



Poverty in the Mining Communities: Where Are the Mining Companies' Priorities?

Poverty has remained a major issue of concern in Zimbabwe with many people struggling to access basic services such as food, health care, clean water and education due to the deterioration in their socio and economic status. While mining in Zimbabwe is now a fast growing sector and a key driver of economic growth, the mining communities have remained underdeveloped. Poverty is an emerging reality in mining towns such as Shurugwi, which is located in the mineral – rich Great Dyke belt, 33km outside Gweru. The mining of precious minerals such as gold, chrome and platinum has not brought real transformation in the social and economic livelihoods of the residents.

The Poverty Reduction Forum Trust's recent Basic Needs Basket consultative meetings in the mining towns of Gweru and Shurugwi have revealed a number of socio economic challenges which are affecting people's livelihoods. Some of these challenges include shortage of clean water, unaffordable housing rentals and high levels of unemployment. In Shurugwi, it has emerged that the water crisis has brought untold suffering and hardship in the mining town. Due to the erratic water supply in the town, most residents have indicated that they are relying on a few boreholes which were sunk by Zimasco mining company. However, since the boreholes are meant to serve mainly the Zimasco workers, they are located in the mining compounds. This is making life difficult for the residents in other locations especially women and children because they need to travel a distance of about three kilometres to get water. As a result, it has emerged that some households are resorting to hiring individuals who have enough time to walk such long distances to get water for them at a cost. These individuals are taking advantage of the water crisis to earn a living. According to the households, a 200 litre water drum costs about US\$5.

With escalating cost of living and high unemployment levels in the mining community, the situation is becoming unbearable for most households. An analysis of the households under the Poverty Reduction Forum Trust (PRFT) sentinel surveys in Shurugwi and Gweru has revealed that the average household incomes in the month of November 2013 were approximately \$289.50 and \$324.00, respectively. From the PRFT's Basic Needs Basket (BNB) survey conducted in the same month, an average family of five in Shurugwi town needs a minimum of \$530.47 to live a descent and dignified lifestyle while for the same sized families in other cities such as Gweru, Harare, Bulawayo and Mutare, the minimum amount required was approximately \$534.29, \$518.69, \$494.75 and \$478.55, respectively. Already the figures are showing a huge gap between households' disposal incomes and cost of basic living. To save their hard earned income, it has emerged that residents are resorting to using contaminated water from the river for other purposes such as laundry, washing dishes, bathing and cooking. However, the use of unclean water in homes is now costly to the residents as they need to buy more of the monthly non- food requirements such as surf, washing soaps, sunlight liquid to make their

clothes and dishes clean. More so, the use of unclean water has exposed residents to various health diseases such as cholera and typhoid. While it is important to embrace all tireless efforts being made by the local mining companies such as Unki and Zimasco in trying to plough back to the communities in various ways, the question which needs to be answered is whether their corporate social responsibility funds are being channelled to programs that are addressing the real challenges that the majority of the residents are facing.

The mining sector in Zimbabwe has a potential to play a significant role in the achievement of Millennium Development Goals (MDGs) such as poverty reduction through social corporate responsibility programs. Besides their mandate to contribute to the fiscus, the mining companies should be more socially responsible. The fact that they are responsible for the negative impacts of their activities on the environment, they should invest more in corporate social responsibility programs that benefit the communities. The failure to invest adequately in corporate social responsibility programs that have positive impacts on the livelihoods of people increases the incidence of poverty linked social problems and illegal activities in mining communities such as prostitution, robbery and gold panning. In Shurugwi town, a lot of the unemployed youths are engaged in gold panning activities to earn a living.

Policy Recommendations

PRFT is of the view that mining companies should increase their commitment to contribute towards sustainable development of the country. PRFT calls for a strengthened cooperation between the mining companies and the local authorities in projects that aim to improve service delivery and the quality of life in the communities at large. PRFT advocates for a participatory approach in determining and designing corporate social responsibility programs and projects that benefit communities. The communities should play a pivotal role in program design and implementation of the corporate social responsibility programs. Real corporate social responsibility programs should contribute towards poverty eradication through employment creation for the locals.

At policy level, PRFT strongly supports the Publish What You Pay (PWY) initiatives which have already been adopted by other countries to improve transparency and accountability in the extractive sectors. In order for the mining sector in Zimbabwe to contribute significantly to the socio- economic development of the country, there is need for a legal framework that compels mining companies to disclose their earnings, what they pay as taxes and what they reserve for the communities. Under the same framework, the government should also disclose what it earns from these mining companies. More transparency and accountability in the mining of Zimbabwe's mineral resources will go a long way to bring a close cooperation between the three parties, government, the mining companies and the communities. Furthermore transparency removes suspicion as to what each party is supposed to do and contributes towards a win-win situation.