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SOCIAL JUSTICE, CORPORATE SOCIAL RESPONSIBILITY AND THE SOUTH AFRICAN MINING INDUSTRY

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Abstract

The South African Mining Industry is confronted by a continual wave of labour unrest due to the unfulfilled socio-economic expectations of its employees and surrounding communities. The industry reportedly also has a very high wage gap between the mine workers and executives. This essay advocates for extensive Corporate Social Responsibility (CSR) by the South African mining industry not only to help address the socio-economic issues in and around mining communities but also to restore stability and ensure that the industry flourishes. As part of advancing my position, I show that the implementation of enlarged CSR by the mining industry is consistent with Rawls's account of justice and with the United Nations Guiding Principles on Business, the Universal Declaration of Human Rights, and the South African government's Mining Charter. I argue that by embracing the concept of enlarged CSR and collaborating with its supplier base towards this end, the mining industry can improve socio-economic conditions and prevent the collapse of the industry much to the benefit of the mining industry and its stakeholders, including the citizens of South Africa at large who benefit from tax revenues generated by the industry.

Declaration

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Arts, Applied Ethics for Professionals, in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination in any other university.

_____

Tinyiko Collins Maswanganyi

1st day of November, 2016

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1 Introduction

The South African mining industry, since its inception in the late 1860s, has been and continues to be a major driver of economic development in South Africa. The industry comprises numerous categories of minerals such as gold, platinum group metals, diamonds, coal, iron ore, vanadium. It is structured such that mining companies are collectively represented by the Chamber of Mines of South Africa, as members of the chamber. The role of the Chamber of Mines includes, amongst others, lobbying to government for the industry and acting as a representative of mining companies that are members of the chamber in collective bargaining and wage negotiations (Viljoen and Reimold, 1999).

The impact of the mining industry on economic development is compounded by the magnitude of the industry's purchases of products and services such as fuel, electricity, mining equipment and the maintenance of a range of equipment, all of which are essential production inputs to the mining industry. According to the Chamber of Mines' 2013/2014 Annual Report, the mining industry spent R154 billion and R188 billion on purchases and operating costs during the years 2012 and 2013 respectively (Chamber of Mines, 2014). Furthermore, the mining industry is a major contributor to the country's Gross Domestic Product (GDP), Corporate Tax Revenue, export earnings and to direct and indirect employment amongst other benefits. For example, in the past decade, the "sector has contributed just over R2.4 trillion to the country's GDP and R2.4 trillion to the country's export earnings, in real money terms" (Chamber of Mines, 2014:5).

Recently, in 2015, it contributed 8.6% and 13.2% towards GDP and Corporate Tax Revenue respectively (Chamber of mines, 2015).

Despite seeing tremendous operational and economic growth since inception, the mining industry is characterized by a complex combination of benefits and systemic burdens. In the 21st century, the industry has been confronted by continual waves of labour unrest in addition to the adverse effects of the HIV/AIDS pandemic and rising operating costs, all of which reduce productivity in an industry affected by persistently lower metal prices that are triggered by sluggish global economic growth. A lower than expected growth of the Chinese economy which began in or around 2014 is affecting the overall demand for minerals resulting in diminished mining revenues. In addition, the industry has seen rising operating costs even as the country's cost of living spirals, much to the detriment of the industry and its junior workers, resulting in an aggrieved, less motivated and less productive work force. In 2010 it was reported that the overall state of workers in the gold mining sector is no better than it was more than ten years ago due to the impact of HIV/AIDS and consequently the productivity levels of mine workers have diminished considerably (Ruffini, 2010).

A document entitled "Assessment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry", prepared by the Department of Mineral Resources (DMR), identifies continuing abject poverty as a major socio-economic issue, amongst others, in communities surrounding mining operations (DMR, 2015). These issues are a reflection of a wider systemic socio-economic crisis in the country.

An economic survey conducted by the Organisation for Economic Co-operation and Development (OECD), identifies high unemployment, inadequate socio-economic infrastructure, and labour protests amongst other long-standing socio-economic problems in South Africa, resulting in social problems and damaging tensions (OECD, 2013, 2015). Symptoms of the socio-economic issues include the sporadic labour protests and resistance by community members. These pose a major threat to the industry which will not be sustainable without productive mine workers and mutually beneficial community relations. It thus seems imperative for the industry to promote an operating environment characterised by productive mine workers and mutually beneficial community relations. This imperative is what I call discretionary or enlarged CSR which is the focus of this research.

This essay takes cognizance of the current unfavorable economic and social conditions within the mining industry. Its purpose is **not to be critical** of the mining industry nor any stakeholder of the industry, but rather to examine a mix of complex and systemic social and economic issues within the industry and use this context as a basis for advocating for the concept of enlarged CSR as a solution to securing the sustainability of the industry, much to the mutual benefit of the industry and its stakeholders.

By enlarged CSR I mean an aggressive extension of ethical responsibilities to include more philanthropy that is aimed at addressing socio-economic issues within mining communities. Enlarged CSR entails more mining companies if not the entire industry integrating substantial CSR objectives into business strategies. These CSR objectives should be aimed at aggressively tackling specific socio-economic issues prevalent within mining communities.

Since there are already various forms of CSR initiatives in the mining industry, my aim will be to suggest that these can be increased or extended to form an enlarged CSR. Against this background, I will argue for a notion of implementing enlarged CSR by the South African mining industry, aimed at mutually benefitting the industry and its stakeholders, namely, shareholders, employees, local communities, government, suppliers and society at large.

In taking on an enlarged CSR, the mining corporations could channel some of their profits towards improving infrastructure such as roads, water and sanitation, or towards building education and/or health-care facilities to the benefit of host communities and mine employees. The potential end result of this sort of CSR action would be improved worker and community relations and a continuation of the license to operate in and around mining communities. These initiatives will go a long way towards reducing the damaging and sporadic labour protests within the industry, which are arguably related to poor living conditions in mining communities.

While the implementation of the concept of extensive CSR by the mining industry may seem untenable, particularly within an industry confronted by diminishing revenues due to lower metal prices, I will show in this research essay why mining companies should endeavour to implement enlarged CSR even in the current economic climate and beyond.

2 CSR Defined

Raymond Bauer (1916-1977) defined CSR as “seriously considering the impact of the company’s actions on society“(Carroll & Buchholtz, 2000:28). This is consistent with the views of Fred D. Miller and John Ahrens on corporations and obligations as outlined in their writing "The Social Responsibility of Corporations", according to which corporations exist to satisfy certain social interests and demands of society. Fred D. Miller and John Ahren assert that the modern corporation must deliver higher social responsibility as some sort of obligation. They see the modern corporation as a public institution and a creature of the state and argue that as such it is obliged to seriously consider CSR initiatives (Miller & Ahrens, 1993).

According to Keith Davis (1967) "the idea of social responsibility requires the individual to consider his [or her] acts in terms of a whole social system, and holds him [or her] responsible for the effects of his [or her] acts anywhere in that system" (Carroll & Buchholtz, 2000:28). This broad view of CSR contrast with the idea of CSR that many executives in the corporate world seem to be promoting. On this view by many executives, CSR is generally seen to encompass a limited combination of different responsibilities: economic (such as fair pricing of goods), legal (abiding by the law) and ethical (refraining from violating human rights and advancing fairness) (Carroll & Buchholtz, 2000).

This view can be referred to as a limited uptake of CSR. Whenever this limited view is upheld and embraced ethical responsibilities and philanthropy (good corporate citizenship) have been taken to be subordinate to economic and legal responsibilities. This is generally to the detriment of some business stakeholders particularly those external to the business such as society at large.

This point becomes more crucial if we consider what Carroll & Buchholtz say about the idea of entitlement which they define as a general belief that "someone is owed something such as a living wage merely by virtue of being a member of a community" (Carroll & Buchholtz, 2008), where community can mean province, city, town, business or union. One implication of this notion of entitlement is that it arguably serves as one of the driving forces behind the labour protests of 2014 within the platinum mining industry in South Africa.

While CSR is inherently or mainly concerned with and still has its primary focus on economic, legal, ethical and to a lesser extent philanthropic responsibilities (Carroll & Buchholtz, 2008), the concept of social responsibility is increasingly being integrated into business strategies. Carroll & Buchholtz draw a necessary link between the economic responsibility of business and its social responsibility which, according to them, is underpinned by the American social system which "calls for business to be an economic institution" (Carroll & Buchholtz, 2000:33). The American social system's expectation of business is that business should generate adequate and sustainable profits through the production and sale of goods wanted by society at fair prices so as to ensure business growth and reward for investors. While this requirement clearly identifies the continual and growing profitability of business as an imperative, this profitability should be achieved through upholding the principles of fairness.

This principle of upholding the principles of fairness in order to advance socio-economic ends has received more continuous support by corporations since 13 September 1970 following the publication in the *New York Times Magazine* of Friedman's article, "The social responsibility of business is to increase its profits", which is in conflict with the enlarged CSR approach, and which I will be advocating for in this project and the related objections to Friedman's article.

Whilst the concept of CSR[1] has become a global business concept embraced by countless numbers of corporations across the globe, CSR initiatives can be potentially futile if they are not aimed at voluntarily and effectively responding to the "unique" socio-economic issues prevalent in affected host countries or communities. Global corporations should recognize that each country within which they operate is faced with unique socio-economic issues and as such it is imperative for global organisations to integrate regional or even community based CSR strategies into overall business strategies.[2]

It can be plausibly argued that there are more compelling reasons for corporations to advance socio-economic ends in poverty stricken developing nations like South Africa. Miller & Ahrens (1993) argue that productive organisations cannot exist as moral entities without being constrained by society's social demands including satisfying workers' interests. The pursuit of profits should therefore not subordinate the necessary fairness of business towards society. This subordination of fairness can happen in numerous ways such as a business failing to pay employees fair wages for services rendered to the myopic benefit of shareholders or investors.

[1] CSR and Corporate Social Investment (CSI) will be used interchangeably throughout this essay.

[2] The concept of CSR has its origin in the United States of America in the 1950s and has since evolved and gained significant acceptance by companies across the globe and industries.

In this view, it would be morally wrong to subordinate the fair treatment of host communities to the pursuit of profits.

Another definition which is consistent with the sort of notion of enlarged CSR is by Keith Davis and Robert Blomstrom (1975) who defined CSR as "the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests" (Carroll & Buchholtz, 2000:32). This definition clearly indicates that corporations have humanitarian obligations to society over and above their own economic responsibilities.

If the socio-economic needs of each society are unique, the prioritisation of corporate social responsibilities, as may be narrowly and selfishly understood by managers of businesses in terms of Carroll's Pyramid of Social Responsibility, cannot be plausibly universalized. In certain societies and industries such as the South African mining industry, business initiatives aimed at advancing socio-economic ends, even at a cost to business, can be tremendously supportive to the sustainability and profitability of business. They can help to ensure healthy relations with host communities and employees which in turn can be instrumental in securing a social license to operate as seen in countries such as Ghana and New Guinea.[3]

[3] See section 11 of this paper, "An Argument for Enlarged Obligations under an Extensive CSR" for my discussion of this.

3 CSR and Economic Responsibility

I will now deal with the notion that the economic responsibility of business takes priority over all other social responsibilities as may be understood by many managers and executives.

Carroll's Pyramid of Social Responsibility may be understood as seeking to prioritize the social responsibilities of business in an order that gives greater importance to "Economic Responsibilities" by placing them at the bottom or foundation of the pyramid while placing "Philanthropic Responsibilities" at the top (see Carroll's pyramid in figure 1 below,). This may suggest to most business managers and executives that "Philanthropic Responsibilities" should only be considered after the other three responsibilities have been given priority.

According to Carroll & Buchholtz, corporate social responsibilities in order of priority are 1) Economic Responsibilities, 2) Legal Responsibilities, 3) Ethical Responsibilities 4) Philanthropic Responsibilities. The use of words such as "....presents this stakeholder view of CSR, along with a '*priority scheme*' in which the stakeholder groups are addressed/affected by the companies' actions in that realm" (Carroll & Buchholtz, 2000:38) suggests that Carroll's Pyramid of Social Responsibility can to some extent be understood (whether correctly or not) to be promoting an ideology or mechanism through which economic responsibility takes priority over all social responsibilities.

Carroll and Buchholtz's Pyramid of Corporate Social Responsibility



Source: Carrol, A.B, Buchholtz, A.K., "Business and Society-Ethics and Stakeholder Management" 4th ed., 2000 in Archie B. Carrol, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," Business Horizons (July - August, 1991), 42.

Figure 1: The Pyramid of Corporate Social Responsibility

It can be argued that this sort of classification or prioritisation of corporate social responsibilities within the mining industry may undermine even the sought after economic responsibility of business which is to deliver profits, largely because of the dynamic nature of the mining industry, characterised by a varying and complex mix of technical, economic and social issues.

For instance, in pursuit of business profits companies may be tempted to compromise certain legal requirements thereby failing to obey the law leading to costly lawsuits or fines against the business, which can inevitably have an adverse effect on profitability. Examples of this sort of costly fines includes the US$3.4 billion fine imposed on MTN by the Nigerian Communications Commission (NCC) for failing to comply with a legal duty relating to the disconnection of 5.1 million MTN Nigeria subscribers (MTN, 2015).

Furthermore, legislation such as the Mine Health and Safety Act of 1996 (Act 29 of 1996) and the Mining Charter can greatly influence "a license to operate" within the South African mining industry. These pieces of legislation have the potential to subordinate the economic responsibilities of mining companies such as the maximisation of production and revenue.

Government's Inspector of Mines has powers to stop mining production which violates the requirements of the Mine Health and Safety Act, while the Department of Mineral Resources may withdraw a license to mine from a mining company not meeting the requirements of the Mining Charter. In the event that the operations of a mining company are affected as a result of failing to meet the aforementioned legislative requirements, the economic responsibility of driving the profitability of such a mining company would be significantly undermined.

That said, the prioritization of CSR which is consistent with Carroll's Pyramid of CSR cannot be simply applied as is, particularly within an environment characterized by a mix of complex social and economic issues such as the South African mining industry. For instance, the necessary compliance with the Mine Health and Safety Act, as a legal requirement, subordinates the profit-driven economic responsibility to undertake mining operations. The provisions of the Act have to be first met before any production can be carried out.

I am therefore of the view that any method of prioritization of CSR related initiatives, particularly within the mining industry, should be guided by existing technical, social and economic conditions within a particular country, industry and/or community. Contrary to Carroll's Pyramid of CSR, it can be argued that conditions similar to the incident which took place at the Lonmin Mine in Marikana in August 2012, call for a heretically proactive approach to prioritising philanthropic responsibilities.

This has been asserted by the findings stipulated in the report by the Marikana Commission of Enquiry which states that the "Lonmin Management team did not respond adequately by failing to address the underlying labour dispute, before the violent conflicts arose" (Marikana Commission of Enquiry, 2015:431). In other words it is believed that had Lonmin seriously and effectively considered and placed the resolving of labour disputes as priority over other business initiatives, the violent conflicts of Marikana could have been avoided.

Different levels of CSR initiatives should be applied simultaneously with the objective of addressing the unique socio-economic issues prevalent within a particular society. In arguing for an extended form of CSR by the mining industry, I seek to depart from the ideology of inflexibly prioritising economic responsibilities over other CSR responsibilities, an ideology which may be mistakenly taken to be an objective of Carroll's Pyramid of CSR.

In my view, the prioritising of each of the four elements of CSR should be arranged on the bases of the unique economic, social, ethical, philanthropic and legal needs and factors prevalent within each country, industry and/or community as I have already asserted above, as opposed to simply adopting a hierarchical model such as Carroll's Pyramid of CSR as understood or misunderstood by many business shareholders, managers and academics.

This hierarchical approach to CSR seems to be understood by many to be placing economic responsibilities as a priority above all of the other four elements of social responsibility as depicted in Carroll's Pyramid of CSR. Furthermore, I must state that this hierarchical approach appears to be consistent with Friedman's argument against CSR, a notion which, in my view, does not only seem to be inflexible but also incompatible with the varying nature of the recent mining business environment, characterized by a complex mix of technical, economic, legal, ethical and to an extent philanthropic responsibilities. In settling this matter I believe Carroll & Buchholtz did not mean for the Pyramid of CSR to be seen as rigid as some executives and managers may have asserted. This is confirmed in their own words, Carroll & Buchholtz, when they assert that "this pyramid should not be interpreted to mean that business is expected to fulfill social responsibilities in some sequential fashion starting at the base" (Carroll & Buchholtz, 2008:46), as may be mistakenly construed by some business managers and/or executives. Consistent with this sort of warning, Carroll also states that the components of this pyramid "are not mutually exclusive and are not intended to juxtapose a firm's economic responsibilities with its other responsibilities" (Carroll & Buchholtz, 2000:35).

Carroll & Buchholtz further state that the components of the Pyramid of CSR should be pursued simultaneously. It is therefore imperative for a firm to ensure that all components of the Pyramid of CSR are given simultaneous attention as dictated by the business environment and business strategies.

4 CSR, Social Problem and Direction of the Research

This research essay advocates for a more extensive CSR approach by the South African mining industry within the current African and particularly the South African socio-economic context, characterized by high levels of poverty and unemployment, which largely have their origin in the apartheid past. It is needless to state that extensive CSR by the South African mining industry will go a long way towards improving social conditions in and around mining communities, and consequently, lead to improved relations among members of the surrounding communities, mine employees and contractors to mining companies. There are indeed compelling pragmatic reasons for the mining industry to implement extensive CSR such as restoring the image of the industry and contributing to the common good while reducing labour unrest to the mutual benefit of both the mining industry and its stakeholders. These initiatives can take the form of meeting infrastructure needs such as family-friendly housing, particularly for junior employees such as miners, thereby addressing sanitation and water problems and/or programmes aimed at helping learners in local communities with additional lessons in subjects such as English, Mathematics and/or Science or other educational resources or benefits.

The prevailing gap between society's expectations of the mining industry and the mining industry's actual CSR performance inevitably results in what Carroll & Buchholtz (2008) refer to as a "Social Problem". The social problem, as defined in Carroll & Buchholtz (2000), is the difference between society's expectation of business ethics and the company's actual performance in business ethics.

In his article, in the *Sunday Times*, "Learn the Lessons of the Platinum Strike", Johan Olivier (2014) asserts that mining companies should seek ways to effectively deal with the socio-economic issues affecting their workforce"(Olivier, 2014). Olivier identifies indebtedness, poor living conditions, water and sanitation, housing and infrastructure as socio-economic issues. Olivier also points out the need for government to contribute towards tackling the prevalent socio-economic issues within the mining communities. In his view, the taxes and royalties that are paid by the mining companies to government should be used to improve the living conditions in informal settlements and communities around the mines. Indeed, it is ironical that mine workers find themselves living in appalling conditions in platinum rich areas such as Marikana and surrounding areas.

Another writer, Van Rensburg, seems to agree with Olivier on what should be done regarding the working conditions of mine workers. In his article, in the *Sunday Times*, "Trick or Treat", Van Rensburg talks about the wage gap between the executives and mine workers (Van Rensburg, 2014).

Although van Rensburg's report does not make a direct comparison between the salaries of executives and unskilled or junior workers in the industry, he emphasizes the need for the industry to progressively narrow the wage gap so as to redress the apartheid driven socio-economic differences of the 20th century.

A conceptual platform for understanding Carroll's idea of the Social Problem is the stakeholder approach to business management. This approach takes cognizance of existing stakeholders who may either be internal (as in employees of a business) or external to the business (as in government, customers and local communities).

As Carroll (2008:27) puts it, "stakeholders are individuals or groups with which business interacts who have a 'stake' or vested interest, in the firm".

The stakeholders' approach in the context of the Social Problem makes it imperative for any business to carefully consider any stakeholders who may not only have direct interest in a business, but are also capable of influencing business objectives in any manner that could either be beneficial or detrimental to the business. This approach invariably calls for an extension of the strategic focus or imperatives of the mining industry beyond economic goals to be inclusive of social and ethical issues such as those implicated in affirmative action by business.

The South African mining industry is also faced with the iron fist of government regulation including the Mining Charter which details/prescribes punitive measures such as the loss of the right to mine due to a continual lack of progress in advancing socio-economic objectives such as the empowerment of black owned and local businesses, in line with the legislation while the economic interests of shareholders are generously taken care of.

Although CSR activities can be extended towards numerous stakeholders such as shareholders, employees, communities, government, suppliers, environmentalists, consumers, customers and competitors, the scope of this essay will largely be limited to shareholders, employees, communities, government, suppliers and environmentalists.

In my view, each of these stakeholders influences the sustainability, reputation, growth potential and profitability of the South African mining industry in numerous significant ways. Simply put, each of this group of stakeholders has significant interest in the South African mining operations

It is worth mentioning that while the scope of this essay is centered on the South African mining industry, some, if not all, the arguments for implementing extensive or enlarged CSR as advanced in this essay may apply to other industries in South Africa.

5 Stakeholder Theory and Comprehensive Moral Thinking

According to Carroll & Buchholtz (2008:27), “stakeholders are individuals or groups with which business interacts who have a ‘stake’ or vested interest, in the firm”. In Goodpaster’s view (1993: 205), stakeholders are “any group or individuals who can affect or are affected by the achievement of the organization’s objectives”.

That is, a Stakeholder is an individual or group who by virtue of having various kinds of stakes in a business has the potential to influence a business, just as a business has the potential to influence such individual or group. The stakes held by some of the stakeholders, such as communities and employees, are not always evident to or recognized by the shareholders or executives of corporations.

Against this background, it is imperative for businesses such as mining companies to integrate stakeholder thinking into business strategies and processes so as to minimise potentially negative effects resulting from the stakeholders' influence on businesses. According to Carroll & Buchholtz, "Stakeholder thinking is the process of always reasoning in stakeholder terms throughout the management process, especially when an organisation's decisions and actions have important implications for others" (2008:107). Proactively engaging employees and community members can go a long way towards preventing catastrophic labour unrest and community opposition in the mining industry.

The strategic approach of stakeholder management is to be considered by managers, according to Buchholtz & Carroll (2008), because stakeholders such as employees, customers and communities do have a legitimate stake in the firm or think they have one.

Goodpaster (2010) likens stakeholder thinking to the well-known "balanced scorecards or triple bottom line" (2010:140), which involve the transfer of benefits from the shareholders to the other groups of stakeholders. Goodpaster asserts that executives who merely use stakeholder thinking against the backdrop of systematic and operational assumptions are influenced by "a specific network" of institutions or groups such as shareholders, regulators, customers and suppliers (Goodpaster, 2010). This kind of stakeholder thinking will most probably not survive objective scrutiny as it is seemingly and opportunistically aimed at fulfilling the shareholders' interests.

It can be argued that this sort of stakeholder thinking may be driven by the profitability objectives placed on the executives of a corporation more than it is driven by a desire for the advancement of socio-economic ends such as poverty reduction or improving the overall standard of living of a certain group of unskilled employees. Goodpaster (2010) argues that "stakeholder thinking is necessary but not sufficient because the corporation must be attentive to a more comprehensive picture that integrates the tripartite constituents of CSR which are 1) stockholder thinking, 2) stakeholder thinking and 3) comprehensive thinking" (Goodpaster, 2010:129). He refers to comprehensive thinking as a more holistic moral thinking, consistent with principles that are aimed at achieving a common good and social justice.

Goodpaster further asserts that overarching moral-based values of human dignity and an ideal of a just community warrant an impartial perspective in accordance with the principle of moral maturity defined as an impartial or agent centered perspective, which is “a perspective that acknowledges responsibilities to others as well as to oneself" (Goodpaster, 2010:138). This, he argues, might substitute the idea of stakeholder value with stakeholder satisfaction. According to Goodpaster, one of the risks for embracing stakeholder thinking instead of comprehensive moral thinking is that stakeholder thinking might substitute the aggregation of stakeholder satisfactions for normative principles such as "social justice" and "common good" as they are less amenable to the reductive methodology of stakeholder thinking.

This risk outlined by Goodpaster may undermine the principles of social justice, particularly those proposed by Rawls, more so because of the authority that executives and managers have in exercising discretion in the decision making process within corporations. Some managers may even resort to designing CSR initiatives which may be ostensibly aimed at advancing socio-economic ends whereas they are actually intended merely to secure some sort of self-interests, economic or otherwise, to the benefit of shareholders, managers or executives. This sort of stakeholder thinking may invariably undermine the advancement of the public good and/or social justice within communities. Hence, a call for a more comprehensive moral thinking advanced by advocates of social responsibility, such as Goodpaster, an advancement which is consistent with the sort of enlarged CSR I am arguing for in this essay.

Acknowledging responsibilities to other stakeholders, such as mine workers and host communities by the mining industry, is consistent with the argument I am advancing for the implementation of enlarged CSR by the South African mining industry. The sort of argument I seek to advance is not some altruistically driven benefit to host communities and employees within the mining industry but rather that of mutual benefit of the industry and its stakeholders (such as employees, host communities, government, suppliers). This sort of comprehensive moral thinking embraces the advancement of "human dignity" and "just community" by business, so as to enhance a typical stakeholder management approach. Mining companies such as Anglo American and Rio Tinto do apply some sort of comprehensive moral thinking in integrating the principles of UNGPs and the Universal Declaration of Human Rights in their social responsibility strategies[4].

In his article entitled "Maximizing Ethics and Profits", Patrick Primeaux (1995), advances the idea of an opportunity cost approach to social responsibility through which he suggests that every decision about anything is an ethical decision. In line with the opportunity cost principle, he argues that resources are scarce and therefore should be employed in a manner that maximises the return they yield. This can be achieved not only by asking which manner of employing the scarce resources will be efficient, but also which manner will cost more in the long run.

[4] See Anglo American (2012) and Rio Tinto (2012).

In line with the stakeholder theory, Primeaux asserts that the opportunity cost principle encourages business decision makers to consider anything and everything that could possibly affect profits whether internal or external to the business (Primeaux, 1995).

In this light, it can be argued that the Marikana incident which resulted in the deaths of 40 miners could have been avoided had Lonmin applied the principle of comprehensive moral thinking, consistent with Primeaux's application of the opportunity cost principle.

Goodpaster (2010) asserts that the principle of comprehensive moral thinking is not unusual to the business world as demonstrated by the principles of "balanced scorecards" and "triple bottom line" embraced by most corporations. He argues that to be satisfactory, an account of Social Responsibility needs to be more "Comprehensive" with such comprehensiveness anchored on the principles of human dignity and a just community. He advises that corporations should integrate the instrumental concern for the satisfaction of stakeholder interests with Social Responsibility (Goodpaster, 2010). According to Goodpaster (2010), "A more comprehensive perspective would involve stepping outside of the limitations of this time, this place and these specific stakeholder relationships" (2010:140).

"This approach can go a long way towards improving stakeholder relationships. A more comprehensive perspective will search for impartiality with attention to the ways in which markets, laws, and social norms might lead well-intended actors to outcomes that undermine their good intentions" (Goodpaster, 2010:140).

An example of stepping out of the limitations may include limiting the high executive pay and/or related benefits within the mining industry to support the much needed improvement, insofar as increasing the wages of those junior employees such as miners who work under very challenging and sometimes life threatening conditions, with some of them stationed kilometres underground. This will not only be instrumental towards reducing the wage gap between executives and miners, but it will also reduce, if not eliminate, the level of detrimental and counter-productive protest action by mine employees.

6 United Nations (UN) Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights (UNGPs) reinforce the advancement of human rights at a global level. UNGPs which were unanimously endorsed by the UN Human Rights Council in June 2011 (Oxfam, 2013) are also referred to as the "Protect, Respect and Remedy" Framework. These principles seek to guide an integrated mechanism for the respect of Human Rights by businesses in accordance with the Universal Declaration of Human Rights. To be effective the UNGPs require collaborative effort by governments, businesses and communities to ensure that corporations respect Human Rights by taking measures for the prevention, mitigation and remediation of the violation of human rights as appropriate.

The UNGPs further advocate for guidance, enforcement and assessment by governments so as to provide for an environment conducive to business respect for human rights. The UNGPs further places a responsibility on government to create an enabling environment for business respect for human rights as opposed to a constraining environment (United Nations, 2011).

The implementation of The Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), widely known as the Mining Charter, is consistent with the creation of an enabling environment for business respect for human rights.

The mining charter, which is aimed at promoting Broad-Based socio-economic empowerment through the transformation of the South African Mining Industry, has as its objectives (amongst others): 1) the restoration of the dignity of mineworkers through the provision of decent housing and living conditions; 2) driving ownership of mineral assets by HDSAs; 3) Community Development programmes in host communities (Department of Mineral Resources, 2015). This sort of legislation tends to enforce the culture of "comprehensive stakeholder thinking" advocated for by Goodpaster (2010) as did the UNGPs and the Universal Declaration of Human Rights (UDHR). These all promote inherent dignity, equality, freedom and justice amongst other human right principles, which are also consistent with the notion of justice as advocated for by Rawls.

A case in point is reflected in Article 23 (3) of the UDHR, which states that "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection" (United Nations, 1948).

In addition, Article 25 recognizes a right "to a standard of living adequate for the health and well-being of oneself and one's family, including food, clothing, shelter and medical care." (United Nations, 1948).

Despite the implementation of the aforementioned legislation and guidelines in South Africa and beyond aimed at advancing human dignity and social justice, mine workers continue to be subjected to poor living conditions which are inconsistent with the provisions of the UNGPs and the UDHR.

Furthermore and in general, South Africa has been confronted by persistent and systemic socio-economic issues underpinned by high levels of unemployment, rising inequality, poor sanitation and poverty amongst other social ills. "At the same time, an extremely high proportion of the population is out of work, as has been the case for most of the past three decades. Moreover, income inequality remains extremely high, educational outcomes are poor on average and hugely uneven, and frustration is growing with public service delivery failures and corruption" (OECD, 2013:2).

On the part of business, the development of Human Rights due diligence is identified as one of the mechanisms used by business to proactively "identify, prevent, mitigate and account for how they address" the impact of their business activities on human rights. The development of business processes and policies to ensure that business effectively meets its responsibility to respect human rights is also recommended in the UNGPs document (United Nations, 2011).
As is noted in the document, "The failure to enforce existing laws that directly or indirectly regulate business respect for human rights is often a significant legal gap in State practice. Such laws might range from non-discrimination and labour laws to environmental, property, privacy and anti-bribery laws.

Therefore, it is important for States to consider whether such laws are currently being enforced effectively, and if not, why this is the case and what measures may reasonably correct the situation" (United Nations, 2011:5).

In compliance with the UNGPs directives major corporations such as Rio Tinto (a major mining company in the top three global mining companies) have gone to the extent of developing a Human Rights policy as part of their business policies. This sort of initiative seems to suggest the viability of extensive CSR and an effective means to avoiding the sort of enforcement of business related laws by states, although such enforcement is reported as currently minimal by the UN above.

7 Importance of an Enlarged CSR

The issue that I seek to address in this research essay is: “To what extent should the socio-economic actions and duties of the South African mining industry be guided by CSR?” Put differently, how extensive should the South African mining industry's CSR initiatives be? This question is important as I’ll show in the following sections. As unorthodox as it appears, the concept of enlarged CSR is able to yield desirable results both to the benefit of host communities and other stakeholders to the mining industry such as employees, suppliers of goods and services to the industry, government and shareholders of mining companies.

According to Paul W.K Yankson (2010), the implementation of this sort of voluntary and enlarged CSR initiatives in countries such as Ghana by Gold Fields and AngloGoldAshanti have helped reduce poverty while securing a stable mining environment for the companies, thereby resulting in mutual benefits.

Similar concepts of voluntary and enlarged CSR as undertaken by Rio Tinto in Papua New Guinea and Richards Bay Minerals South Africa demonstrate how instrumental this concept of enlarged CSR initiatives can be towards securing good relations with host communities[5].

The argument I seek to advance is that integrating broader ethical and philanthropic responsibilities into business strategies within the South African mining industry so as to advance Social Justice will significantly improve the socio-economic conditions in South Africa while securing other key benefits (including economic benefits) and the sustainability needed by the industry. Whist I am by no means suggesting that stakeholder interests invariably subordinate shareholder interest, I am of the view that the pursuit of business profits should be advanced in a manner that effectively observes and promotes stakeholder interests such as human dignity, health and safety, just and favourable remuneration and protection against unemployment.

It is indeed imperative for an industry such as mining whose operations usually have a huge impact on surrounding communities, the country and the environment to follow this sort of business approach. This sort of observance and promotion of stakeholder interests is consistent with the requirements of the UDHR as cited in this research essay.

[5] See Imbun (2007) and Kapelus (2002).

Altruistic and voluntary advancement and observance of stakeholder interests can effectively improve the sustainability and productivity of the mining industry particularly from a socio-economic perspective much to the benefit of both shareholders and stakeholders within the mining industry.

This sort of voluntary advancement of stakeholder interests must be extended in proportion to the size of and revenue generated by the corporation. It can therefore be argued that CSR obligations should be carried out in proportion to a mining company's size and revenue generating capacity.

It can be plausibly argued that for many years the South African mining industry has missed an opportunity to leverage the critical causal relationship between profit maximisation and the advancement of socio-economic issues. It can be further argued that there is a relationship between high employee morale and high levels of productivity.

Recent criticism and isolated uprisings in some mining host communities can be attributed to unhealthy relationships between the mine and host communities. A case in point is the lengthy opposition by host communities against Coal of Africa's 344 million tons Makhado coal mining project located 35kms north of Louis Trichardt in the Limpopo Province. In response, Coal of Africa Limited (CoAL) embraced the principles of stakeholder management and CSR and has developed a "multi-stakeholder" engagement structure in an effort to quell the perpetual opposition and to forge cooperative relations between the mine and the community (CoAL, 2015).

It can be argued that the continuous labour protests seen in the South African mining industry as well as the prevailing socio-economic issues in host communities call for a more extensive CSR; given that the industry's current level of social responsibility seems inadequate relative to the magnitude of the country's socio-economic needs.

In particular, the current level of social responsibility could not save the industry (e.g. South Africa's platinum industry) from massive and damaging labour and host community protests that resulted in the loss of production and revenue in 2012 and 2014. The over-arching motivation for enlarged CSR obligations by the mining industry in my view therefore, is to prevent a total collapse of the South African mining industry, either through continual labour and/or community resistance. Such a total collapse could inevitably have far reaching consequences to the South African society at large including reduced tax revenue, increased unemployment and poverty.

8 Relating Social Justice to Enlarged CSR

Social Justice

According to Robinson (2003:1), Social Justice is defined as "promoting a just society by challenging injustice and valuing diversity. It exists when "all people share a common humanity and therefore have a right to equitable treatment, support for their human rights, and a fair allocation of community resources" (Robinson, 2003:1). In conditions of social justice, people are not discriminated against nor their welfare and well-being undermined or constrained on the bases of attributes that are beyond their control such as race, gender or where they were born (Robinson, 2003).

In this essay, the terms "Social Justice" and "Distributive Justice" shall be used interchangeably. "Social Justice generally equates with a notion of equality or equal opportunity in society" (Robinson: 2003:1). In accordance with Rawls' principles of justice, justice is about equal access to rights, liberties and opportunities and protection of these rights. It should be noted that the normative and philosophical concept of the theory of justice was initially proposed by John Rawls (1921-2002). On the basis of individuals' inability to choose certain arbitrary characteristics such as their race, background, where they were born amongst others, Rawls advocated that each individual should have access to certain liberties and fairness. He further advocated for fairness in the distribution and/or allocation of economic, political and social opportunities as well as the consequent benefits and burdens. There are certain principles that Rawls argues that people in the original position would agree on as the basic governing principles of their society. These are the liberty principle, the equal opportunity principle, and the difference principle, according to which social and economic inequalities are justified only if those inequalities are to the benefit of the least advantaged members of society.

The principles of distributive justice as proposed by Rawls state that the distribution of benefits and burdens in a society is just if and only if:

"1. Each person is to have an equal right to the most extensive total system of basic liberties compatible with similar liberties for all, and

2. Social and economic inequalities such as inequalities of wealth and authority are to be arranged so that they are both a) to the greatest benefit of the least advantaged persons, and b) attached to offices and positions open to all under conditions of fair equality of opportunity" (Swift, 2006:24).

Principle (1) is concerned with equal basic rights and trumps principle (2) which is concerned with social and economic inequalities comprising two parts which are b) the principle of fair equality of opportunity, which has priority over a) the difference principle (Swift, 2006).

This implies that within a society the granting of basic rights such as freedom of association, expression and religion is critical. As well, socio-economic inequalities are diminished to ensure that citizens possess equality of opportunity, and economic and social rights.

"With the richest 20% of the world's population, based on income, receiving nearly 83% of the total wealth while the poorest 20% receive less than 1.5%, Rawls's theory of justice is intuitively appealing" (Brenkert and Beauchamp, 2010:311). This is more so in a country such as South Africa which has had a damaging history of apartheid and which is characterised by tremendous socio-economic inequality in which the majority of people continue to live in abject poverty.

It is unnecessary to state that most businesses exist for the purpose of creating wealth for their stakeholders, such as employees and investors who are members of society. Furthermore, it can be argued that business and society cannot function independently of each other and that business also has a social responsibility. Enlarged CSR, as I have indicated, extends beyond standard CSR initiatives that are merely meant to meet legal and minimal ethical requirements expected of corporations — where legal requirements refer to acting within the prescripts of the law and minimal ethical standards mean refraining from violating human rights and engaging in immoral activities such as child labour and corruption within corporations.

Enlarged CSR is therefore about the advancement of social justice by ensuring that the liberties and rights of workers are maximised not only on the job, but also within the communities and society where the workers live and are based. Since mining communities are important stakeholders who can influence mining operations either negatively or positively, it is imperative for the liberties and rights of mine workers to be maximised.

Enlarged CSR also means effectively collaborating with key stakeholders such as government, government regulators, and trade unions to address limitations that deter the advancement of socio-economic ends such as poverty reduction, not only within mining communities but also in other areas of society. Some of the collaborative initiatives within a South African context could include supporting skills development or even transfer of skills aimed at improving service delivery within government institutions such as municipalities, and other government departments.

While there are differing positions on the extent and nature of CSR, most positions advanced by advocates of CSR tend to suggest that corporations have CSR obligations. It can be legitimately argued that the South African mining industry does have enlarged or extensive CSR insofar as one can tease out the obligations associated with the basic framework of CSR. Of course, while management generally has a mandate to derive economic benefits on behalf of company shareholders, it seems right to suggest that they are also obliged to meet some CSR initiatives especially those that can help to deter any potential unproductive activity (such as labour protests by employees) that, if not deterred, could significantly undermine the pursuit of economic benefits by corporations.

The South African mining industry is no exception to this obligation, as it has seen numerous damaging labour protests and criticism not only from society but also from government for the prevailing poor working and living conditions of its employees. Some advocates of CSR argue that corporations should pursue socio-economic projects because it is morally the right thing to do (see Olivier, 2014, Carrol, 2008, Goodpaster, 2010). There are assets of the business that are increasingly found in its employees and not in the balance sheets such as intellectual assets and skills which may warrant a sort of aggressive social performance by corporations within the mining industry to the benefit of their employees.

Original position

"The ideas at the center or heart of Rawls' theory of justice, which he calls justice as fairness, are the original position and veil of ignorance" (Swift, 2006:21). Justice for Rawls means that in entering into hypothetical contracts or agreements, for instance, people must do so without a view of the knowledge that would make the agreement unfair (Swift, 2006).

In illustrating this principle, Swift uses the phrase "If I do not know which piece of cake I'm going to get, I'm more likely to cut fairly than if I do" (Swift, 2006:22). In addition, people entering into this sort of contract, do so from behind a veil of ignorance in which, firstly, they do not know the sort of attributes such as their talents and social status in society and secondly, their "conception of the good". By not knowing their conception of the good they do not know how they stand to benefit in entering into the hypothetical agreement.

Simply put, behind the veil of ignorance people refrain from putting their self-interest first lest they act in a manner consistent with inequality and bias. Instead, they know that justice is satisfied when they embrace and uphold the common good and Rawls' "primary goods" such as liberties, equal access to opportunities and resources.

Swift states their knowledge as follows:

> "Most importantly, they know that they have what Rawls calls 'the capacity to frame, revise and pursue a conception of the good'. Indeed, they regard this capacity as one of the most important things about them and are very concerned to protect it, and provide conditions for its exercise, when they engage in the process of deciding what principles should regulate their society. And they know that to exercise that capacity, they need certain all-purpose goods, which Rawls calls 'primary goods': liberties, opportunities, powers, income and wealth, self-respect" (Swift, 2006:22).

Individuals inherently tend to place their self-interest before the interest of others and in so doing tend to undermine other people's liberties and fail to be impartial in social interactions with others even in entering into agreements. It can be plausibly argued that this sort of attribute largely contributes to what Buchholtz and Carroll call a "social problem" as defined earlier in this research essay.

Speaking of Rawls' second principle also known as "the difference principle" Buchholtz and Carroll note:

> "....Rawls imagined people gathered behind a "veil of ignorance", unaware of whether they, personally, were rich or poor, talented or incompetent. He then asked what kind of society they would build. He reasoned that the rule everyone would be able to agree on would be to maximize the well-being of the worst-off person, particularly out of fear that anyone could wind up at the bottom" (Carroll & Buchholtz, 2008:299).

"The point is that if people in the original position can agree on some governing principles on the basis of mutual self-interest, then these principles will be, Rawls thinks, the principles of justice" (Carroll & Buchholtz, 2008:299).

Finally, Shaw in his book entitled *Business Ethics* integrates an element of fair compensation for prior injuries into the definition of justice. Shaw asserts, "Justice concerns the fair treatment of members of groups of people or else looks backwards to the fair compensation of prior injuries" (Shaw, 2008:88). Shaw argues that any failure by companies to consistently apply punitive measures against transgressions committed by different managers in the work place will constitute "comparative injustice". He notes that not treating similar cases consistently is a form of unfairness, which creates injustice. This form of injustice is not uncommon in the workplace as shown later in this essay (Shaw, 2008).

In the context of this research essay, I understand social justice as concerned with a fair distribution of resources for the advancement of socio-economic ends. In invoking Rawls' account of social justice the idea is that if we are to think of the mining industry as establishing a hypothetical contract between the shareholders or owners of the mining companies and the mine workers, and host communities and government, which represents society, and if we think that this contract is crafted from behind what Rawls calls "the veil of ignorance" the principles or rules that they will choose to govern the relationship will be those that will advance enlarged CSR. For instance, in order for the stakeholders of the Makhado Coal Project to reach consensus, they had to put aside some of their "selfish" interests in an effort to establish rules to govern the multi-stakeholder relationships. The consensus reached by the project included granting the surrounding community a 20% stake in the project (Coal of Africa, 2015). This sort of approach is not only consistent with Goodpaster's (2010) concept of "Comprehensive Moral Thinking" but it is to an extent also consistent with Rawls' concept of "the veil of ignorance", as I will show later in this essay.

9 The Mining Industry and its Operations in South Africa

Notwithstanding the fact that the Mineral and Petroleum Resources Development Act (MPRDA), 2002 (Act No. 28 of 2002) is currently undergoing review, a passage of the MPRDA, widely known as the Mining Charter and also referred to as the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, has essentially transferred the ownership of South Africa's minerals to the citizens of the country through the DMR.

This sort of reform aimed at the common ownership of minerals and petroleum resources of a country by its citizens is consistent with the US Resolution 1803 of 1962 and the subsequent UN Charter of Economic Rights and Duties of states (DMR, 2015). The MPRDA was then implemented to support this principle of common ownership of minerals and since it came into effect on 1 May 2004 it has been aimed at driving substantial transformation within the mining industry.

Mining companies risk losing their mining rights as a punitive measure if they fail to meet socio-economic requirements as stipulated in the Mining Charter. The DMR is the custodian of all mineral resources in the Republic of South Africa on behalf of the country's citizens. On the back of the government's custodianship of mineral resources, is the over-arching objective of advancing the country's socio-economic goals largely through the implementation of the Mining Charter. The Mining Charter seeks to improve Broad Based Black Economic Empowerment (BBBEE), the living conditions of mine workers and Affirmation Action. This is aimed at bringing transformation to an industry which has historically been characterized by inequality and the exploitation of junior employees, especially miners, a practice which has its origin in the apartheid past. The Mining Charter also gives the state the power to approve, reject or suspend mining rights.

During the development of any mine, which is usually a complex undertaking, developing satisfactory Environmental Management Plans is a critical requirement necessary to ensuring the government's granting of mining rights to applicants, as is the development of Social Labour Plans (SLPs) as required by the MPRDA. This is just one of numerous regulatory requirements applicable to the mining sector. The aforementioned statutory requirements are a selection of regulatory requirements that are socio-economic in nature and that are also consistent with the principles of CSR and yet we still have host communities surrounded by mining operations that are subjected to "abject poverty" (see "Assessment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry", DMR, 2015).

Meyiwe *et al* (2014) states that the trickling transformation in working conditions within the mining industry is attributable to SLPs being used merely as instruments for meeting requirements for attaining mining rights by most mining companies. He further states that SLPs should rather be used as an opportunity to transform social conditions.

This sort of claim appears to be consistent with the report on the "Assessment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry" released by the DMR in May 2014. According to the MPRDA, the government's custodianship of minerals does not in any way translate into the full nationalisation of mines as some people may incorrectly deem it to be the case.

While it could be argued that the nationalisation of mines is not an answer to the challenges facing the mining industry and government with respect to transformation, there is a need for some sort of radical reform of the industry, a reform which can be achieved through enlarged CSR responsibilities by the mining industry to the mutual benefit of the industry and its stakeholders as opposed to nationalisation.

10 The Mining Industry and its Commitment to CSR

As I have noted, the South African mining industry has been confronted by sporadic labour unrest in recent years leading to substantial production and revenue losses. Central to the labour unrest are socio-economic issues affecting the living conditions of mine workers while mining executives continue to be rewarded generously in remuneration and share options.

The sporadic and damaging labour unrest prevalent within mining communities and the surrounding areas is also attributable to general living conditions due to failure by the mining industry to meet the expectations of the mining communities, as stakeholders in the areas in which the industry operates. This failure can be further understood as the mining industry's failure to live up to a hypothetical contract between itself and the communities in which it operates. The prevailing gap between society's expectations of the mining industry and its actual CSR performance inevitably results in what Carrol (2008) refers to as the "Social Problem" as I indicated earlier.

There is considerable evidence to confirm that this sort of Social Problem does exist within the mining industry such as the opposition by the communities near Louis Trichardt in Limpopo to Coal of Africa's Makhado Coal Mine project (see CoAL, 2015), amongst others.

This research essay is important in the context of the level of investment by the mining companies in host communities where the mines are located, in addition to the issue of the continuous decline in the mining industry's contribution to South Africa's GDP, employment and tax revenue.

Regarding the former, the analysis below (which is an extract as depicted in the table below) done by Price Waterhouse Coopers (PwC) in a document entitled "SA Mine 2015", indicates that while South African mining companies have paid out between 12% and 20% of their income to shareholders between 2012 and 2015, they only devoted an average of 1% towards community investments during the same period (PwC, 2015). PwC's analysis also reflects a marginal improvement in value distributed to employees between the period 2010 and 2015.

While this essay may highlight some CSR related cases in some mining companies, the essay is not intended to be empirical nor promote nor criticise any mining company nor a combination thereof, but to be philosophical in advancing an argument for enlarged CSR.

Table 1: Value distributed by South African mining companies

	YEAR					
	2015	**2014**	**2013**	**2012**	**2011**	**2010**
Funds reinvested	30.00%	33.00%	41.00%	27.00%	32.00%	43.00%
Employees	39.00%	37.00%	38.00%	27.00%	30.00%	36.00%
Shareholder dividends	15.00%	11.00%	19.00%	20.00%	11.00%	12.00%
Direct taxes	8.00%	9.00%	10.00%	10.00%	11.00%	9.00%
Employee taxes	7.00%	7.00%	7.00%	6.00%	6.00%	6.00%
Mining royalties	3.00%	4.00%	3.00%	2.00%	3.00%	5.00%
Borrowings	5.00%	4.00%	4.00%	3.00%	1.00%	1.00%
Community investments	1.00%	1.00%	1.00%	1.00%	N/A	N/A
Funds (utilised)/retained	-8.00%	-6.00%	-23.00%	4.00%	6.00%	-12.00%
Total Value created	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: SA Mine 2015, PwC

The Chamber of Mines of South Africa reports that the mining industry's contribution to South Africa's GDP has been on a gradual decline from 1970 at 21% through to 8.3% in 2013 (Chamber of Mines of South Africa, 2015).

While the decline in GDP contribution by the mining industry can be effectively attributed to numerous factors such as reduced demand for commodities by China, one of the major reasons for the decline is an increasingly declining appetite for investing in the South African Mining Industry which is said to be largely due to the persistently unstable labour relations experienced in recent years. The industry is undeniably confronted by continual waves of labour unrest due to the unfulfilled economic and social expectations of its employees.

Attesting to the extent of these unfulfilled economic and social expectations are the poor living conditions that are not only evident but also appalling and unacceptable in and around communities where mining operations exist.

Needless to say a mining industry or any other business environment that is characterised by great inequality, intermittent retrenchments, rising operating costs and a rising cost of living is a breeding ground for conflicts of interest, leading to sporadic labour unrest to the detriment of both the industry and its employees and other key stakeholders such as government, which earns significant taxes from mining operations on behalf of society.

The South African Platinum Mining Industry in 2014 experienced one of the most damaging five months of labour unrest ever seen in the history of the mining industry. This period of labour unrest was also accompanied by sporadic violence, as was the Marikana labour unrest of the year 2012 which had more damaging consequences, resulting in the death of 40 mineworkers. The five months of labour unrest, which was led by the Association of Construction and Mineworkers Union (AMCU), ended in June 2014. In both the above instances of labour unrest, mine workers had been protesting for better wages.

Following the 2014 labour unrest, Anglo American Platinum is reported to have considered the idea of instituting a civil suit against the AMCU and 41 of its members for labour unrest related damages attributable to damage to property and increased security costs. The main point in Anglo American Platinum's contestation is the AMCU's failure to adhere to the law and the loss of production because non-striking workers were prevented from working (Loni Prinsloo *et al*, 2014).

In his report Van Rensburg notes that "In the 1970s, the wage gap between skilled and unskilled mine wages was as high as 2000%, reflecting apartheid racialized wages. By the late 1990s that fell to about 400%.

The AMCU's deal of June 2014 reduces the gap between the entry-level under-ground worker and the highest underground level worker from about 370% to 336%, based on the actual median wages the "C4s" at Lonmin receive" (van Rensburg, 2013:3). While there is a propensity to progressively narrow the wage gap within the mining industry, this is happening at a very slow pace as reflected above. This inequality is evidenced by the appalling living conditions characterized by poverty, lack of or inadequate sanitation and high unemployment that continue to affect most ordinary South Africans. While the government has a major role to play in improving the living conditions of South Africans, the need is so enormous such that it cannot be effectively met by applying government resources alone. It is therefore seen as a moral obligation to corporations, and demanded by CSR, that business should make meaningful contributions towards improving the living conditions in the communities where they operate, thereby helping to address the Social Problem as described by Carroll. An advocacy for extensive CSR is therefore not untenable.

11 An Argument for Enlarged Obligations under an Enlarged CSR

Thus far, I have been attempting to highlight some of the critical socio-economic issues of moral concern such as unemployment, intermittent retrenchments, inequality, host community dissatisfaction and the consequent labour unrest facing the South African mining industry. Added to these socio-economic issues are increasing operating costs, government regulation and lower metal prices underpinned by moderate economic growth in major mineral-consuming countries such as China.

This combination of social and economic factors invariably increases the level of complexity involved in managing mining operations. Whilst these socio-economic issues are of critical importance and deserve appropriate attention, I do not consider any of these to be the overarching and compelling reasons for advocating for enlarged CSR for the South African mining industry. The overarching reason for enlarged CSR is the consequences of a potential total collapse of the current mining industry, characterised by world class technology and special skills and a significant potential to contributing to employment and tax revenue. Whilst avoiding the collapse of the mining industry may be construed to be an argument of self-interest to the benefit of the industry, it can plausibly be argued that the flourishing of the mining industry is also largely beneficial to other numerous stakeholders including suppliers to the industry, people employed by the industry and South Africans at large who in various ways benefit from tax revenues generated by the country's mining industry. Indeed a potential collapse of an industry such as mining can have far reaching consequences and as such any counter-argument that claims that my overarching reason for enlarged CSR is strictly and solely a self-interested reason seem misplaced.

Should the declining mining GDP be allowed to continue indefinitely, this would have far reaching economic and social consequences such as increased unemployment for the country. The mining industry's contribution to GDP has also been declining at an alarming rate over the past years as already discussed in section 10 of this essay. As a minimum I suggest that the enlarged CSR be directed at employees and host communities and should include paying mine workers fair wages commensurate with the work they carry out, sometimes under unsafe and/or life threatening conditions.

The provision of family-friendly housing to mine workers should also be taken as a critical CSR component aimed at reducing the spread of HIV/AIDS. The point is that providing family-friendly housing for junior mine workers would help minimise the spread of HIV/AIDS infections.

The provision of this sort of family-friendly housing would enable mineworkers to live together with their families most of whom are left behind in rural communities located in other provinces or even in neighboring countries such as Lesotho and Mozambique. This provision of family-friendly housing would result in a more motivated and productive workforce to the mutual benefit of both the shareholders and the employees particularly unskilled employees such as miners. The development of critically essential infrastructure such as education and health facilities in host communities and business opportunities for local communities can be instrumental towards poverty reduction. This will also contribute towards job creation thereby improving relations between mining companies and host communities. In addition, the mining companies should consider advancing CSR activities that would help communities to remain economically sustainable even after mine closures. This may be achieved through helping members of host communities to develop and run their own businesses, which may be mining related or otherwise.

The Anglo Zimele Enterprise Development model, which is an initiative of Anglo American, may be seen as the epitome of Enterprise Development in South Africa carried out by a major corporation. This initiative by Anglo American has existed for more than 20 years and has supported the development of more than 18 000 companies (Anglo American, 2015). Anglo Zimele's ability to maintain a trajectory of substantial Enterprise Development initiatives even through volatile economic conditions is a kind of enlarged CSR undertaking by a mining company.

A range of socio-economic issues such as poverty and poor sanitation remains prevalent within mining communities. These socio-economic issues are attributable to host community opposition and labour unrest despite the existence of developmental initiatives such as those advanced by Anglo Zimele for over 20 years.

It can therefore be argued that the magnitude of socio-economic issues facing the mining industry and its stakeholders necessitates a more radical approach to CSR. This radical approach can be achieved through a collaborative effort extending beyond the territory of the mining industry into the industry's supplier base. This collaborative effort will result in long-lasting ripple effects in Enterprise Development and Social Responsibility. The much-needed critical mass in Enterprise Development and Social Responsibility can be reached by leveraging the industry's tremendous purchasing power, through a collective effort amongst various mining corporations. The development of meaningful socio-economic development plans by existing and potential contractors to the mining industry should be an obligatory requirement attached to the award of business by industry to the benefit of society, particularly mining communities.

This obligatory requirement should be integrated into the Supply Chain Management processes of mining companies. In addition, existing contractors should be encouraged to advance Enterprise Development and Social Responsibility. This is not only one of the key elements of the sort of enlarged CSR that I am arguing for, but one that can enormously impact socio-economic advancement without imposing significant cost implications on the mining industry. This approach will ensure that the burden of social responsibility, whether ostensibly or otherwise, is shared between the mining industry and its contractors/suppliers.

I will now provide some reasons in support of enlarged CSR by the mining industry before returning to my argument on the bases of Rawls's principle of justice or fairness and the compelling need to prevent the systemic vulnerability faced by the mining industry, its employees and host communities. This sort of vulnerability can have far reaching systemic consequences for the industry and its stakeholders such as its shareholders, employees, suppliers and government including the adverse effects of diminished mining revenue, unemployment and poverty.

Firstly, enlarged CSR can help companies secure their social licences to operate. In addition, enlarged CSR would contribute significantly, either directly or indirectly, to sustainable development, and ultimately add value not only for shareholders but also for several stakeholders such as host communities, small businesses, government, contractors and employees through increased job security.

Secondly, enlarged CSR can help improve a mining company's competitive advantage and image much to the benefit of shareholders. There are a number of pragmatic reasons, aside from external pressure, why mining companies need to extensively invest in communities through CSR programmes. These include trying to gain a competitive advantage as experienced by gold mining companies such as Gold Fields operating in Ghana (Yankson, 2010).

Extensive CSR models similar to those applied by mining companies such as Gold Fields and AngloGoldAshanti operating in Ghana aimed at advancing socio-economic ends in host communities can be instrumental towards restoring the image of the South African mining industry.

The tarnished image of the South African mining industry is reflected below by Shawn Hattingn (2010). In "Mineworkers' Direct Action: Occupations and Sit-Ins in South Africa", he asserts that:

> "Even today, racist attitudes permeate through mining institutions. The fact that South African mines continue to have some of the worst working conditions and safety records in the world is telling. Each year, hundreds of workers die in accidents underground, while thousands more die of work-related diseases such as silicosis. Obviously, the mining bosses in South Africa do not particularly care about this because after all, for them, it is only insignificant "others" dying underground. The mining sector in South Africa, however, merely reflects the attitudes and practices of the broader society. The elite, as a whole, in the country treat the majority of people with utter disdain or at best, with condescending paternalism. For bosses and politicians, workers and the poor in South Africa are simply human fodder for the country's mines, factories, and electoral machine. Naturally, being subjected to such a dehumanizing system has led to a seething anger among workers and the poor and rightfully so. It is also this anger that often bursts into struggle and direct action—whether in the form of community protests or wildcat strikes. Since mid-2009, the anger that people have been feeling toward the system and the exploiting elite once again erupted: this time, in the form of a series of mine occupations. Considering the history of extreme exploitation and racism in the mining industry, it is perhaps no coincidence that workers decided to take the fight to their bosses in this arena through embarking on sit-ins and occupations. Indeed, the main grievances of the workers involved in these occupations" (Hattingn, 2010:343).

Whilst the above exposition by Hattingn may seem to lean towards the hyperbolic side of things regarding the state of the South African mining industry, his exposition is intriguing and depicts the complex nature of issues that face the industry and as such cannot be completely ignored. Imagine a productive South African mining industry which maximizes value for its shareholders as an industry that has unassailable healthy relationships with its host communities, government, employees, environmentalists and other key stakeholders such as its contractors or service providers.

Further imagine an industry that undeniably commands respect, is known for endeavouring to improve all aspects related to its operations inclusive of profit maximisation, technology, productivity, supply chains, government relations, social responsibility and branding amongst other imperatives. This can be achieved through an enlarged CSR. Such enlarged CSR will go a long way in making the mining industry socially responsible, which in turn will result in good relations with host communities thereby securing a stable working environment.

Thirdly, extensive CSR initiatives would help minimise further introduction and amendment of legislation aimed at controlling the mining industry and advancing socio-economic ends. The current review of the MPRDA, which tends to bring about uncertainty in the mining industry, can be seen as an example of the government's attempt to advance socio-economic ends through the amendment of legislation. The introduction of new legislation to advance socio-economic ends is not unique to South Africa.

The significance of ethics and CSR within the business world has given rise to numerous morally motivated guidelines and legislation such as the UNGPs, the implementation of the US's Sarbanes - Oxley Act of 2002 and South Africa's Mining Charter as well as the Financial Services Sector Charter. All the aforementioned pieces of legislation, although arising from different institutions, are underpinned by similar objectives, such as the advancement of morality in business and/or CSR related socio-economic ends such as the broad-based empowerment of historically disadvantaged individuals in South Africa. The mining industry must therefore recognize that it is not immune to the impact of government legislation and must implement enlarged CSR as a way of preventing further social performance related legislation.

That said, the mining industry has the potential to become the epitome of transformation in South Africa, largely because of the ripple effect it has on many other industries as a major consumer of products and services. The collective spend by the industry for the year 2013 is in excess of R188 billion in expenditure on purchases and operating cost as reported by the Chamber of Mines of South Africa.

Lastly, enlarged CSR can help prevent and/or suppress the impact of labour protests within the mining industry. Aggressive and damaging labour protests of the magnitude seen within the platinum industry in 2012 and 2014 demonstrated how detrimental and far reaching the impact of labour protests can be. Labour protests of this magnitude, coupled with unfavourable market conditions due to lower metal prices can potentially bring the mining industry to its knees.

Furthermore, this may ultimately lead to a total collapse of the mining industry, as some of the platinum mines are reported to have been shut down and some sold in the Rustenburg area, following the five-months-long labour unrest led by the Association of Construction and Mineworkers Union (AMCU).

Enlarged CSR aimed at advancing the socio-economic interests of mine workers and host communities should therefore be seen as part of the solution to the sporadic labour unrest within the mining industry as well as addressing what Carroll refers to as a "Social Problem".

I will now invoke John Rawls' original position (see section 8 of this essay) to further advance my argument for enlarged CSR by the mining industry. Following this I will consider potential objections to the argument.

Rawls advocates that social justice concerns fairness directed towards the advancement of a just society. To Rawls, social justice is about "the protection of equal access to liberties, rights, and opportunities as well as taking care of the least advantaged members of society" (Robinson, 2014:2).

A look at mining companies suggests that human dignity is seemingly recognized within the industry, as most mining companies have included in their operational policies and company values concepts such as "workers' safety first" and "respect for fellow employees". However, it can be argued that what has been reported at a number of mines and host communities may not be consistent with the values that these mines claim to embrace.

This sort of thinking is not only supported by the wave of frequent and damaging labour protests, high work-related fatality rates within the mining industry as well as mine workers' living and working conditions which are reported to be very poor and characterized by abject poverty, but it is also supported by the Department of Mineral Resources' 2015 report on the Assessment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (see section 1).

In invoking Rawls, I want to note that social justice calls for an enlarged CSR, namely, obligatory social responsibility towards workers and host communities by corporations, which can potentially serve the common good of society as advanced in this thesis. CSR initiatives will either have to be at the same level or over and above the requirement of the Mining Charter as outlined in section 9 of this research essay, "The Mining Industry and its Operations in South Africa". Additionally, CSR initiatives have to be relevant to the unique issues affecting each mine, its employees and/or host communities.

The reason for thinking that social justice will require an enlarged CSR is drawn from the difference principle that Rawls argues comes out of the original position behind the veil of ignorance. Rawls notes, if people in the original position agree on some governing principles on the basis of mutual self-interest these principles will be the principles of justice. Of relevance to my argument for an enlarged CSR here is the difference principle. For Rawls, this principle regulates inequalities or differences in privileges, which according to him, should be to the benefit of the least advantaged in society. An example of a benefit relevant to the mining industry would be the awarding of mining rights.

Suppose a hypothetical mining corporation were to be granted mining rights to conduct mining operations in a community in Limpopo which is characterized by abject poverty. In applying Rawls's difference principle this award of mining rights to this hypothetical mining corporation can only be justified to the extent that it presents some benefit to the disadvantaged members of the host community.

In a system or society comprising owners of the hypothetical mining corporation and the least advantaged members of the host community, the owners of the mining corporation should not be allowed to gain disproportionally through the granting of the right to mine while the host community remains more disadvantaged. The difference in privileges in this case is that in a system comprising of the hypothetical mining corporation and the host community, the hypothetical mining corporation is granted mining rights and not the host community but not because the host community has no desire to have mining rights or to partake in the benefits of such a right.

If this hypothetical mining corporation derives an annual profit of say R1 billion, the members of the host community need to benefit from the profits to some extent, so as to render the award of the mining rights fair in terms of Rawls's difference principle. Owners of the mining corporation could ensure this sort of fairness by channeling some of the profits derived from mining operations towards improving infrastructure in the host community such as roads, water and sanitation, or towards building education and/or health facilities to the benefit of the host communities. The end result of this sort of action by the mining corporation would be improved relations and a continuation of the license to operate in and around this community.

In applying the ‘original position’ discussed in section 8 of this essay Rawls would argue that in making decisions about the rules to be applied in a hypothetical contract between a host community and a mining company, decisions are to be made from behind the "veil of ignorance".

In this position behind the veil of ignorance, participants in the decision making process (such as executives in a hypothetical mining company and members of a particular host community) decide on rules to govern their relationships or even economic distributions amongst stakeholders in the mining community. These participants are unaware of their conceptions of the good, status, education, wealth or what they stand to benefit. However, they have a general knowledge of history, sociology, and psychology. Simply put, the participants in the decision making process have no specific knowledge about themselves nor their situation which will provide them some benefits or burdens for contributing to CSR.

Rawls would argue that even in a case relating to the award of mining rights to a mining operation, from the ‘original position’ the parties to the decision making process would come to a decision which ensures a fair distribution of benefits to all involved.

The imperative of this argument is that all stakeholders within the mining industry can collectively design a mining industry that significantly addresses some if not all of the aforementioned socio-economic related issues, particularly those that relate to social performance, industry image, regulation, wages, job creation and operating costs.

In order to achieve this, I suggest that each stakeholder including employees, shareholders and government put aside any self-seeking interests and rather imagine and collectively agree on the sort of terms that will not only result in the flourishing of the South African mining industry but also in the advancement of social justice, human dignity, common good and economic growth much to the benefit of the country at large.

This would certainly require a 'give and take' sort of approach as opposed to the fallacious concepts or myths such as 'dog-eat-dog', 'it's a jungle out there' or 'every man for himself', 'all that matters is the bottom line' – all of which can have far reaching consequences. Indeed, if the shareholders were to have the sort of consideration or even the sort of reasoning stated by Rawls above, they would endeavour to agree and design the sort of mining industry which will potentially prevent the total collapse of South Africa's mining industry.

12 Some Objections and Rebuttals

Opponents of extensive CSR within the mining industry are likely to raise some objections. I now consider these objections.

Some opponents of CSR can argue that corporations should make minimal contributions towards CSR that is, only those that are vital to ensuring that their economic objectives are not deterred. This opposition to extensive CSR or any form of CSR could be said to be grounded in Milton Friedman’s reasoning about the social responsibility of business being one geared towards increasing profits. Friedman’s view, which I have engaged with above simply asserts that the responsibility of corporations is to generate and increase profits and any form of social responsibility should be directed merely at the maximization of profits.

Two points can be derived from this view. The first is that, the advancement of social responsibility by business executives is not consistent with what these executives are hired to do as agents of the shareholder/s unless the executives contribute towards social responsibilities in their individual capacity. The second is that acts of social responsibility reduce profits and are an additional tax burden on businesses.

My response to the above line of argument is to say that those who object to the notion of extended CSR by the mining industry probably do so because they are not sufficiently cognisant of the potential catastrophic consequences for failing to embrace enlarged CSR, such as the continuing and, to an extent, aggressive protests by labour and/or host communities, the effect of which may result in hugely diminished productivity levels or even an ultimate total collapse of the industry.

In 2014, the platinum mining sector saw substantial revenue losses resulting from the AMCU-led aggressive labour unrest over wages and poor living conditions within the sector which lasted for a period of five months. Some estimates put the loss of income by the South African Platinum companies at more than R24 billion during the 2014 AMCU-led labour unrest (BBC News, 2014). The mine workers also experienced significant losses of income during the period due mainly to the application of the "no work no pay principle". Indeed the primary and secondary impact of this period of labour unrest is not completely quantifiable both from a social and economic perspective more so because of the difficulty of estimating the overall impact on the numerous businesses and industries that are economically dependent on the mining industry as well as employees and their families.

Velasquez explains the rationale for labour protests as follows:

> "People's desire for justice will motivate them to take steps to ensure that justice prevails, even when this means foregoing advantages to themselves. It must matter to businesses, for example, that employees seek distributive justice in compensation and work assignments, and will take steps to ensure that work burdens are justly proportionate to compensation" (Velasquez, 1996:212).

It can be argued that this sort of aggressive action for the sake of social justice to the extent of foregoing benefits such as the equivalent of five months' salary is a form of sacrifice similar to the one that Velasquez (1996) mentioned above.

In responding to the minimalist line of thought raised above, it can be argued that the pursuit of meeting the country's socio-economic needs, even at an additional cost to the mining industry, should be seen as an important contribution to the "common good" of society and which is in line with Rawls's account of justice.

Such a contribution to the common good can be understood in terms of the prevention of the collapse of the mining industry which would have far reaching consequences and which would affect the sustainability of other industries which supply products and services to the mining industry and the country at large.

A second objection to enlarged CSR sees CSR as an additional tax. In this view, since mining companies pay income tax as well as royalties, any enlarged CSR will constitute an additional tax burden on the mining industry. As stated earlier in this essay, the sort of enlarged CSR I am arguing for includes improving mine workers' employment terms and conditions such as fair wages and better living conditions. Employees such as mine workers are key stakeholders within the mining industry, as are host communities.

Employees ensure the continuity of operations and, as such, seeing the improvement in the working conditions of mine workers as a tax burden seems untenable. Failing to improve mine workers' conditions will inevitably undermine worker-morale and productivity which will be to the detriment of shareholders. In addition, any perpetual failure to improve living conditions in communities that host mining operations can be to the potential detriment of mining operations due to community resistance or opposition to such operations.

Accordingly, Velasques (2006) argues that continuous unethical behaviour by business may have far reaching consequences leading to protest action. In the long run unethical behaviour tends to be unprofitable and non-rational, "while, ethical behaviour would reap the rewards of mutual cooperation" (2006:207).

Velasques's argument is consistent with that of Primeaux P.S.M & Stieber J (1995), who argue that the advancement of ethical ends has a positive impact on profit maximisation and as such social responsibility is not a deterrent to profitability but can rather serve to enhance profitability.

Thirdly, some opponents of enlarged CSR may argue that the burden of advancing socio-economic ends such as the provision of sanitation should be placed on government and not business. In advancing this sort of objection the opponents fail to recognize that although the conventional view assigns the primary responsibility for the protection and promotion of human rights to government in a democratic state such as that of South Africa, it does not follow that corporations have no obligations to protect and advance human rights, particularly those obligations that are socio-economic in nature. This is more so if we consider these obligations as emerging from deep considerations of social justice as well as government's limitations to meeting the current socio-economic requirements.

Lastly, one could object that enlarged CSR is not economically viable for mining companies. The argument here is that while there may be noble reasons for enlarged CSR, it is not feasible in the current declining economic climate demonstrated by a continuing reduction in mining revenues. This objection misses the point, largely because for as long as the mining industry continues to earn revenue, they should be able to invest a percentage of their revenues towards socio-economic ends, much to the mutual benefit of the industry and its stakeholders.

As stated at the beginning of this essay, the degree of extensive CSR I am arguing for has to be proportional to the size and profitability of each mining corporation and must be assessed in terms of its long term benefits and burdens. The point is that the magnitude of CSR initiatives has to be in proportion to the performance of each mining company. That is, it is reasonable to expect CSR to diminish as mining revenues diminish and increase as mining revenues improve.

That said, the above objection relating to economic viability does not really succeed when considering the continual Enterprise Development and Community Development initiatives by organisations such as Anglo Zimele under challenging economic conditions.

With expenditure on purchases and operating cost reaching R188 billion in the year 2013, some of the expenditure on purchases can be channeled towards CSR initiatives by requiring contractors or suppliers to the mining industry to meet some aspects of CSR such as community, infrastructure and skills development. This will ensure that some portion of the industry's substantial costs paid to contractors or suppliers is allocated to socio-economic ends by the contractors themselves. This will translate into various arrangements between mining corporations and their contractors which contractually, if not collegially enforce various aspects of CSR on suppliers or contractors.

13 Other Objections Raised by Examiners[6]

One objection that may be raised against my project is that it is not part of an ethics research report at all, but rather is speculative and not empirically founded. I take this objection to be naïve as it misses what a substantive philosophy research is about. Philosophy is basically speculative and the fact that a research report is called applied ethics does not mean that the research will in general be empirical and not speculative. Philosophy and philosophers do not generally in their research do empirical research.

[6] The objections considered in this section are raised by the anonymous examiners.

They may draw on empirical evidence or data to make their argument but that is as far as they go with empirical matters. The bulk of their argumentation remains largely conceptual and speculative.

Another objection raised is that there is tension in my research that either I am not fully aware of or did not address. This tension has to do with the fact that I conflated the argument from social justice with that of rational self-interest. That is, to increase CSR for self-interested reasons would require a different set of arguments while to increase CSR from the point of view of ethics or social justice will require a different set of arguments. I acknowledge that typical considerations and arguments from social justice can be separated from considerations and argument from pure self-interest. This, however, does not mean that considerations from social justice cannot collapse into considerations of self-interest. And part of my appealing to Rawls' account of social justice is to show where this collapse occurs. So for example, I talked about contracting parties in Rawls' approach whereby we all are behind the veil of ignorance. Such contracting and the conclusions that result, namely, the principles of justice that are selected are driven, according to Rawls, by self-interest. Let me quote one of the comments that I made above to help illustrate this: "Suppose a hypothetical mining corporation were to be granted mining rights to conduct mining operations in a community in Limpopo which is characterized by abject poverty. In applying Rawls's difference principle this award of mining rights to this hypothetical mining corporation can only be justified to the extent that it presents some benefit to the disadvantaged members of the host community."

On this thinking, although the driving force behind the legitimacy of fairness of the action of the mining company is social justice, it is motivated by the fact that parties that chose principles behind the veil of ignorance do so with the aim to maximin, that is, they put themselves in a position where if it happens that they're the worst off members of society the principles that are chosen will at least be beneficial to them—this to me is what self-interest considerations entails. One may disagree with my move here or take my interpretation to be controversial or mistaken but certainly I can't be accused of not at least making a case for how considerations and arguments from social justice can be collapsed with considerations and argument from pure self-interest or why one does not need to give separate arguments for considerations of social justice and that of pure self-interest.

Another objection raised by one of the anonymous examiners is that the "Overarching motivation for the enlarged CSR by the mining industry being to prevent a total collapse of the mining industry, as identified by my project, due to continual labour unrest, community resistance coupled with the structural change to the Chinese Economy and the impact of the HIV/AIDS pandemic resulting in the potential collapse of the mining industry constitutes an "exaggerated fear", which as the objection goes does not make my project realistic but naive. This objection however, misses the point in that it fails to understand that mining businesses like any other production related businesses depend on substantial production volumes to be sustainable and to effectively cover their high fixed costs such as overheads and capital expenditure even through times of labour unrest.

Any unplanned decline in production volumes invariably leads to diminishing revenues. Consequently, the mining companies' ability to service capital expenditure, fixed costs and debt is significantly undermined. If this trend were to continue for an extended period of time, the ultimate result could inevitably be the collapse of the industry.

The industry's declining GDP contribution since 1970 from 21% through to 8.3% in 2013 and the sale of mines by Anglo American Platinum and the continued closure of mining shafts by Lonmin, amongst other platinum mines, following a five months long strike within the platinum mining industry, attest to the consequences of continual labour and community unrest and a preview of how that might push towards a potential collapse of the industry.

A third objection is that there is no causal chain between enlarged CSR and improved relations amongst local communities and employees to the mining companies. In responding to this objection, I start by drawing from a case in point relating to the five months long labour unrest within the platinum mining sector, the longest labour unrest ever seen in South Africa. When the mining companies and their employees somewhat managed to reach an agreement which sought to meet the workers' demand of a minimum wage of R12 000 per month, the result of which was not only a sustainable end to labour unrest but also an improvement to employee relations. It can reasonably be argued that since employees are also members of the communities surrounding the mines, any considerable improvement in employee relations will influence the socio-economic and living conditions of the same community members at a minimum, thereby having a positive impact on community relations with the mines.

In the event that mining companies further extend their CSR initiatives to include philanthropic projects to the benefit of communities, this can only further improve relations between mining companies and surrounding communities. It therefore cannot be successfully argued that enlarged CSR initiatives by the mining industry are not capable of improving relations between the industry and its employees, as well as local communities to the mines, with or without empirical data. Furthermore, by taking a closer look at the case of Coal of Africa Limited as described in section 7 of this research essay wherein CoAL adopted a cooperative stakeholder engagement approach in the midst of community unrest resulting in the granting of a 20% stake of the company's operations to the local community, one gets a view of a form of effective enlarge CSR consistent with what argue for in this project.

Another issue although not a clear objection raised by the external examiner has to do with the fact of why I am not rather arguing for a radical increase in corporate taxation, nationalising mines or "introducing new laws to force corporations and others to act in ways which serve social justice". In acknowledging and responding to this point I note that this approach, if adopted would have damaging consequences to the mining industry resulting in a further lack of mining related investments and/or divestments to the detriment of the industry and many other industries that are hugely dependent on the mining industry. The cost of radically increasing corporate taxation or nationalising mines will far exceed the cost of enlarged CSR by the mining industry and as such should be avoided much to the benefit of society at large. In fact the kind of enlarged CSR I am advocating for is meant to minimise or prevent any further legislative arm of government, which may be deemed too radical.

Furthermore, I am advocating for an aggressive direct injection of funds out of the coffers of mining companies towards socio-economic ends. I am arguing for a cooperative, integrated and collective effort by mining companies, their suppliers and government in advancing social justice to the benefit of the South African mining industry as well as its stakeholders inclusive of employees, local communities, government and citizens of South Africa at large.

The approach I am arguing for should include social performance related requirements on suppliers to the mining industry as a condition to be met prior to the award or during the term of major contracts. The mining industry is reported to have collectively spent in excess of R188 billion in purchases and operating expenses during 2013 and only an average of 1% of the industry's revenues was spent on community investments in accordance with reports by the Chamber of Mines and PwC respectively. The distribution of revenues by the South African mining industry between 2010 and 2015 as reported by PwC, is reflected in Table 1 under section 10 of this research essay. By ensuring that suppliers to the mining industry also improve their CSR commitment the mining industry will be effectively utilising its purchasing power to advance social justice without actually incurring further direct costs. This collective effort will bring about a balance between the advancement of social justice and profit maximisation by the industry, as the burden of advancing social justice would be spread across numerous agents through this approach. This approach, which also responds to an issue raised by another anonymous examiner, will potentially bring about fairness in favour of numerous stakeholders such as shareholders and employees to the industry and local communities.

14 Conclusion

I have argued that socio-economic demands within the country, particularly by mine employees and host communities that surround mining operations, call for enlarged CSR by the mining industry. I have shown that the concept of enlarged CSR by the mining industry is not only consistent with Rawls' account of justice but is also consistent with the UNGPs, UDHR, and the South African government's Mining Charter. I have argued that there are overarching reasons for maintaining a focus on enlarged CSR even during a volatile economy if we are to prevent a collapse of the mining industry. By embracing the concept of enlarged CSR, and also collaborating with its supplier base towards this end, the mining industry will also prevent the ripple effect of job losses in other industries that are dependent on the mining industry. This approach will go a long way towards minimising the risk of disruptions to mining operations due to labour unrest and community opposition, thereby increasing the profitability of mines, while benefiting mine stakeholders such as employees and host communities. I have also shown that there are other compelling reasons for enlarged CSR such as improved relations with host communities and restoring or improving the industry's image. The mining industry can effectively advance enlarged CSR by leveraging on its purchasing power amongst other initiatives. The mining industry spent R188 billion on purchases and operating cost during the year 2013 as reported by the Chamber of Mines. On the strength of these reasons, I therefore, conclude that following through on an enlarged CSR will mutually benefit the mining industry as well as other key stakeholders such as employees, local communities, government and shareholders, much to the benefit of South Africans at large.

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