanding and can offer beneficiary support

The private sector, as well as MCM Plc does not have to be worried that the people are as expectant from them as they were to ZCCM. The population understands more and continues to understand more that the private sector is not like ZCCM. Therefore, in the future, the demands made by people are most likely to reduce as they see the objectives of the private sector. So continue to work close with the communities in order to build on this growing relationship of understanding.

Glossary of Terms

Term	Full Description
3P's	People, Planet and Profit
AIDS	Acquired Immune Deficiency Syndrome
C.E.O.	Chief Executive Officer
CA	Corporate Affairs
CA Dept.	Corporate Affairs Department
CHAMP	Comprehensive HIV AIDS Management Programme
CRS	Catholic Relief Services
CSR	Corporate Social Responsibility
ECZ	Environmental Council of Zambia
EIA	Environmental Impact Assessment
EPPCA	Environmental Protection and Pollution Control Act
GDP PPP	Gross Domestic Product in relation to Purchasing Power Parity
GRZ	Government of the Republic of Zambia
H2So4	Sulphuric Acid
HIV	Human Immunodeficiency Virus
IAP	Interested and Affected Parties
ISO	International Standards of Organization
MCM Plc	Mopani Copper Mines PLC
MDG	Millennium Development Goal
MP	Member of Parliament
MSD	Mine Safety Department
NCCM	Nchanga Consolidated Copper Mines
NGO	Non Governmental Organization
OEP	Operating Environmental Permits
PPE	Personal Protective Equipment
PPP	Polluter Pays Principle
PPp	Private Public Partnerships
RA	Responsible Agent
RCM	Roan Consolidated Copper Mines
RDC	Resident Development Committee
RST International	Roan Selection Trust
So2	Sulphur Dioxide.
SPSS	Statistical Programme for the Social Sciences
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organization
ZCCM-IH	Zambia Consolidated Copper Mines Investment Holdings
ZCI	Zambia Copper Investments Limited
ZIMCO	Zambia Mining & Industrial Holdings Limited

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Introduction

Background of the study

Zambia is a landlocked country that is situated in south-central Africa. Its total population is just over 12 million people (CIA World Fact Book). The mining sector is very important to the Zambian economy as copper accounted for 71% of export earnings and its byproduct cobalt, for 6% of exports of a total of \$1.19 billion in 1995 (Coakley, 2003). Mining of minerals is concentrated in the Copperbelt province close to the Congo DR border even though there are some mining activities in the North-Western and Central provinces.

The increasing worldwide demand for electricity has resulted in a booming mining industry. In only 150 years, worldwide extraction of copper increased from 100,000 tonnes per year, with the British Empire as the world's largest producer of copper, to two million tonnes a year in the 1920s. Between 1929-1960 consumption rose from two to four million tonnes, and in 1976 the world primary production was 8.5 million tonnes (RCM, 1978).

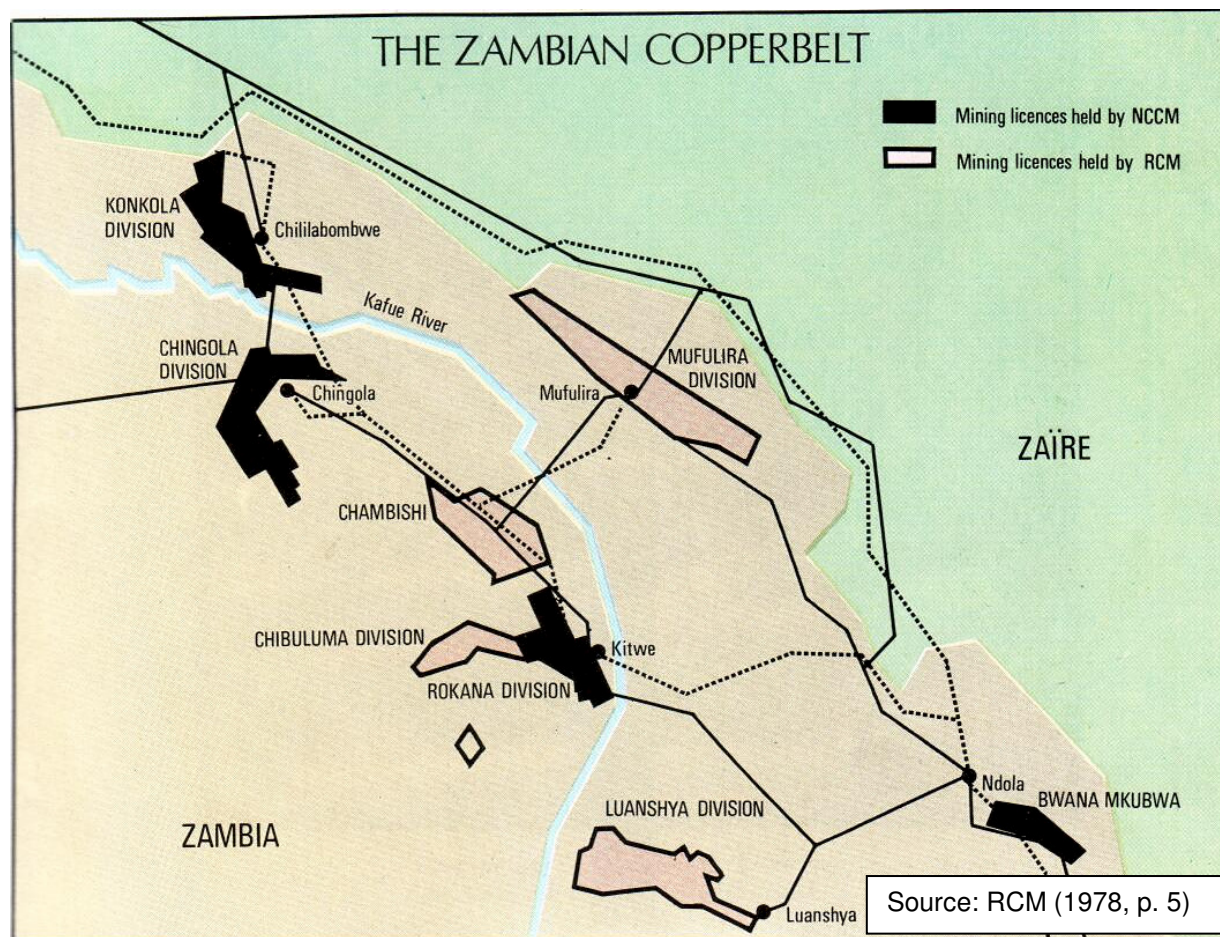
The earliest written reference to copper mining in south-central Africa came in the *Relatione del Reame di Congo e delle Circonvincine Contrade*, published in Rome in 1591. It was the early explorers, missionaries and traders that made the existence of copper in central Africa well known by the 1880's. By this time, Zambia was colonized by the British as part of the Cape to Cairo railroad dreams of Cecil Rhodes.⁵ The origins of Zambia's present day mining activities were with the administration of the British South Africa Company. Until the very eve of Zambia's independence on October 24th 1964, the British South Africa Company maintained control over the country's minerals.

After independence it was not until 1968 that the mines would become of strategic political and economic importance for Zambia's future. The so-called Mulungushi Reforms enabled the Zambian government to own a majority of the shares of the operating mines. These reforms also led to the reorganization of the mining assets into two entities: Nchanga Consolidated Copper Mines (NCCM) and Roan Consolidated Mines (RCM) (Figure 1).

⁵ In 1890 the country was divided into North-Western Rhodesia and North-Eastern Rhodesia. In 1911 the two were joined to form Northern Rhodesia.

From these mines, 51 percent of the shares were government owned and controlled by the state-owned Zambia Mining and Industrial Holdings Limited (ZIMCO). These shares were called 'A'-shares. The remaining 49 percent were owned by Zambia Copper Investments Limited (ZCI), in the case of NCCM, and by Roan Selection Trust (RST) International for RCM.

Figure 1: The division of mining licenses in the Zambian Copperbelt [1978], since 1982 merged in the ZCCM



In 1973 President Kaunda of Zambia announced measures aimed at a further increase of the government's involvement in managing the mining industry. Before this date, the Anglo American Corporation group provided certain management services to NCCM and RCM. These arrangements were terminated on 15th November 1974 and 26th Feb 1975 respectively. This established the NCCM and RCM as self managing companies with Zambian managing directors and paved the way to the merger of the two mining companies to form the Zambia Consolidated Copper Mines Limited (ZCCM) in 1982 (RCM, 1978).

Under the management of ZCCM, the mining sector began to face many challenges. In 1986, there was a noticeable decline in copper production, which was due to operational and financial constraints within the company. ZCCM was a high cost producer and was not able to cope with international competition. For example, in the 12 months to March 1993, net cash expenditure per pound of finished copper after byproduct credits was 83.1 US cents/lb at ZCCM, compared to Codelco's 73.7 US cents/lb in Chile (Kangwa, 2001).

The Government, the International Monetary Fund (IMF) and the World Bank (WB) were the architects of Structural Adjustment in Zambia. The architects of economic reform argued that in order for the mining industry in Zambia to compete in global market place and improve in social standards, the mines should be in private hands.

Privatization of ZCCM was seen as a form of economic reform which began in 1991 that would ensure that Zambia remained competitive in the copper mining business. In 1992 the government passed the Privatizations Act. In 1995 the Zambia Privatization Agency was set up. It was concluded that the privatization of ZCCM would take place by sale of bundles of assets to various buyers (Kangwa, 2001).

Table 1: Sale of ZCCM Assets

Date	Asset	Interest Sold	Buyer	Cash at Close	Deferred Cash	Firm plus conditional commitments
March 1997	Konkola North	Option over 80 – 85%	US\$0.5m	-	-	US & 12m
March 1997 October 1997	Kansanshi Mine Luanshya/Baluba Mines	80% 85%	Cyprus Amax Binani Group, Daliah Alabaraka Group, Allenby Finance Ltd.	US\$3m US\$35m	US\$25m -	US\$28m US\$172m
October 1997	Chibuluma Mine	85%	Metorex, Crew Dev. Corp, Maranda Mines, Genbel Securities	US\$17.5m	-	US\$34m
November 1997	Power Division	80%	Cinergy and National Grid Company	US\$50m	-	-
July 1998	Chambishi Mine	85%	China Non-Ferrous Metals	US\$20m	-	US\$70m
September 1998	Chambishi Cobalt Plant	90%	Avmin Ltd	US\$50m	US\$0.35 m	-
Mach 2000	& Naka Slag dumps Mufulira Mine, smelter & refinery & Nkana mine & cobalt plant	90%	Glencore International and First Quantum Ltd	US\$20m	US\$23m	US\$502m
March 2000	Konkola, Nchanga & Nampundwe mines plus option over Nkana smelter/refinery	80%	Zambia Copper Investments Ltd, IFC and CDC plc	US\$30m	US\$60m	US\$731m
Source: Kangwa (2001, p. 13)						

On April 1, 2000, Mopani Copper Mines PLC (“Mopani” or MCM), a Zambian registered company owned by Carlisa Investments Corporation⁶ and ZCCM-IH, purchased the ZCCM assets at Mufulira, comprising of Underground Mine, Concentrator, Smelter, and Refinery, and at Nkana, which included the Underground Mines, Concentrator and Cobalt Plant.

The privatization of government-owned copper mines relieved the government from covering mammoth losses generated by the industry and greatly improved the chances for copper mining to return to profitability and spur economic growth. Copper output has increased steadily since 2004, due to higher copper prices and foreign investment (CIA World Fact Book). However this economic growth, driven by privatization, has had a steep social impact for the people of Zambia because of the massive changes in protocol from a state owned company to multiple privately owned companies which could have affected the people negatively or positively. This is what leads us to the relevance of the study.

Relevance of the study

The social welfare of the people of the Copperbelt has historically been strongly bound to the economic performance of the local mining industry. For example, it was anticipated that the ‘native labor requirements of the railways, the farms, the department of public works and, in fact, every phase of industry in the country will increase as mining expands’ (Lungu & Mulenga, 2001, p. 34) Apart from generating employment, many of the public services in the region were traditionally provided by the mining companies, both directly and indirectly.

“As early as 1929, the mines became responsible for the provision of housing and hygiene. This form of patronage also extended to wages and food and various other social services. It was the duty of the mine management to provide well-arranged sanitary and orderly compounds to house the employees. Adequate hospitals for black workers were provided along with European medical staff. The mine managements also provided minimum scale ratios for their employees. They provided maize-meal, millet, rice, beans, meat, fresh vegetables, peanuts and salt on a weekly basis (Rhodesian Anglo-American). Cinema shows were also given periodically. Similar conditions were also provided to European workers. Adequate and comfortable hospitals with competent medical personnel were provided in all mining settlements,” (Lungu & Mulenga, 2001, p. 35).

⁶ A joint venture company comprising Glencore International AG and First Quantum Minerals Ltd.

This is not to say that African and Europeans were equal in the benefits they enjoyed. European camps enjoyed extra facilities such as lighting and water and had a better appearance. They also had a wider range of recreational activities and would enjoy cinema movies once or twice a week. ZCCM operated a 'cradle to grave' corporate social responsibility welfare policy. It had a paternalistic approach to communities providing medical care services, schools and other social amenities, much wider in scope than those offered by the mines during the colonial period.

Probably ZCCM's most elaborate CSR was in the medical field. ZCCM managed mine hospitals in six of the eight Copperbelt towns maintaining good facilities. ZCCM managed mine hospitals in six of the eight Copperbelt towns maintaining good facilities. The ZCCM Medical Institutions provided medical (preventive and curative) and educational services to employees of ZCCM, their dependants, and its subsidiaries. ZCCM aimed to contribute to the national effort in providing medical and educational services, promoting health and education in Zambia, to provide and foster research in medical and other related fields and to encourage the publication of the findings thereof, to operate for the benefit of patients as chemists and druggists and as salts, antibiotics, pharmaceutical, medicinal and chemical preparation articles and compounds; to promote and foster the training of personnel in the medical profession (Lungu & Mulenga, 2001, P. 37).

In addition, ZCCM also organized services in the form of Youth Development Schemes, Women's Clubs and even social casework. The Youth Development Schemes helped the youths in the mine compounds to identify the skills they could pursue and formalize as careers. Women's clubs concentrated on home craft. Furthermore, ZCCM's operating divisions also managed social recreation clubs such as golf, football, cricket, rugby, bowling, squash, angling and boating and also sponsored the major football teams. On top of that, the company also provided cafeteria facilities, bars and social clubs dotted over the mine townships and cinema halls. The company managed nearly every aspect of life in the mine townships. Finally, ZCCM also provided electricity, water and housing for a token contribution. The company managed the environment in the mine townships, maintained the roads and collected garbage. In general the company kept the mine compounds alive.

However, from the 1970's the economic performance of the mining industry started to decline. This resulted in a decline of the general social welfare of the population (Copperbelt Environmental Project). Consequently, the social and public amenities in mining towns also deteriorated strongly during this period. As of December 31st 1999, a total of 8,329 workers were retrenched (Kangwa,

2001). But the impact was broader since the privatized mining sector no longer provided for many of these social benefits. Today, MCM operates two hospitals and a primary and a secondary school in Kitwe and Mufulira respectively which are also open to non-employees. The company also operates seven (7) clinics, of which four (4) are in Kitwe and three (3) in Mufulira. Furthermore, MCM provides monthly grants to various sports clubs (e.g. football and rugby) within the community, as long as they are well managed. However social and municipal services such as electricity, water supply and garbage removal are now all privately owned entities.

This brings us to the main question of this research: after over 75 years of paternalistic CSR provisions by the dominant local mining companies, what does the population of the Copperbelt expect from MCM concerning these social services? Understanding this is paramount to doing business in Zambia because of Zambia's long and eventful history of the mining sector and the dependence this economy has on the copper commodity. This question will be answered within the broader discussion on how the population of the Copperbelt perceives certain social entities to be their individual responsibility, the responsibility of the private sector, the responsibility of the government or of International, National and local Nongovernmental Organizations (I)NGO's? It is important for business to understand these perceptions since they can help understand the external environment in which a private company operates.

Objectives of the study

Studies by Kangwa (2001), and Lungu and Mulenga (2005) have shown that the CSR approach of the colonial mining companies and that of ZCCM was paternalistic. During the ZCCM era (1982-1995), people called the organization "Big brother." However, things dramatically changed after Zambia went through privatization:

- I. People had to pay for personal cost of living e.g. Water, electricity and garbage removal as these public services were also privatized.
- II. No credit facility on essentials such as: mealie meal, sugar and cooking oil
- III. Reduced or absent recreational activities
- IV. Possibly higher littered environment

With such a working culture with 75 years of paternalistic CSR history, how does a society handle this socio-economic impact?

The first objective of this research is to understand how the people of the Copperbelt perceive the responsibilities of the key responsible agents namely:

- I. The Individual,
- II. Private Sector,
- III. Government and
- IV. (I)NGO's.

Do they perceive that they, as individuals, have the agency to bring change and therefore have seen that they are responsible for their own welfare, or is it really that the impact from privatization has damaged their lives because they perceive the government to fully control their lives in a paternalistic manner and so they cannot take care of themselves?

Secondly, looking also at the literature on the history of Zambia on the mining sector, there was not much attention given to the environmental preservation by ZCCM. This aspect is important because research has shown that as countries' incomes increase, the pollution first increases and then decreases. With the mining sector, this is a little different, because environmental effects such as dumping are still very visible even after the economy has benefited from the returns. Therefore, the environment has to be taken care of right from the start.

Together these two objectives formulate the core objective of this study which views MCM Plc's CSR responsibility in the terms of people planet and profit (3P's).

Figure 2: Map of Zambia highlighting Kitwe and Mufulira



The target audience are the people that are living within the two areas of MCM's operations, namely in Kitwe and in Mufulira. This audience is interested in what Mopani can do for them concerning CSR. This audience is very much aware of the previous ZCCM paternalistic approach towards CSR and this may be their bias that since ZCCM was a mining company, they are of the view that MCM should treat them in the same way.

Definition of main concepts

There are two main concepts that will be referred to frequently throughout this report, Corporate Social Responsibility and the Millennium Development Goals, which are defined below.

Desk research reveals that Corporate Social Responsibility is a growing trend in business. An increasing number of consumers are expressing their concern regarding the social integrity of corporations in their operations in the global marketplace, yet there is no definite consensus on the definition of corporate social responsibility. Where and how do businesses set the standard? At which point is the business being socially responsible in a mutually beneficial way and when is it just wasting profits on social inputs which generate no income in any form? ⁷

Let's look at some definitions from different institutions and authors. Firstly, the European Commission defines CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis,' (Wijngaarden. M, 2007, p.7). Kotler and Lee, state that CSR is "a commitment to improve community well-being through discretionary business practices and contributions of corporate resources," (Wijngaarden. M, 2007, p.8). According to Lungu and Mulenga (2001, p. 18) CSR is "the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract."

Interestingly each of the above authors begins their definition from a different angle. Is it a concept, a commitment or a notion? Defining it in the terms of a concept is looking at it from a broader management view. I think that the focus here is still on the profit. Kotler and Lee's definition stating CSR as a commitment towards the people of a community, does seem to have a marketing drive to it. The final definition used by Lungu and Mulenga calling CSR a notion, I think translated into that

⁷ Among others, ISO's Committee on consumer policy (COPOLCO), carried out a feasibility study on standards for corporate social responsibility in 2001 and has launched an online forum to gather stakeholder views. In 2008 ISO launched the ISO26000. Currently it is still under development, but is expected to be finalized late this year. This standard will provide voluntary guidance on social responsibility and will be for organizations of all types both public and private, in developed and developing areas. One of its core reasons of importance is that it will add value to existing CSR by developing an international consensus on what SR means and the SR issues that organizations need to address. As it will only offer guidelines, it will not offer certification for the standard.

there is a general thought, view or opinion that corporations have this obligation to different groups other than their shareholders which just like the first one is in the management.

The following conceptions of two Mopani employees relate to the latter notion: *“CSR is where you are not just thinking of your business. You should know that you are doing your business in a community. So you are supposed to put back at least something into the community where you do your business. It’s not just a matter of taking all the profits and that you can forget about the community.”* – Mr. Silungwe, Manpower Superintendent, Mopani Copper Mines

“Corporate Social Responsibility is a business activity which is for the benefit of the community one operates in, either direct community operating or indirect community operating, which at the end of

Figure 3: The Eight Millennium Development Goals



the day has really nothing to do with your core costs. I mean things like maybe you are supporting football, I mean, you would still produce copper even though you did not support football.” – Mr. Mpishi, Head of Environment, Mopani Copper Mines

Throughout this report, the following definition on CSR, as formulated by the previous discussion on definitions will be applied: Corporate Social Responsibility is a business setting that understands that not everything that counts can be counted. A socially responsible company’s core objective is to make a profit and in the process have a sustainable plan for the planet, a care system for the people and honor the governing body it operates under.

The eight (8) Millennium Development Goals (MDGs) (Figure 3) were formed in September 2000 when world leaders came together at the

millennium summit. They came together to adopt the United Nations Millennium Declaration which committed themselves to reducing extreme poverty by setting out time bound targets. The objectives range from halving extreme poverty to halting the spread of the Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) and providing universal primary education, all by the target date of 2015. The MDG's are relevant to this research because it is assumed that because Zambia is a Least Developed Country (LDC), the social needs of the people are most likely related to the MDG's since they were drafted in order to reduce extreme poverty. The role of the private sector in LDCs is important in the realization strategy of the MDGs because they can play a strategic role in meeting the MDG targets of 2015.

Methodology

A total of 500 questionnaires were printed. The title of the questionnaire was 'Individual Perceptions'. The questionnaire was targeted at residents of Kitwe (547, 700; 2007 pop. census)⁸ and Mufulira (125, 336; 2007 pop. EST.). The combined population of both regions is: 673, 036. Kitwe has approximately four times the population of Mufulira. Using an online sample size calculator,⁹ a sample size of 384 was calculated. The confidence level being 95%, with a confidence interval of +/-5% resulted in the sample size of at least 384 respondents. A total of 387 correctly completed questionnaires were entered into the database.

Of this population, it was deduced that 80% should come from Kitwe and the remaining 20% come from Mufulira in order for the two regions to be represented as a single population. The reason these two regions are grouped as one is because these are the two regions MCM Plc is in operation.

The questionnaire was distributed as well as collected and entered into the statistical programme for social sciences (SPSS) database from the 10th of March 2010. A total of 407 questionnaires were returned within the three week deadline and of those, 387 were correctly completed and entered into the database.

Before the data was entered into the SPSS database, it was first screened in Excel to ensure that there were no errors and also for the purpose of analyzing and interpreting the data. Only after the

⁸ Serving History. Accessed from: <http://www.servinghistory.com/topics/Kitwe> Feb 2010

⁹ Creative Research Systems: <http://www.surveysystem.com/sscalc.htm>

data had passed its quality check within Excel, was it entered into SPSS. All the diagrams therefore are either created in Microsoft Excel 2007 or SPSS 17.

Secondly, two audio interviews were carried out in relation to Mopani's Corporate Social Responsibility in terms of People (Manpower superintendent) and Planet (Group Head of Environment). These interviews were then typed out word for word so that they could be documented. A copy of each individuals business card was kept as proof and also can be contacted relating to the interview.

Structure of Research

This report begins with a comprehensive methodology that will actually explain the methods used and thereafter explain how the questions of the questionnaire were formulated and why each question was highly relevant to the research.

The following chapter will present the main findings of the various researches covered. This section will make use of pie charts, tables and graphs in order to present the data. Secondly, this section will also state many facts about the company that are relevant to the hypotheses and the problem definition.

Thereafter follows a discussion which interprets the data. To assist in the interpretation, graphs and tables will be used. This chapter will also contain discussion points that the researcher felt was interesting and relevant to the document.

In the final chapter, come the recommendations. This chapter serves as the conclusions to the research problem stated in the beginning of the introduction.

Methodology

The approach to answering the strategic policy making question is strongly related to CSR because it focuses on the responsibility of the two factors that make up this term, namely: the corporation (MCM Plc) and Society (People living in Mufulira and Kitwe). The research is focused on two of the 3Ps, namely: People and Planet because these factors relate directly to the problem definition.

Concerning Profit; MCM Plc sells its copper at international prices set by the London Metal Exchange so can therefore not influence the price of copper. Profit= Price-Cost. Therefore the only way to increase profits is to keep costs as low as possible. MCM Plc aims to increase its profits by increasing production and reducing the cents-per-pound cost of copper and cobalt through the consistent use of internationally acceptable management and mining practices (Corporate Brochure). As the problem definition is focusing on the perceptions of the people, researching exactly how MCM maximizes profits would not be answering the problem definition.

The two segments (People and Planet) were researched to prove that MCM is a responsible corporation in all major aspects of its operations. The 'People' focused research is an external research of the perceptions of the people to learn how they perceive the private sector as a major role player in the social economy in comparison to the other responsible agents, the Government, (I)NGOs and Individuals, since private companies have an impact on society. The 'Planet' focused research is a more internally based research to find out what MCM Plc does in order to look after the natural environment. The methodology explanation below, explains the details for both the 'People' and 'Planet' researches.

Sampling

The target area for the quantitative social research was the city of Kitwe and the town of Mufulira as this is where MCM Plc operates. For this research, simple random probability sampling was used. This research was based on 387 respondents. This sample size was calculated with a confidence level of 95% and a 5% margin of error. The company research relied on snowball sampling as it required experts in the field of environment and internal workforce.

The combined population of Kitwe and Mufulira is 673,036 people. This was the value used, along with the confidence interval and error to create a sample size target of 384 respondents. This

calculation was done by an online sampling calculator from Creative Research Systems¹⁰. Since Kitwe has approximately four times as many people as Mufulira, the respondents were also targeted in such a way so that 80% came from Kitwe and the remaining 20% from Mufulira. In detail, the research was based on 236 male and 151 female respondents, of which 70 lived in Mufulira and 317 in Kitwe.

The goal was to achieve a broad view of the perceptions of the people. Therefore the researcher put a physical limit on the amount of questionnaires that could be collected from one place. However this limit was only implemented in Kitwe. Secondly, the research was also directly interested in the perceptions of the Mopani Employees. These too fell within the 384 minimum sample size requirements. A total 81 (16.1% of entire sample size) respondents are employees of MCM plc of which 46 live in Mufulira and 35 in Kitwe.

The company research (corporation) was done through interviews and the making of appointments with the respective individuals making use of the snowball method.

Research Design

The social research (quantitative) was carried out in written form. The respondent was required to fill in a questionnaire and then return it to the researcher. The questionnaire (Appendix 1) was designed by the researcher and approved by the corporate affairs manager, Mrs. Chuma Kabaghe. The title of the questionnaire was 'Individual Perceptions.' This document is a six page (3 page double sided) document that comprised of two sections. Section 1 focused on gathering personal information about the individual and section 2 focused on the perceptions of the respective individual. The questionnaire earned its name because it asked the respondents how they perceive the responsible agents to carry a responsibility in society in addressing social necessities.

Perceptions are a particular way of understanding or thinking about something. Visual perception is having the ability to notice something by seeing, hearing, smelling etc. perceptiveness is having the ability to understand and make a good judgment of something (Macmillan English Dictionary, 2002). This definition is what drove to the social research being on the perceptions; ultimately because the people in society, based on social issues are in a good position to make a good judgment of something owing to their experiences of ZCCM CSR, the socio-economic changes and impacts of privatization and how they view the economy they live in.

¹⁰ Creative Research Systems: Accessed from: <http://www.surveysystem.com/sscalc.htm> on 19/05/2010

In order to make up for the questionnaires that were wrongly filled in or those that would not be returned, a total of 500 questionnaires were printed and distributed. The questionnaires were then delegated to various individuals who were identified through the snowball method.

The company research (qualitative) was carried out in the form of a face-to-face interview. These interviews were audibly recorded. After the interview, the researcher then immediately typed the recorded interview out onto an Excel spreadsheet for proper documentation and review.

For the (quantitative) research, the questionnaire was chosen because it had the capability to reach a vast number of people within a short period of time and would also be able to be easily compared, given that every individual completed the same questionnaire. There was a hard copy questionnaire and a soft, Excel 2007 based questionnaire copy. The soft copy was used for computer to computer communication and saved the researcher on printing costs.

For the company research, a face-to-face interview was chosen because since the topics being discussed were specialized, it was important that the interviewee could elaborate on the questions asked and in that way offer new insight and information that may otherwise not have been explained if asked on a paper. Flexibility and discussion were important and that is why a face-to-face recorded interview was chosen.

For the quantitative research, the strengths of the questionnaire have already been mentioned, however more questionnaires had to be printed than were actually needed because certain individuals misplaced, did not return or simply did not fill them in within the allocated time. One weakness of the face-to-face interviews was that it was easy to digress and also more difficult to ask difficult questions since you are talking to the individual in person. However this was overcome by the use of a questions guideline which was prepared before the face-to-face interview took place.

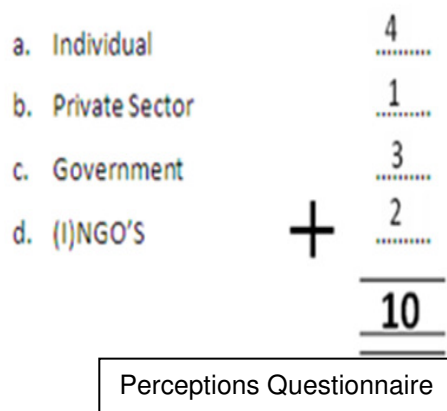
In order to have as many correctly filled respondents, the questionnaire was designed in order to be as user friendly as possible. This was achieved by continuous improvement of the questionnaire's layout and language with the Corporate Affairs Manager throughout its development stage. The final product resulted in a document with which the respondent would only need to circle their appropriate answer and secondly only have to be able to add numbers to the

total of ten (10) (See Appendix 1). Once this was achieved the questionnaire was ready for distribution.

It was possible for respondents who were having difficulties filling the questionnaire to reach the researcher via mobile. The researcher's mobile phone number was printed clearly at the beginning and the end of the questionnaire. Lastly, the questionnaire was designed to take not longer than 10 minutes to fill and so could be completed and returned in a short period of time.

Questionnaire Explanation and Reasoning

Figure 4: Example on how questionnaire was completed The core of the questionnaire is section two, the division of



responsibilities (Appendix 1). In section 2, there are a total of 13 questions, related to important social issues and the MDGs. The core question asks the respondent, based on their perception, to divide the responsibility of the various social aspects amongst the responsible agents, the Individual, the Private Sector, the Government and (I)NGO's. The division of the responsibility was carried out by requiring the respondent to assign a value to each responsible agent, of which the total was always equal to

ten (10) The respondents were encouraged to fill it in personally as there was no such thing as a wrong answer, so long as the total was equal to ten (10)(Figure 4) .

The section below will explain why each question is relevant to be asked and the reason behind it.

1. Prevention of HIV AIDS

&

2. Management of HIV/AIDS status:

HIV/AIDS is a social concern all across Zambia. In 2004, President Mwanawasa declared HIV/AIDS a national emergency and promised to provide antiretroviral drugs to 10,000 people by the end of the year. Having exceeded this target, he set another to provide free treatment for 100,000 by the end of 2005.¹¹ All of the responsible agents are in one way or another doing

¹¹ HIV and AIDS in Zambia: Accessed from: <http://www.avert.org/aids-zambia.htm> on June 14th 2010 [also in bibliography]

something towards combating HIV and AIDS. MDG 6 focuses to combat HIV and AIDS and so it was vital to understand how the people perceive the different agents role in ensuring that the spread of HIV and AIDS is contained.

3. Supporting recreational activities such as football, tennis and swimming

As has been stated in the literature, ZCCM used to provide recreational activities to its employees free of charge. It was a benefit that people enjoyed. Today, MCM Plc gives grants to the self managed recreational clubs. The entire history of the mining sector has included a social responsibility towards providing recreational activities.

4. Ensuring that your children have an education

Historically, educational facilities had always been provided by ZCCM. The provision of universal education is MDG 2. MCM Plc is operating two schools. Is it still perceived to be something that the mining sector should be operating, or do the people feel it is their responsibility to ensure that their children have an education?

5. Paying for garbage removal

In the ZCCM era, community municipal services in mine areas were pretty much run by ZCCM. Garbage removal service was organized and collected. People did not personally have to pay for this service. Today however, this service has been privatized and so people have to pay for it. Many people make requests to MCM Plc to collect their garbage as it is an obvious problem in Kitwe and Mufulira.

6. Paying for electricity

During the ZCCM era, for a token fee, people would have electricity in their homes. However, the electric company the Zambia Electricity Supply Corporation (ZESCO) commercialized in 2003. This allowed the state to remain the owner; however the business ethics were fully commercial. This meant that people would now have to pay the full fee for their electricity. How far do they see this as an individual responsibility?

7. Having safe drinking water and sanitation

Water is life. Secondly, the mining industry pumps a lot of water from underground as they dewater the mines. Of this water, most of it is used and recycled for the various mining processes; however, some water is treated for domestic use. Therefore, there is major infrastructure needed to ensure that residents have water and sanitation. For example, 40% of Mufulira's water comes from underground and is pumped for free by Mopani Mines and the remaining 60% comes from the Kafue River. Secondly, during the ZCCM days, water supply used to be subsidized by the government but today is not. How do the people feel about this?

8. Provision of safe shelter

ZCCM ensured that employees had homes (mine houses) and ensured that the neighborhoods and communities were taken care of.. At the time of privatization, the public houses were sold at low prices to the occupants. These mine houses received no further public maintenance like they used to before privatization. How do people then perceive this provision of safe shelter to be divided amongst the agents?

9. Ensuring that one has good social networks and friends

This question is relevant because in the ZCCM days, socials and activities were organized by the company to promote social networks. People of similar function lived in the same areas. The chances that your colleague lived close to you were very high. This was because the housing of residents was organized by employment status. After privatization, this organization ceased to exist because the houses were sold out to the occupants. After privatization, there was no longer such a thing as a mine community, because one could have bought a mine house but not be working for the mine¹². How did people meet up? Do they perceive this as their own responsibility or the responsibility of another agent?

¹² Initially all houses were sold to occupants termed then as "sitting tenants" except in very exceptional circumstances. It is after this initial purchase that people started reselling the houses to non-miners.

10. Taking good medical care of yourself

Medical care (curative and preventative) was provided free to employees of ZCCM and their dependants. After privatization, Mopani has kept two hospitals running, Wusakile in Kitwe and Malcom Watson hospital in Mufulira. Secondly, Mopani runs a total of seven clinics, 4 in Kitwe and 3 in Mufulira. Employees are subsidized and the hospital is also open to the public offering low cost and high cost services. The contrast is that these days, more people have to pay for medical services; do they feel this is right?

11. Conservation of your immediate environment

This question was asked in order to elaborate on the garbage removal question asked earlier on in the questionnaire. The reason this was done was because, based on observatory research, garbage in various ex minors communities is a huge problem. The residents in these areas have organized the people as well as made appeals to private companies including Mopani to improve this situation. During the ZCCM era, garbage removal was free and today is not even subsidized by government. Therefore it is important to find out how people perceive this.

12. Individual welfare

This question was asked in order to get a clearer picture of the general perceptions of the people. To what extent do they view their own welfare to be their own responsibility? Before privatization, many organizations were run by the government. After privatization, it was not only the mines, but also all the services that were commercialized or privatized. Finding their general view of the situation in relation to the different responsible agents was an important question to ask.

13. Provision of terminal benefits and pension

This question was asked in order to understand how people view the roles of the responsible agents in this subject. It was purely out of curiosity that the researcher wanted to know how far the people are saving for their own pension.

Data Collection

As stated, when it came to the external people research, a questionnaire was distributed. A distribution plan was made (Appendix 2). The distribution strategic plan enabled the researcher to exploit all leads in order to ensure that the sample size would be met and also see where, due to connections and the type of people, how many questionnaires would be successfully returned.

A network of distributors was quickly developed. The researcher had the core responsibility of ensuring that the questionnaires were distributed and collected. The entire data collection period lasted three weeks with the majority (400) of questionnaires distributed in just over one week and all 500 distributed within two weeks.

Multiple people were used in order to collect the questionnaires timely. The questionnaires were distributed through friends, work colleagues and acquaintances (both formal and informal), with some people taking up to twenty (20) questionnaires depending on their sphere of influence. The researcher seized every moment to find respectable people in society such as Members of Parliament (MP'S) and Resident Development Committee (RDC's) members, church pastors, public relation personal of private companies and company managers. These people were generally willing to assist in the distribution of questionnaires, and due to their work position, also provided a place for the questionnaires to be delivered and on a later appointed date, be collected by the researcher.

Depending on the situation, the questionnaire was either collected at a later date when the researcher returned to the designated location (usually within three (3) to four (4) days), or the questionnaire was filled on the spot and then returned to the researcher.

The reception received in the field was positively conducive. I am pretty sure that this is because the internship company I work from is one of the most important in Kitwe. Also through the Corporate Affairs Liaison Officer, (Co-worker) I was able to mobilize many individuals that filled in the questionnaire and also passed them on to third parties for completion. The total time allocated for data collection was three weeks. This period was extended to one month to allow for the lag time of the questionnaires distributed at a later stage.

For the company research, the interview was carried out as soon as the interviewer had enough time to make for the interview. The audible file was then translated into a word document as soon as the interview had come to an end. This ensured that it was saved in a manner that could be easily reviewed and printed.

Data Analysis

Once the questionnaires were returned, there were immediately filed in a box file. The data was then entered into an Excel spreadsheet for a quality check. Any incomplete questionnaires were removed from the database as well as the box file. Therefore, only correctly filled questionnaires have been filed and entered into the database.

The quality check for section one (1) of the questionnaires was to ensure that all the fields had been filled. In section two (2), the quality control was more serious. (See questionnaire in Appendix 1). The first quality check (section 2) was to ensure that the total of each question always added up to ten (10) (Figure 4). The second quality check ensured that the sum of the entire section equaled 130^{13} . It was very important to check that each question was equal to ten because only taking the total of the entire questionnaire left out possible errors¹⁴. In the Excel Quality check sheet, a number would be highlighted if its sum was not equal to 10. This filtered the data and ensured that only correct data was used in the analysis (Appendix 4).

In order to fully understand the data that was collected, a report titled 'Quantitative Analysis' was written. This led the way to the preliminary analysis of the data and also took various statistical tests in order to establish relationships in the data. This document served a basis of explaining all the graphs, charts tables and box plots so that the researcher was up to date with all the data before making conclusions and suggestions. This report was also sent to the two internship supervisors (Company and University).

The computer programmes used to analyze the data were Microsoft Excel 2007 and SPSS 17. The majority of the tables and graphs were made using SPSS 17 whilst the pie charts and radar charts were made using Excel 2007. The SPSS and the Excel databases which were used for analysis were identical and were both copies of the quality checked Excel database. This ensured that the

¹³ There were 13 questions in section two, of which for each, the total score had to equal 10. Therefore $13 \times 10 = 130$

¹⁴ For example if the total of one question was only equal to 8, and the next equal to twelve, the overall for two questions would still be 20.

same data was used for every graph. It was very important to use quantitative analysis for the perceptions because this method of research is of great value when studying human behavior and one can use this method of data to find patterns that can test a hypothesis.

Data Calculation

Table 2: Class Survey Areas

Area	Frequency
Chamboli	8
Chimwemwe	16
Kantanshi	23
Nkana East	54
Nkana West	23
Parklands	33
Riverside	21
Wusakile	18
Total	196
J. Sablerolles Perceptions Database	

Most of the data analysis in the research allowed for SPSS and Excel to work their formulae on their own and therefore providing sound and correct answers immediately. However, within the research, there is also some personal calculus done. This occurs twice in the research namely: in the class survey and also when calculating the relevance of each perception topic (See Appendix 3).

In the 'Findings' and 'Discussion' sections of this report, reference is made to the different classes of people i.e.: low, medium and high class individuals. A total of eight areas were included in this survey. In order to understand which areas could be classified as 'high, medium and low' class areas, the representatives of the Corporate Affairs Department (CA. Dept.) were each asked to classify the different areas by listing them in order of what they perceived to be high class to low class. The average of all the representatives is what was then used to classify the eight (8) areas as high medium and low areas. The eight areas represented just over 50% of the sample size. Table 2 (above) shows the areas used in the class survey.

The relevance was found by first using the aggregate perception values which can be seen in Pie Chart 2. Then, the average values for each age range for each specific topic for each specific responsible agent (RA) were calculated. Once this data was achieved, the different age values were then divided by the aggregate values to give a decimal value for each age group, relevant to each RA. These values were then added in order to have a total value for each RA. These values represented the relevance. To simplify the values, the total values for each RA were then converted into a percentage of the total of the four RA's. This is the relevance percentage value used in the report.

Limitations

One external challenge that was faced was the fact that the majority of the target group is not highly educated. The questionnaires had to be designed in a manner that even people with minimal education could answer. Secondly, the culture here makes people very wary of questionnaires because they suspect that there is an underlying cause other than for student research; that maybe it is to only learn personal information about them.

This limited the number of personal questions that could be added into section of one of the questionnaire and therefore also limited the depth that the analysis could find answers. Also since their education is low, the questionnaire could not be designed for the respondent to answer the questions with much explained information. Therefore, in order to ensure that the sample size would be reached, the questionnaire had to be solely quantitative.

Another limitation in relation to the entire report was of the analysis of the company under the 3P's: People, Planet and Profit. The research focused on the people and the planet as these are the main issues that the communities are concerned about. However, for a fully 3P analysis of the company, the profit should have also been researched in more detail. However due to the lack of time and the depth and magnitude of the perceptions questionnaire, it was not possible to also have a full analysis of the company's profit making policies and strategies.

Findings

The policy making research question is: What should MCM Plc do/take into consideration when updating their CSR policy taking people, planet and profit into consideration?

Concerning the quantitative data, my hypothesis was: *“From the perceptions interviews I expect to see a high responsibility set to the following three factors: Private Sector, Government and (I) NGO’s, and little responsibility being given to the individual. This is because of the general problem hypothesis which states that society seems to be comfortable with being spoon fed and expect corporations to cater for many of their individual responsibilities (given their historic background and paternalistic care of ZCCM). I will also be able to pin point the various aspects they truly perceive as the private sectors responsibility.”*

Brief Description of Research

Corporate Social Responsibility is centered on the 3P’s, People, Planet and Profit. Mopani sells copper and cobalt to the international market. This is a cyclical market in which Mopani has no control over price. Mopani is committed to making a profit for the benefit of its stakeholders, including its shareholders, employees and for the people of Zambia, by increasing production and reducing the cents-per-pound cost of copper and cobalt through the consistent use of internationally acceptable management and mining practices¹⁵. Therefore keeping the operational costs down is how MCM maximizes its profits. Because of this fact, from this point on the focus of MCM’s CSR will be on the other two of the 3P’s, namely People and Planet/Environment because the profits can only be realized on how efficient MCM Plc can be¹⁶.

The ‘P’ for ‘People’ from the 3P’s can be split up into internal and external. Internal people are the employees of Mopani, whilst external people are stakeholders and residents of Kitwe and Mufulira. Internal People were researched by interview with the Manpower Superintendent, Mr. Tubanje Silungwe. External People were researched by a quantitative research which consisted of a total of 387 correctly completed questionnaires that were entered into an Excel and SPSS database for analysis. Planet/Environment was researched by an interview with the group Head of Environment Mr. Alexie Mpishi. Therefore the findings have been divided into two groups, namely: People and Planet. Together, they form the entire findings of the research.

¹⁵ Mopani Corporate Brochure

¹⁶ MCM Plc sells its copper at the London Metal Exchange Prices to its Mother company, First Quantum Minerals

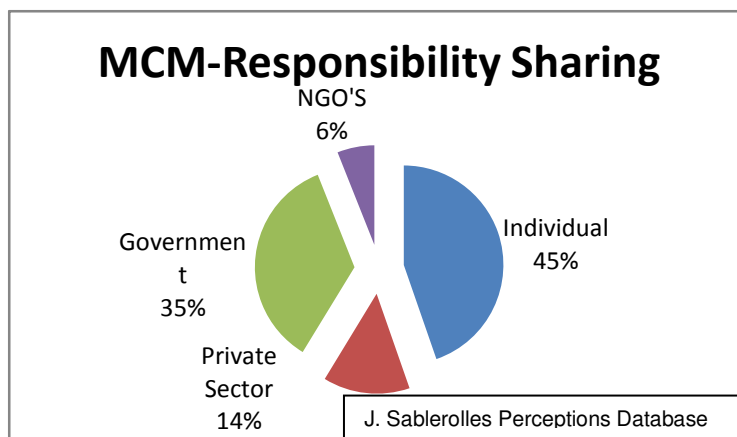
People

Internal

The minimum wage for the most basic of jobs set by the government of Zambia is K268.000, 00 per month. This is the basic pay and is therefore the amount of money that would go into ones pocket after tax. K268.000 translates into about \$54.00 only. The most basic paid employed individual at MCM receives a salary of K2.000.000, 00. This translates into approximately \$397.00.

The company has also acknowledged that its retired workforce have an indirect effect on the company. In the interview with Mr. Silungwe, he addressed this realization as being in the 'wisdom age' which comes after the 'information age.' There is a pension scheme in place that is set above the government requirements, which is according to Lungu and Mulenga's definition of CSR, which states that organizations should strive above pre set standards. The terminal benefits for a normal retirement are two months' pay for every year worked at MCM. When it comes to the pensions, a total 16% of an employee's salary goes towards his/her pension every month. Of this 16%, 11% is paid by MCM and 5% is deducted from the individual's salary. Therefore at retirement, the individual is entitled to terminal benefits plus pension.

Chart 1: MCM Employee Aggregate Perception



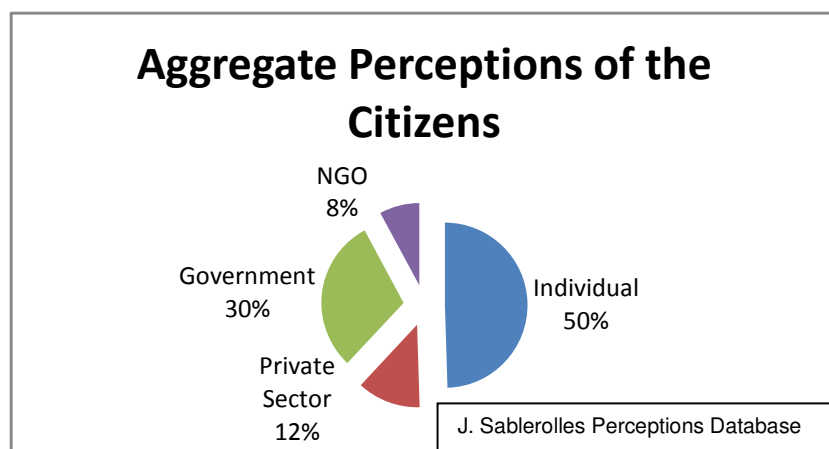
Training is also an important part of MCM's internal people care. They strive for high efficiency and productivity. The company spends at least \$300,000.00 USD per annum on training. When the Manpower Superintendent was asked to scale Mopani's employment care standards between 1-10, where 10 is equal to outstanding, he gave MCM an 8.

Looking internally at MCM Plc, (Chart 1) it is noted that the employees perceive themselves to have less responsibility towards social developmental issues mentioned in the questionnaire when compared to the entire target group (Chart 2). Employees of MCM Plc perceive the private sector and the government to play a slightly higher role in handling society's issues when compared to the entire target group. However, they also still perceive the individual to have the most responsibility

and secondly, the differences between the two are minimal so when error is taken into account (5%) then the values are pretty much still telling the same story.

External

Chart 2: Aggregate Perception of the Citizens



Pie chart 2 (Left) shows the aggregate perceptions of the people from both Kitwe and Mufulira. As can be seen in the pie chart, the individual perceives him/herself to have on average 50% of the responsibility in insuring that any activity takes place. The individual then perceives the government to

have 30%. The private sector is only expected on average to have 12% and (I)NGO's are perceived to have 8% of the responsibility. This value (as can be seen in Graph 1, following page) is however not constant as sometimes people assign more responsibility to other responsible agents other than the individual.

There have been multiple times when the people's perceptions towards the individual agent dropped below the mean of 50%. This has occurred at multiple subjects in the questionnaire, with reference to the provision of recreational activities, payment for garbage removal, provision of safe water and sanitation, conservation of the immediate environment and on the provision of terminal benefits and pensions (Graph 1, below).

The Government has also a few times been assigned more than the 30% responsibility a few times i.e. at the provision of recreational activities, payment for garbage removal, provision of safe water, conservation of the immediate environment and lastly provision of terminal benefits and pensions. The private sector has been more constant with only a few peaks above the norm on the aspect of providing recreational activities, provision of safe water and sanitation and lastly provision of terminal benefits and pensions. The (I)NGO agent remains relatively stable with the only real peak above average occurring at 'HIV and AIDS prevention', and 'assistance in the management of one's HIV Status'.

Graph 1: Population's Perception of the Responsible Agents over all Topics

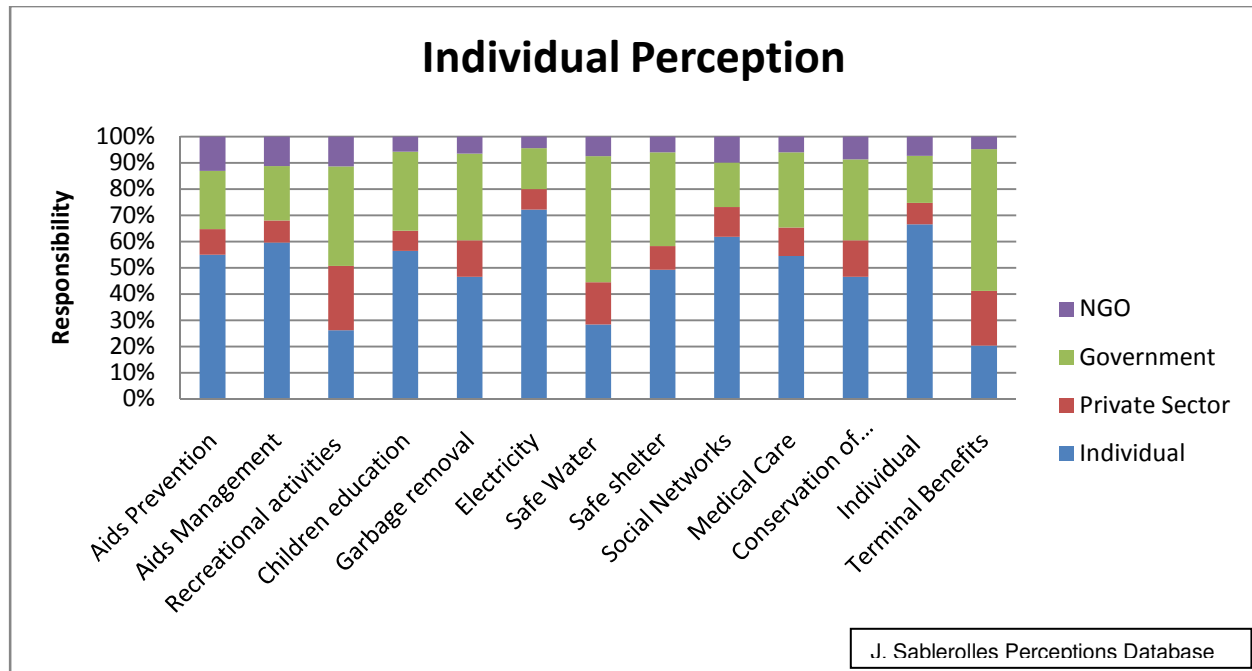


Table 3: Averaged Difference Ratio of Gender to the Responsible Agents

	Individual	Private Sector	Government	(I) NGO's
Male	1.00	1.00	1.00	1.00
Female	1.12	0.87	0.89	0.94
J. Sablerolles Perceptions Database				

Table 3 represents the averaged difference ratio between males and

females. The average was necessary because there were more males than females that answered the questionnaire. The male value in the ratio remains constant, whilst the female figure is the variable. The female ratio is higher than the male ratio for only the individual agent. From the table it can be seen that females perceive themselves to have more responsibility over social issues than men. Men however, compared to females perceive the other RA's to play a larger role in their lives than females perceive. The smallest difference between the genders is for the (I) NGO agent with a difference of only 0.06. The largest difference between the genders is at the private sector agent with a difference of 0.23.

Table 4 shows the relative total scores that were assigned to each responsible agent amongst the various age ranges. As can be seen below, individual, government and (I) NGO perception is not directly influenced by age because there seems to be no direct pattern noticeable between the age and the scores achieved in these various RA's. Interesting is that the oldest age range (51+) seems to be the second most independent and perceive the individual agent to have the second

Table 4: Relative Averaged Scores assigned per age group to each RA

Relative(Averages)				
	Responsible Agents			
Ages	Individual	Private Sector	Government	(I) NGO's
12-17	62.71	11.47	38.47	9.71
18-20	67.62	13.21	38.51	10.67
21-30	64.91	16.21	39.02	10.85
31-40	64.32	17.16	38.52	10.00
41-50	59.22	17.07	43.06	10.65
51+	67.47	17.42	37.35	7.76
J. Sablerolles Perceptions Database				

most responsibility in comparison to the other age groups.

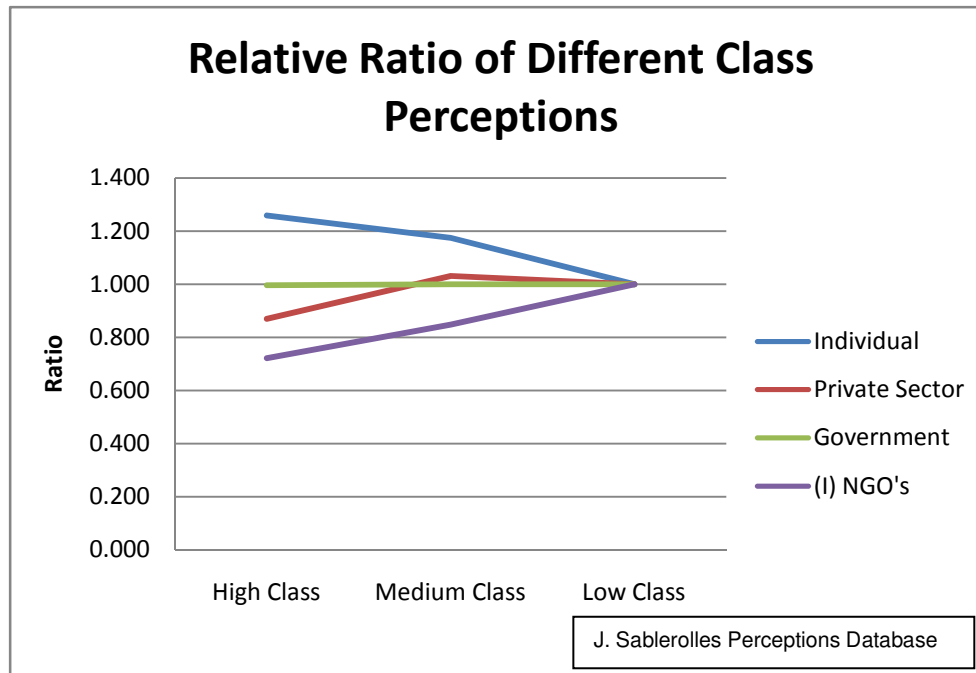
The 18-20 age range perceives the individual to have the most responsibility. The 51+ age range has the lowest responsibility for (I)NGO's and Government

compared to other age groups. The age group that perceives the government to be the most responsible agent, in comparison to other age groups, is the 41-50 age range. In comparison to the other age groups, the 51+ age group perceives the private sector agent to have the most responsibility. In comparison to the other age groups, the 21-30 age range has the highest score on the (I) NGO's segment.

This shows that the older the person, the more he/she perceives the private sector to have more responsibility in the social subjects. What is important to remember is that the data in table 4 above is showing a moment in time and not the changes over time. This means that the perceptions of the younger generations are not expected to increase over time, instead when they get older, they will retain the lower responsibility perception meaning that in, for example 10 years, the average score given to the private sector would be lower. This is evidence that shows that the post privatization generations perceive the private sector to have less responsibility in addressing social issues.

There is a relationship between the various societal classes worth noting. Using the low class areas as the baseline (starting point), a ratio could be derived to help compare the three classes. As can be seen from Graph 2 (below), people living in a high class area gave the individual agent more responsibility than the medium class and the low class area respectively(blue line). Inversely,

Graph 2: Relative Ratio of Different Class Perceptions



people living in a low class area gave the (I) NGO agent the most responsibility, followed by the medium class and then the high class (purple line).

Important to note, just because the lines meet at the low class, it does not mean that the low

class perceives each segment as equally important. This is merely because the starting points of the values here are based on ratios, and the low class is the base line. Graph 3 (below, following page) shows how each different class perceives the responsible agent's responsibility.

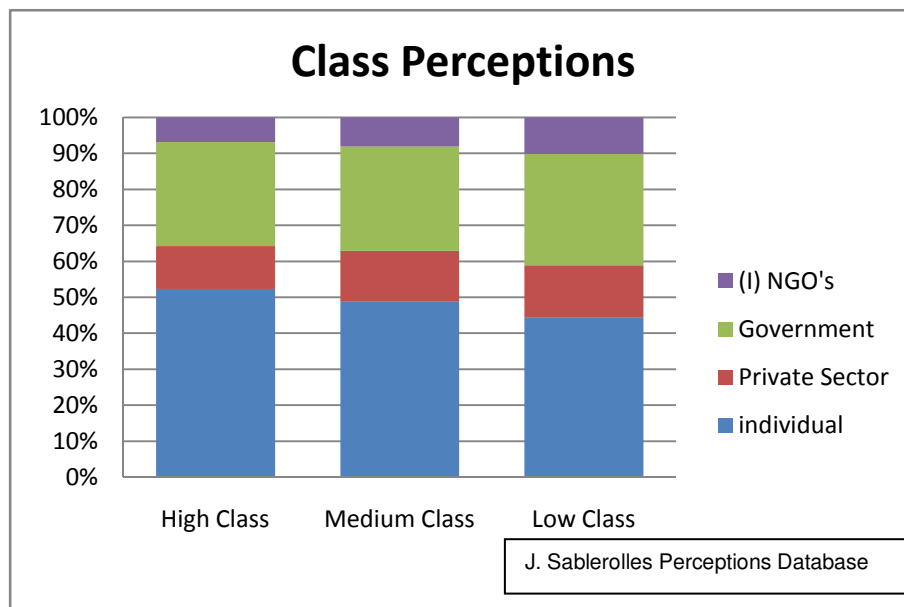
(Focusing now back on graph 2) In relation to the private sector, the medium class scored the highest, followed closely by the low class segment whilst the high class was considerably lower than the other two classes. Interestingly, all the classes¹⁷ appear to perceive the government to have the same amount of responsibility because the green line, representing the government, remains constant across the classes.

Looking now towards the purple line representing the (I) NGO agent, it is the low class individuals that perceive this agent to have the most responsibility, followed by the medium class and then the high class individuals. The (I)NGO line is almost a perfect reflection (inverse proportion) of the individual agent line (blue) with the government (green) line being the mirror. This is very interesting because this shows, in relation to the different class types, how the people in the target area perceive the responsible agents to have certain responsibilities towards the people.

¹⁷ High, Medium and Low Class

Individuals that are well off, (High class) do not perceive the (I)NGO's to be significant in their lives in comparison to the other classes of individuals. The low class individuals however see the (I)NGO's as very important most probably because they realize that their individual agency is limited. Even though these two extreme ends of the classes have very different individual agency, that does not influence how they perceive the government. The private sector is not perceived as an agent that is highly responsible for the social developments of society. It is the Individual and the (I) NGO's that are seen as the active agents to bring social development. This is reflected in the 'mirror' graph above (Graph 2). People with less social agency look towards (I) NGO's to improve their welfare and not the private sector.

Graph 3: Class Perceptions



High class individuals look less towards the private sector than the medium and low class individuals. The medium and low class groups perceive the private sector to have similar responsibility. Interestingly, between high class and medium class, the perception of the private sector as a significant responsible

agent increases at the same rate as (I)NGO's. However between medium class and low class, the private sector perception actually remains more or less constant and slightly reduces. This suggests that it is the middle class people that perceive the private sector to have a strong social commitment in relation to the high and low class. Graph three (above) shows the different classes and the perceptions of the respective people.

As can be observed in graph 3, even though the individual responsibility reduces from high to low class (as also observed in graph 2), it remains the dominant responsible agent. In all the classes, it is the government that is the second largest agent with almost no change in size. The private sector agent is the smallest in relation to the other classes in the high class segment and is pretty

much the same size in the medium and low class. Lastly, it is the (I)NGO agent that has obvious changes, increasing from high to low class. It is the difference in these changes in relation to the different class segments that is shown in graph 2 on the previous page.

Under the assumption that the aggregate values of perceptions from table two are the baseline perceptions that the people have of the responsible agents, a relevance study of each responsible agent could be carried out by calculating the differences between the perception of the responsible agents of each specific question in the questionnaire, and the aggregate values.

This was achieved by calculating the aggregate perception of each RA by the different age groups and then dividing this value into the norm perceptions. This gave ratio values, which were then added to give a total score to each responsible agent. (The higher the ratio, the higher the score of the RA concerning a particular social subject and also, the lower the ratio, the lower the total score of that particular RA) The relevance for each RA was calculated as a percentage of the total scores each RA acquired against the sum of scores for all the responsible agents (see appendix 4).¹⁸

What these findings show is which agent in relative terms to the aggregate values, was perceived to be the most important to tackling a specific social problem. This is important to know because as discovered earlier, the people perceive the individual to almost always carry the most responsibility however individuals are not always in the power of tackling major social issues by themselves. Hence the need for the assumption of the baseline perception which states that the individual, private sector, government and (I)NGO's carry 50, 12, 30 and 8 percent respectively. This also directly assists in learning what projects or social issues should be targeted by the responsible agents because it shows which agent is perceived to carry that responsibility. The percentage scores, (as seen in appendix 3) are translated into a scale of 1-4 (Table 5). The more an agent exceeded the baseline perception, the more relevant it is and therefore the higher score it receives (4). Therefore in places where the agent has been assigned with a score of 1, it is the least relevant to tackling that problem, if it has a value of 4 then it is the most relevant agent.

¹⁸ On DVD/ attached document via email due to complexity

Table 5: Summary of Relevance of the Responsible Agents

Most Relevant RA to Tackle mentioned social problems

Topic	Individual	Private Sector	Government	(I) NGO's
HIV Prevention	3	2	1	4
Aids Management	3	2	2	4
Recreational Activities	1	4	3	2
Children Education	4	1	3	2
Garbage Removal	3	4	4	2
Electricity	4	3	1	2
Safe Water	1	3	4	2
Safe Shelter	3	2	4	2
Social Networks	4	2	1	3
Medical Care	4	2	3	1
Conservation of Environment	1	4	3	4
Individual Welfare	4	2	1	3
Terminal Benefits	1	3	4	2
Total	36	34	34	33

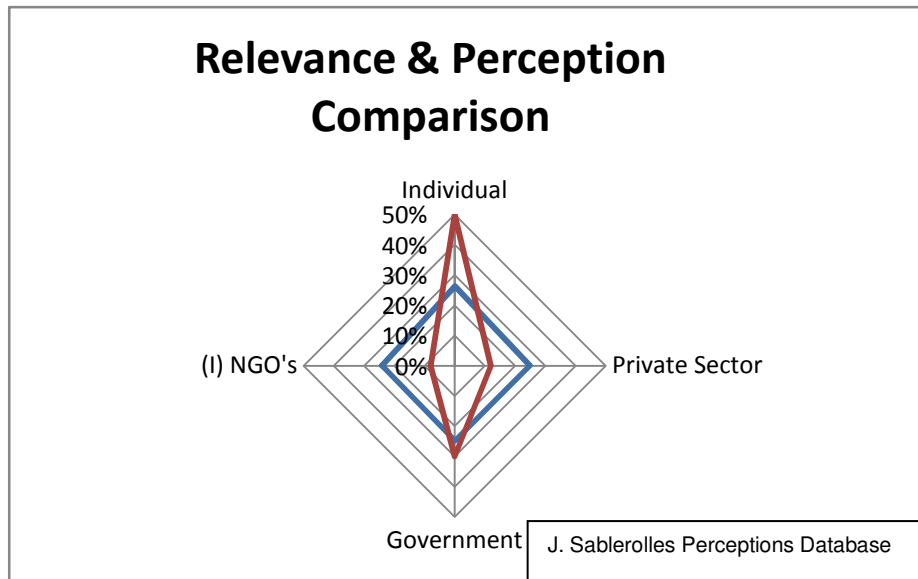
J. Sablerolles Perceptions Database

Table 5 (above) shows that the RA's with the highest value is the most relevant in a particular topic. The most relevant subjects per RA are also highlighted in red. Comparison of the relevance and the perception can be seen in appendix 3. In some cases, it is not one, but two RA's that are the most relevant. This occurs when they have the same percentage value (appendix 3).

From the findings of the research, the three most significant social issues that the private sector could target as part of their external CSR are: recreational activities, garbage removal and conservation of the environment. Social topics which are also of interest to possible CSR programs of the private sector are those with a relevance score of 3 which are: paying for electricity, assisting in provision of safe water, and ensuring that pensions and terminal benefits are provided by the company.

The individual agent had the highest responsibility given to it 10 out of the 13 times a social question was asked (Perceptions data). Of the 13 questions, the individual responsible agent was five times the most relevant agent and three times the second most relevant. No other agent was the most relevant more times than the individual agent.

Chart 3 : Perception & Relevance Comparison



As can be seen from the radar chart (below), when all the social subjects are included, all the responsible agents, in terms of relevance are almost all equal. This shows that each RA is actually just as important as the other. What is important to learn from this is that even though

each RA is pretty much as important as the other (in terms of relevance), it does not mean that their perceived responsibilities towards specific social concerns are equally divided. This is vividly shown by the differences between the perceptions (red line) and the relevance (blue line). The differences are also explained in detail in Appendix 3. Each RA has its own advantages which, depending on the social issue will influence the people's perception of the RA's responsibility. The individual is the most relevant with 26% followed by the private sector and the government with both 25% and lastly, is the (I) NGO's agent with 24%.

There is a distinct difference between the generation that was born at or after 1990, (age range 12-20¹⁹), averaging 12.34 on the total score, or was very young at the time of privatization (age range 21-30²⁰), averaging 16.21 on the total score and the generation that was born before the conception of ZCCM (1982) and can remember the ZCCM CSR methods (age range 31+²¹) averaging 17.22 on the total score. It is the oldest age range, 51+ that today, has the highest averaged perception of the private sector compared to the other age groups.

Graph 4 (following page) shows this relationship more clearly. There are three bars to every subject asked in the questionnaire. The blue bar, the Post Privatization²² is the group of individuals that were born after or directly at the time of privatization and therefore have no direct experience

¹⁹ This age group was born between 1990 and 1998. Remember in 1999 over 8000 employees were retrenched.

²⁰ This age group was born between 1980 and 1989. Remember ZCCM was formed in 1982

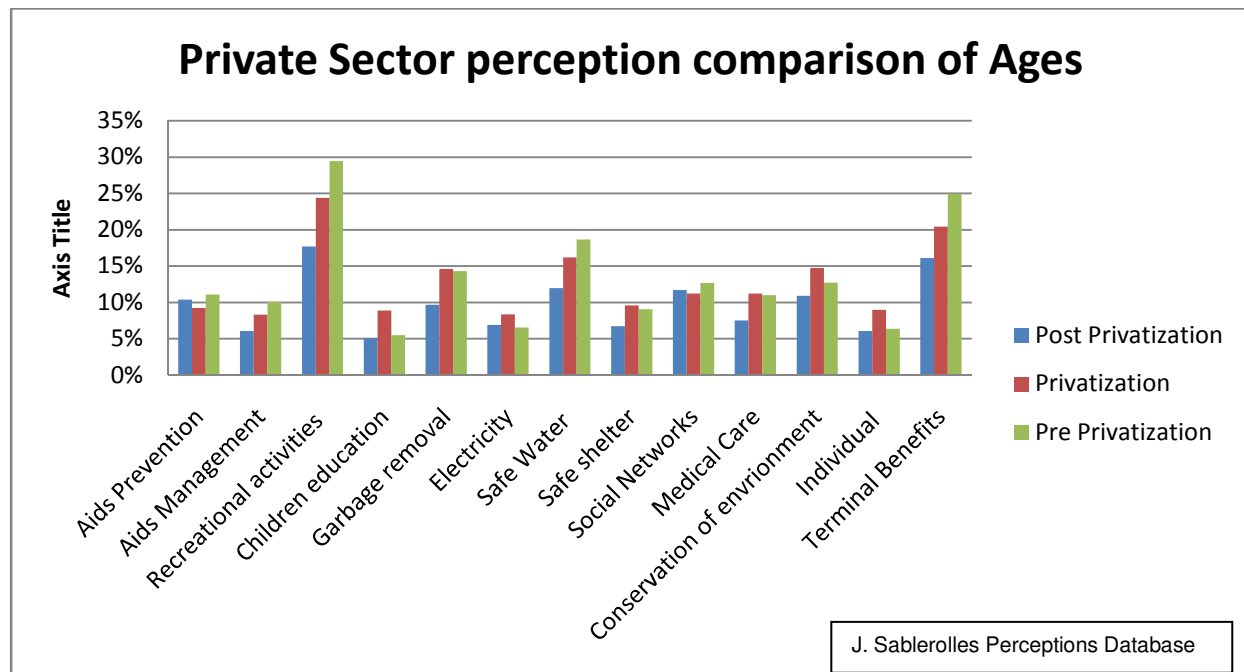
²¹ This age group was born at least from 1960-1988.

²² Age range: 12-20

with it. The red bar²³ represents the individuals that were very young at the time of privatization and the green bar²⁴ represents the individuals that lived when the mines were still privatised.

Observe, the green bar (people with direct experience of ZCCM's CSR style) today in general perceive the private sector to have the most responsibility when compared to the other age segments. This data supports the hypothesis, but only to an extent because as can be observed, the population's perception towards the private sector is changing. The citizens understand more today than ever before that it is not the private sectors responsibility to look after them in the way that ZCCM did in the pre-privatization era.

Graph 4: Private Sector Perception Comparison of the different Era's



The age report (Appendix 4) shows that age does not directly change ones perception. Relating to the questionnaire questions the box plots median remains most of the time constant over the different ages. Fields (1987) [also in bibliography] carried out a similar research of perceptions and his findings showed that it is not age, but education levels that changes ones perception. Therefore the perception that the younger generation have (blue bar) will most probably remain constant as they get older but not more educated. If they do become more educated, it is assumed that then

²³ Age range: 21-30

²⁴ Age Range: 31+

they would perceive the individual agent to be the most influential in their lives as they would have more opportunity (Graph 2). There is therefore a growing trend of less dependency on the private sector. This trend was also made visible in graph 2 where the relevance of class of the people did not significantly mean that the private sector was seen as a way to improve social conditions, instead low class people viewed the (I)NGO's as more responsible agents.

Planet/Environment

The information in this segment comes from an interview with Mr. Mpishi and Mr. Chilongo, Head of Environment and Environmental Coordinator for Management Systems respectively as well as secondary data.

In Zambia, environmental standards are set up by the Environmental Council of Zambia (ECZ). The ECZ was established by the Environmental Protection and Pollution Act (EPPCA) of 1990²⁵. When a company is faced with issues that have not yet received a national standard, then standards from the World Bank (WB) and World Health Organization (WHO) are used, and are compulsory to be used if funding from these organizations is to be procured.

The EPPCA makes the polluter responsible for meeting their standards. Thus under the EPPCA, all effluents and emissions from mining operations are regulated through a system of permits, licenses and fines (Operating Environmental Permits or OEP). Dumps, including overburden dumps and tailings dams, are similarly regulated. All of the above are then regulated by the ECZ. This method is known as the Polluter Pays Principle (PPP)²⁶. The ECZ is very active because the OEP's are reviewed every year. These permits carry the conditions that the company must adhere to, to exercise the permit. Regulators may visit at any time they please without notice and they visit at least once a year.

The permits and licenses that MCM Plc has acquired are reviewed twice a year in the form of a report sent to ECZ. Upon review of these consolidated reports, the ECZ may vary the cost of the permit. High impact situations will mean that the permit is more expensive than low impact situations. This is an incentive for the company to mitigate their effects as much as possible so that

²⁵ <http://www.necz.org.zm/cep/rationale.html>

²⁶ The term 3P's has a different connotation. Apart from being People Planet Profit, it is also the abbreviation for the Polluter Pays Principle (PPP).

to have a lower operating permit. The ECZ also reserve the right to the length of time that the permit is valid and also reserve the right to not issue a permit or deny a request for a permit. A permit can be valid for six (6), twelve (12), eighteen (18) or thirty-six (36) months. At present, all of MCM Plc's permits are valid for 12 months.

The Environmental Impact Assessment Regulations (EIAR) requires that an Environmental Impact Assessment (EIA) be prepared for all investments that have a major impact on the environment. The identification and implementation of adequate environmental mitigation measures is also regulated by the EIAR. The EIA is a critical document and for it to be properly completed will need to show that the public has been alerted and has had an active role in the form of meetings and discussions so that the company can hear the public's concerns and take them into their environmental planning.

The current annual budget averages between USD 700.000, 00 and USD 800.000, 00. This budget covers costs such as the monitoring of environmental impacts, paying for and acquiring permits, paying for external auditors and surveying. In the future, as MCM Plc aims for ISO 14000 which is the Environmental Management Standard, the annual budget is expected to rise by approximately USD 400.000, 00 to USD 1.200.000, 00 per annum until the ISO standard is obtained.

The largest environmental problem being faced by MCM Plc is the emissions of Sulphur dioxide (SO₂) into the atmosphere. To avert this, MCM Plc has built two acid plants so far, one at either mine site. There are designs and plans in place to have another acid plant built at Mufulira to address the SO₂ problem.

On a scale of 1-10 where 10 is when all the ECZ permits are as low as possible, the Head of Environment rated the company between six (6) and seven (7). However once the SO₂ in Kitwe and Mufulira is sorted out, he thinks that they will be as high as 9. Lastly, once MCM Plc acquires ISO 14000, he is confident that MCM Plc will be outstanding and credible for a 10. Once this occurs, he also expects the budget to reduce to USD 800.000, 00 because of the lower cost of the permits. This is how the 3p's can work in real business. Because MCM takes greater care for the environment, it is able to operate at a lower cost since the price of the ECZ permits is reduced. However, this does need some extra investment to achieve, but should pay back in the long term.

CA Dept Activities

The findings in this section of the report are based on personal observations and on things that I have been working on within the organization.

The CA Dept. is the face of the Mopani when it comes to news and current affairs. The CA Manager is the only authority within the organization that can disclose information concerning social issues to the press and news networks. The Corporate Social Responsibilities that this department handles are many. Below follows a summary of the department's activities.

Firstly, there is a complaints register which is reviewed every month during the departmental meeting. There are a total of 18 registers in 15 locations spread across Mufulira and Kitwe. The purpose of this register afford members of the public an opportunity to present problems they face in society so that the company can address and/or mitigate them if they are from the mines.

Secondly, the CA Dept. handles one-off-donations to society. Individuals and organizations within society may request funding in the form of money or materials to assist them with a project of their choice. The CA Dept, with the approval of the C.E.O. will then requisition a cheque for the organization. MCM Plc also offers grants to recreational organizations in Kitwe and Mufulira. The recreational activities supported are football clubs, rugby, golf and tennis. These clubs receive a fixed grant amount paid monthly, throughout the year. The CA Dept has a total monthly budget of at least USD25.000, 00 for the one off donations and grants.

Thirdly, MCM Plc is in possession of infrastructure in the medical field and runs two hospitals namely Wusakile Mine Hospital (Kitwe, ISO 9000: 2001 certified) and Malcolm Watson Hospital (Mufulira). The hospitals are open to miners as well as the general public and MCM employees enjoy cheaper medical care. MCM Plc has a strong HIV/AIDS policy. HIV/AIDS is a prevailing problem in Zambia. According to Avert, an international Aids charity, 1 in 7 people are living with HIV in Zambia. In some areas the prevalence of HIV is 25%²⁷. MCM has partnered with the GRZ, an NGO called CHAMP and the CRS in order to have enhanced workplace and community programme activities to fight HIV/AIDS.

²⁷ Avert. <http://www.avert.org/aids-zambia.htm> Accessed on April 8th 2010.

MCM Plc also has a devotion to education. The company owns and runs a primary and secondary school in Kitwe and Mufulira respectively that are open to the public as well. Not only does the CA Dept. handle the academic side of education, but also offers visitors the opportunity to visit the mine surroundings including the underground mines.

Visitation with prior management approval is possible to anyone with an interest to see how exactly mining occurs. This is at no cost to the visitor. The CA Dept. also ensures that all its visitors have the correct and appropriate personal protective clothing²⁸ (PPE).

In addition, MCM Plc has also set up a farm called Makumbi farm for retired miners. This farm produces products such as bananas, eggs; milk, sour milk, groundnuts, sweet potatoes and also pastoral farming produce such as chicken, pork and beef. There are plans underway to open a fish farm within Makumbi.

The CA Dept has close contact with the members of the various RDCs and the Ward Councillors. This ensures clear communication between the company and members of society concerning all necessary issues of common interest.

Lastly, there are also informal seasonal farmers and seasonal settlements that are within the mining license area. MCM Plc controls the amount of farming in this area and does not allow for any building of any infrastructure within the mine area for the safety of the farmers and people in the area.

²⁸ Examples of PPE are: Helmets, goggles, dust coats, boots, industrial shoes, gas masks etc.

Discussion

To start the discussion we will look at a summary of the findings and the literature research. This will then lead into a discussion.

The people of Kitwe and Mufulira perceive themselves as individuals to have the most responsibility in their social environment. The four responsible agents in the economy according to the questionnaire are: Individual, Government, Private-Sector and (I) NGO's. Of these responsible agents, the people perceive each agent to have 50%, 30%, 12% and 8% respectively of the social responsibilities asked in the perceptions questionnaire.

The two agents that are perceived to be the biggest players in terms of social development are firstly the individual and secondly the (I)NGO's. These seem to be highly influenced by the incomes of the people as richer people will live in a higher class area than poorer people. Lastly, even though the aggregate perceptions place 50% of the responsibility on the individual, in terms of significance, each agent is just as important as the other, and therefore, if one was to cease to exist, there would be serious socio-economic problems.

MCM Plc has a comprehensive internal and external CSR strategy. Annually, at least USD300.000, 00 is spent on grants to recreational activities as well as one off donations to any organization/individual that has a clear goal to what they want to achieve. A similar amount is also spent on training. The company also owns and runs two hospitals and two schools in both areas of operation respectively. The company also operates a farm for its ex workers and has an active PPP project approach to fighting HIV/AIDS. Internally, MCM ensures that all its employees have the correct protective clothing and the correct training for the job as human safety is very important. MCM also spends on the environmental front, the company follows all the regulations set by the ECZ and is striving for ISO 14000 which is the environment management standard.

Kangwa's report stated that, 'only few people are benefiting from privatization of ZCCM and that the benefits have not filtered down to ordinary Zambians.' Secondly, he also states that ZCCM was considered as a "Big Brother" who provided for most social requirements that with privatization of the assets, social services which were extended to local communities have been substantially cut back.' (Kangwa, 2001, p. 18)

Lungu and Mulenga's report, (2005, p. 37), states that ZCCM operated a 'cradle to grave' corporate social responsibility welfare policy. They also state that their approach was paternalistic in providing communities with medical services, schools and other social amenities.

Concerning medical institutions, ZCCM managed mine hospitals in six of the eight Copperbelt towns including Mufulira and Kitwe (Lungu & Mulenga, 2005). These medical services were focused on preventative and curative services and were provided to ZCCM employees, their dependants, its subsidiaries and the paying public. ZCCM also provided social welfare programs in the form of Youth Development Schemes (YDS), Women's Clubs (WC) and even social casework. The YDC's helped youths develop skills they could later use for form a career such as carpentry, motor mechanics and welding whilst the WC's focused on home crafts. The social casework agencies had the responsibility of investigating the social conditions in the mine townships.

Lungu & Mulenga, (2005) also say that ZCCM also managed social recreation clubs such as golf, football, cricket, rugby, bowling, squash, angling and boating and sponsored major football teams. Lastly, ZCCM also provided electricity, water and housing for a token contribution. The company managed the township environment by maintaining roads and collecting garbage. They also provided mealie-meal and offered families their second bag on credit.

Main Discussion

What should MCM Plc do/take into consideration when updating their CSR policy taking people, planet and profit into consideration? In order to answer this question and provide recommendations, the perceptions the people have towards the RA's had to be analyzed as well as how the corporations interacts with the people and the planet in its quest to make a profit. This is what led to the title of Corporate Social Who's Responsibility. Do the people of Zambia think that it is the governments or the private sectors responsibility to look after them as a 'Big Brother?' If so, is this actually the private sectors or governments responsibility?

The individuals perceive themselves as agents of change because they perceive the individual agent, on average to have 50% of the responsibility of social issues. When it comes to paying for electricity, the individual agent perception was as high as 70% with many people saying that it was 100% of the individual's responsibility. However the individual agent responsibility was not always the highest. This occurred in only three topics, namely: recreational activities, provision of safe water and provision of terminal benefits.

The people perceive the individual to have the ability to bring about change and perceive the individual agent to be the most responsible. However, low class individuals look towards (I) NGO's to increase their welfare whilst, high class individuals look towards themselves for a better social standard of living. The private sector is not viewed as a significant agent for social development such as the individual or the private sector, however it is still perceived to have a positive social effect in an economy (Graph 2).

The perception of the private sector is changing over time. The trend noticed from this research is that the people are seeing the private sector as an agent that has different objectives than that of ZCCM. The people understand that even though it is the same business, it does not mean that they will receive the same social benefits because the objectives of the company are different. In relation to MCM Plc, as time goes on, the people understand the change and do not expect MCM Plc to provide for the people in a similar way. Even though the older generations still view the private sector as more of a responsible social agent than the younger ones, the upcoming generations, especially the younger ones, which make up the majority of the population understand the importance and the usefulness of (I)NGO's and themselves as individuals.

In addition, Kangwa (2001) stated that social services which were extended to local communities have been substantially cut back and Lungu & Mulenga (2005) said that ZCCM also managed social recreation clubs such as golf, football, cricket, rugby, bowling, squash, angling and boating and sponsored major football teams.

The private sector does not manage the social recreation clubs; however MCM Plc does offer some of the recreational clubs grants in the form of cash. These grants are negotiated at the beginning of the year and are thereafter paid monthly to the respective clubs. These clubs are therefore still in operation. The perception of recreational activities from the target population shows that it is the government that is the most responsible agent, followed by the private sector. However in terms of relevance it is the private sector that is perceived to have the most responsibility followed by (I) NGO's. MCM Plc is therefore being socially responsible by giving the grants to the recreational clubs. It may not be supporting as many organizations at ZCCM did, but then again MCM is much smaller than ZCCM and also does not aim at being a social developer as its mission.

Table 6: Breakdown of Answers for Paying for Electricity

		Frequency	Valid Percent	Cumulative Percent
Valid	0	4	1.0	1.0
	1	16	4.1	5.2
	2	24	6.2	11.4
	3	22	5.7	17.1
	4	21	5.4	22.5
	5	43	11.1	33.6
	6	22	5.7	39.3
	7	17	4.4	43.7
	8	26	6.7	50.4
	9	13	3.4	53.7
	10	179	46.3	100.0
	Total	387	100.0	
J. Sablerolles Perceptions Database				

A lot has changed in the years after privatization as people are becoming more independent. One good example of this is the history of paying for electricity. (Lungu & Mulenga, 2005) said that electricity was provided by ZCCM for a 'token' fee. Today, people are required to pay for 100% of their electricity usage. Are the people complaining? No, they perceive that the individual, as can be seen from the table (left), 46.3% perceive the individual to pay for 100% of the costs and over 50% of the people placed their individual score at 8 or above.

Environmental/Planet Scale

When it comes to the environment, it is not MCM Plc that is setting the standards for good environmental behaviour. It is the EPPCA. This Act is what gives the ECZ the power to exercise the authority over all business that has potential to cause damage to the environment. One of the early definitions of CSR in this report defined CSR as voluntary and that it should be beyond what has been prescribed by law or union contract (Pg.19). However, does something have to be voluntary for the company to be socially responsible? Does a certain activity have to be above the prescribed standards for it to be socially responsible? I don't think so because at the bottom line, if a company follows the standards set, it is being responsible. Therefore companies do not have to do more than the prescribed requirements, because if the government has already got high standards, then they do not have to be surpassed since the objective of the company is to make a profit.

MCM Plc in its mission statement clearly states that it creates wealth in a socially responsible manner, and the fact that it is aspiring to have ISO 14000 is clear evidence of that statement. Secondly, that MCM Plc is aiming for a zero SO₂ emission in the coming future is a sign that it is committed to reducing its waste and also thinking strategically in terms of profit as it can produce

sulphuric acid at a much cheaper cost than buying it from an external supplier. This is once more the balance of the 3P's in action.

How do the findings fit into a broader context?

Theoretical implications for these findings are that firstly, they relate positively to globalization because the world trend is moving towards making the individual have the power to do many things with minimal effort. Technological advances in electronic mass produced hi-tech gadgets such as the new I-phone 4, I-pad and the blackberry are changing the way people work and operate. Such devices that utilize the advantages of the internet and mobility at a whole new level are flooding the market. Developing countries are no different; the rise of the mobile phone industry and wireless internet is not only bringing telecommunication, but also widespread access to cheap internet access via mobile phones. The individual's perception therefore, to how much power they actually have and how much they can depend on themselves to create change is growing, and this is seen in the findings provided.²⁹

Secondly these findings also have practical implication. The rise of the free market economy and democracy is also placing more responsibility on the individual. People are learning of their rights and are becoming more aware that they as individuals have power to act. This also has the disadvantage that people whom stay static will lose out, but even this is no secret to the individual and is therefore most probably an incentive to have as much individual agency as possible. The trend is that people have to take care of themselves.

Thirdly, these findings also help shape the way that Corporate Social Responsibility can be defined in this setting because just like any business product, the company first needs to understand the needs and wants of the target market that it wishes to serve. These findings state that the people do not see the private sector as a development agency or organization. They do not look to the private sector to directly solve their problems. They do see it as a significant player in the economy that should positively contribute to society but not as an agent that they depend on for social necessities.

Globally, to companies (such as Glencore International and First Quantum Minerals) that operate at a global scale, the trend of locally based CSR is adding pressure on them to have distinct CSR policies in place. For example, if Glencore International required a loan from a bank, that bank

²⁹ Knowledge is Power- Sir Frances Bacon [also in bibliography]

may want to know the CSR policies that Glencore International has in place because the people that save with that bank may be concerned and ask for information about the investment portfolio of their bank as they want *their* money to be invested in socially responsible ways. The risk for the bank is that if they are investing money in irresponsible companies, then the people may decide to save their money at a different bank. This pushes the bank to make minimum criteria, concerning social responsibility, on agreements on loans. This in turn puts pressure on the (inter)national company, which then has to prove its social responsibilities in order to get a loan.

Also when it comes to the international development aid community, they could use these findings to channel development aid. For example a news article online (GhanianNewslink.com,) in mid June, about \$300million USD of aid to combat HIV AIDS, tuberculosis and malaria (MDG 6), was suspended from the Zambian government due to concerns of alleged corruption. The news article also pointed out that the Zambian government was accused of being slow to act, providing evidence of inefficiency. Maybe, the international aid community should look at what the people who need the aid want, they see the (I)NGO's as the most relevant agent to combat HIV and Aids (Table 5).

Locally, these findings are also helpful to government and national decision making. Understanding your people's perceptions is paramount to knowing what they will easily accept and what needs to be done. Understanding the population's perceptions can be of useful assistance to policy making for government and other institution that utilizes people.

Recommendations

The purpose of this report has been to provide evidence that supports or rejects the thoughts of people in society who accuse the Zambian people for being lazy and only wanting to be spoon fed. The research statement shows this. Society in general (due to what has been said, heard, spoken and read) *seems* to be comfortable with being spoon fed. They believe that corporations are responsible for many aspects of their lives, thinking that they (society) deserve to make use of various corporations' core services/products for free. They make demands and sometimes refuse to pay for various obligations because they say it is up to the companies. In short, it is more often somebody else's responsibility and rarely their own.

This drove the importance of the perceptions research and paved the way to answer the most important question of the research and for MCM Plc: What should MCM Plc do/take into consideration when updating their CSR policy?

A total of four (4) recommendations and their explanations have been outlined below:

- 1. MCM Plc should ensure that its mission statement remains as focused on the 3P's as it can to cater for the growing international importance of CSR.**

The definition of CSR adopted in this research defines CSR as a concept. A concept is an idea of something that exists (Macmillan Dictionary). Defining CSR this way puts it, in terms of business, in a strategic setting. It is something that is long lasting. Therefore, if a company aims to be socially responsible, it will need to say this in its mission statement.

Mopani's mission statement (from the corporate brochure) is as follows: *'Mopani creates wealth honestly and responsibly from the production of copper and cobalt metals. It achieves this by balancing- in a socially responsible manner-the factors of economic growth, profitability and shareholder satisfaction, with the protection of human safety, health and the natural environment'.*

This mission statement reflects true CSR, but can be made more focused by fully incorporating the 3p's. The current mission statement explains the companies 'Profit' and 'Planet' objectives very clearly, but is however not as convincing on the 'People' Aspect. As stated earlier in the research, people are divided into 'internal' and 'external.' Internal people are the employees and the external people are the individuals that are part of the environment. Currently, in the mission statement, the

word environment follows right after the word 'natural' creating 'natural environment.' According to BusinessDictionary.com, the definition of the natural environment is climate, weather, and natural resources that affect human survival and economic activity. This definition therefore tends to focus on the physical environment. The policies of MCM also state their responsibility towards the social environment, which covers external people. Revising the mission statement in order to cater more for the social environment could possibly strengthen this statement. As a suggestion, if the word 'natural' is removed to ensure that the last sentence of the mission statement reads, 'It achieves this by balancing- in a socially responsible manner-the factors of economic growth, profitability and shareholder satisfaction, with the protection of human safety, health and environment,' this would ensure that social environment (external people) are included because they are part of the environment. The definitions of the word 'environment' from BusinessDictionary.com are:

1. Circumstances, influences, stresses, and competitive, cultural, demographic, economic, natural, political, regulatory, and technological factors (called environmental factors) that effect the survival, operations, and growth of an organization.
2. Sum total of all surroundings of a living organism, including natural forces and other living things, which provide conditions for development and growth as well as of danger and damage.

2. Pro active projects should be found that relate to CSR and MDG 1

As the research has shown, it is not because people are lazy nor is it because they want to be spoon-fed and rely on 'big brother.' It is most likely because of external problems such as poverty and lack of opportunities due to lack of adequate education or general lack of economic growth in relation to GDP PPP. Secondly, MCM Plc is not a development agency and should therefore not act like one. Therefore MCM Plc's (as well as other private sector businesses) social investments should be mutually beneficial to the company. This means that a private company should engage itself in social responsibilities that assist in making a profit and not necessarily because there is a particular need in society since such a responsibility falls under the government and/or the (I)NGO's.

One form of action that has potential to mutually benefit MCM Plc is to increase the people's agency by assisting them with self income generating projects so that they are not as dependant on grants as they would be more dependent on themselves as individuals (Graph 2). If MCM Plc finds that it cannot handle the project within its budget, but does have potential to benefit the company in the long run, then MCM should look towards the other RA's such as the government or

(I)NGO's by forming public-private-partnerships because any social investment by the private sector assists in the goals and mission of the government and (I)NGO's

3. Look for mutually beneficial projects in the following fields:

According to the perceptions research it has been shown that the areas that the private sector was perceived to have the highest significant result were in the following topics:

- a. Recreational Activities
- b. Garbage Removal
- c. Conservation of the Immediate Environment (MDG 7)

According to the perceptions, these are the fields that the people perceive the private sector to have a relevant role in. There are various ways that these above mentioned subjects could be mutually beneficial to the company. Firstly, supporting recreational activities, if for example targeted at employees could mean that employees are less stressed at work and have better health (Tharp, 2006).

Secondly, garbage removal and conservation of the immediate environment according to the perceptions are related. Research showed that people who are more concerned with their individual environment are more likely to pay for garbage removal, or at least be more willing (Quantitative Analysis, p 50). There have been various times when communities have requested that MCM Plc clean up their garbage. This causes a problem because if MCM cleans up one area, more requests are likely to come in from other areas, stressing MCM and secondly also possibly causing financial constraints for the private garbage removal companies. However, if say, that Mopani created a community based awareness strategy of the importance of conservation of the environment, it may change people's behaviors towards handling their garbage, and may even stimulate individuals to pay the private company for garbage removal. This would reduce the requests and demands from the communities on garbage removal.

4. Continue to work close with the community as they are understanding and can offer beneficiary support

The private sector, as well as MCM Plc does not have to be worried that the people are as expectant from them as they were to ZCCM. The population understands more and continues to understand more that the private sector is not like ZCCM. Therefore, in the future, the demands made by people are most likely to reduce as they see the objectives of the private sector understanding.

Afterword (Observations)

Based on the definition that was created for this research project as well as the definitions provided by the European Commission and Kotler, I think that Mopani Copper Mines is a socially responsible company.

Mopani takes care of its employees by ensuring that they have the correct training (Induction for me) before they start working, ensures that employees have the correct PPE for the job and also pays its employees on a scheduled timely manner.

It works on efficiency in order to maximize profits. Its strategy to keep its costs as low as possible ensures that that best business practices are used and that there is minimal damage to the environment.

Its care for the environment is obvious. Working under the regulations set by the ECZ, Mopani caters for all aspects of environmental damage and works towards mitigation of existing and potential problems. It's strive to acquire ISO 14000 in the coming years is evidence of this.

Lastly, the contributions that it gives back into society are second to none. Two hospitals, two schools, grants, donations and many other things are channeled back into the economy to assist with the development of the nation.

I'd like to thank the organization once more for this experience and opportunity for me to get a firsthand experience on what Corporate Social Responsibility is.

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Appendixes

Appendix 1: Questionnaire (Shortened)

Section 1: Individual Information

Sex: Male Female
 Marital status: Single Married Widowed Engaged Separated
 How many children: 0 1 2 3 4 5 5+
 Age (Years): 12-17 18-20 21-30 31-40 41-50
 51+
 City of residence: KITWE MUFULIRA
 Township/District of residence: _____
 Occupational Status: Employed Unemployed Self-employed Retired
 Student
 Sector of employment: Private sector Government NGO Non
 Company/University/School/Organization's Name: _____

Section 2: Division of the responsibilities

Main Question: Based on your perception, how would you **divide the responsibility** of the following activities amongst yourself (individual), private sector (privately owned organizations), the government, national and International Non Government Organizations?

How would **you perceive** the responsibilities of the following topics?

1. Prevention of HIV/ AIDS:

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

2. Management of your HIV/ AIDS Status:

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

3. Supporting recreational activities such as tennis, football and swimming:

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

4. Ensuring that your children have an education:

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

5. Paying for **garbage removal**

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

6. Paying for **Electricity**

a. Individual
 b. Private Sector
 c. Government
 d. (I)NGO'S
 +
10

7. Having safe drinking water and sanitation:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

8. Provision of safe shelter:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

9. Ensuring that one has good social networks and friends:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

10. Taking good medical care of yourself:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

11. Conservation of your immediate environment:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

12. Individual welfare:

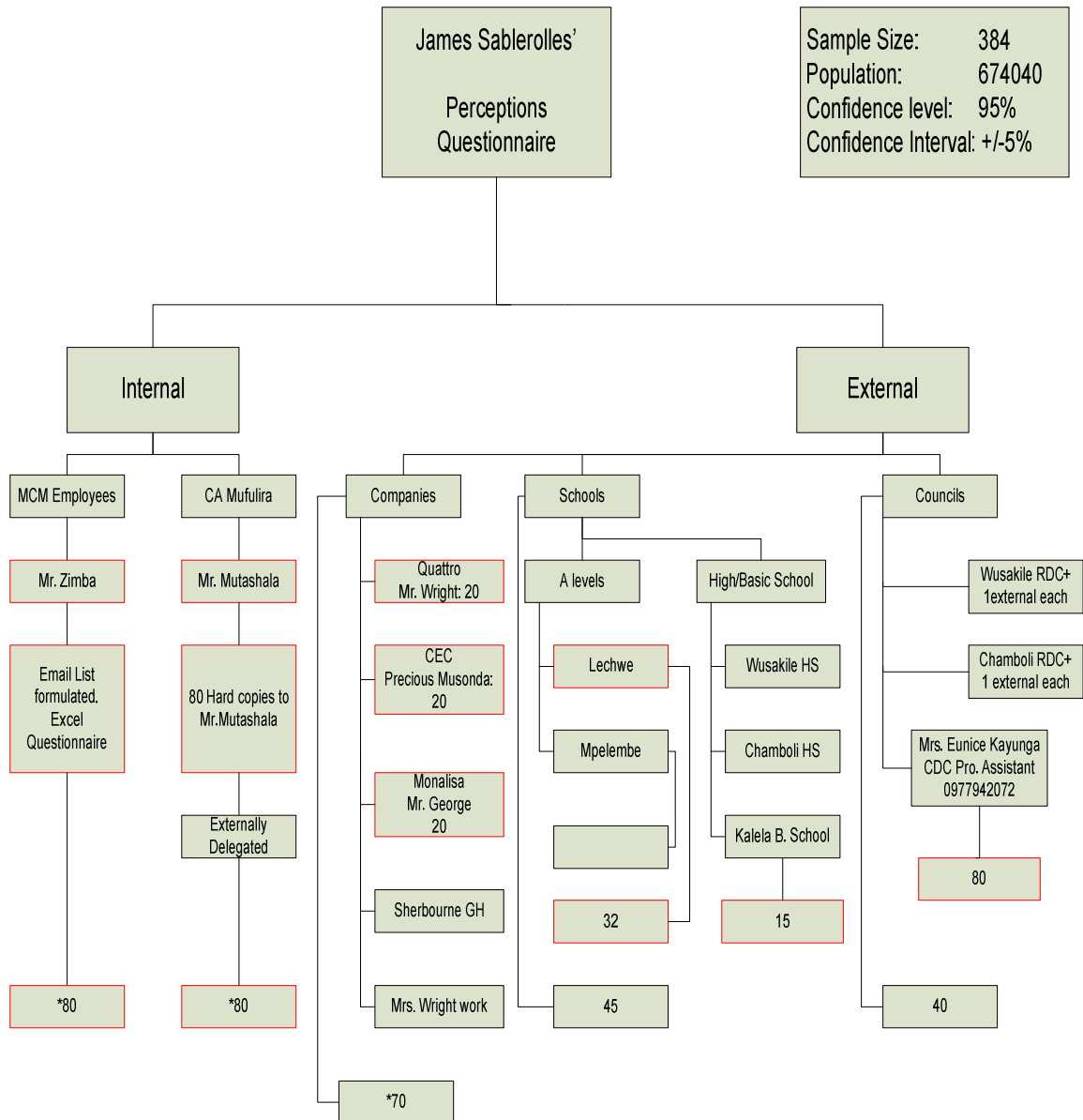
a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

13. Provision of terminal benefits and pension:

a. Individual	.....
b. Private Sector	.....
c. Government	.....
d. (I)NGO'S	.....
	+
	<u>10</u>

Appendix 2: Distribution Channels

Perceptions Questionnaire Distribution Channel



*Estimations

Appendix 3: Perception and Relevance Tables

Perception & Relevance Tables for all Topics in Questionnaire					
Topic	Relevance	Perception	Topic	Relevance	Perception
HIV Prevention			Safe Water		
Individual	25	55.0	Individual	12	28.0
Private Sector	20	10.0	Private Sector	30	16.0
Government	18	22.0	Government	38	48.0
(I) NGO's	38	13.0	(I) NGO's	20	8.0
	100	100		100	100
Topic	Relevance	Perception	Topic	Relevance	Perception
Aids Management			Safe Shelter		
Individual	30	60.0	Individual	27	49.0
Private Sector	18	8.0	Private Sector	20	9.0
Government	18	21.0	Government	33	36.0
(I) NGO's	35	11.0	(I) NGO's	20	6.0
	100	100		100	100
Topic	Relevance	Perception	Topic	Relevance	Perception
Recreational Activities			Social Networks		
Individual	10	26	Individual	31	62.0
Private Sector	39	25	Private Sector	26	11.0
Government	25	38	Government	13	17.0
(I) NGO's	26	11	(I) NGO's	29	10.0
	100	100		100	100
Topic	Relevance	Perception	Topic	Relevance	Perception
Children Education			Medical Care		
Individual	35	56.0	Individual	31	54.0
Private Sector	16	8.0	Private Sector	23	11.0
Government	29	30.0	Government	27	29.0
(I) NGO's	20	6.0	(I) NGO's	19	6.0
	100	100		100	100
Topic	Relevance	Perception	Topic	Relevance	Perception
Garbage Removal			Conservation of Environment		
Individual	24	47.0	Individual	23	46.0
Private Sector	28	14.0	Private Sector	26	14.0
Government	28	33.0	Government	25	31.0
(I) NGO's	20	6.0	(I) NGO's	26	9.0
	100	100		100	100
Topic	Relevance	Perception	Topic	Relevance	Perception

Electricity				Individual Welfare		
Individual	46	72.0		Individual	40	67.0
Private Sector	19	8.0		Private Sector	18	8.0
Government	16	16.0		Government	17	18.0
(I) NGO's	18	4.0		(I) NGO's	25	7.0
	100	100			100	100
				Topic	Relevance	Perception
				Terminal Benefits		
				Individual	9	20.0
				Private Sector	38	21.0
				Government	39	54.0
				(I) NGO's	14	5.0
					100	100

Appendix 4: Other Notes

For details on calculus, the databases used as well as the interviews recorded, please refer to the CD-ROM disk provided with this Document.