

# A LEGAL ANALYSIS OF THE REGULATION AND USE OF TECHNOLOGY TO PROMOTE CORPORATE SOCIAL RESPONSIBILITY OF MINING COMPANIES IN SWARTRUGGENS COMMUNITY

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## **Abstract**

*Corporate social responsibility (CSR) usually occur when a company volunteers to contribute part of its profits and/or resources towards community development in a certain area or community where it normally conducts its business. CSR is also known as corporate citizenship. CSR is mainly enforced as a self-regulatory measure that enables a company to be socio-economically accountable to itself, its stakeholders and the community at large. Companies that practice CSR are likely to have a positive impact on the environment and the socio-economic development of their communities. Companies and other relevant stakeholders that practice CSR have the potential to uplift and develop their communities. The South African mining sector has the potential to develop the communities through CSR measures of mining companies. In this regard, it is imperative that mining companies utilise appropriate technology to effectively enforce their CSR measures. Therefore, the Helam Mine which is currently owned by Petra diamonds in Swartruggens community is discussed as a case study in this article. Helam Mine has so far failed to adopt and utilise CSR measures in the Swartruggens community. Consequently, the Swartruggens community is poorly developed and its people are still fighting for service delivery to date. Accordingly, the article explores the historical background of CSR as well as the role played by Helam Mine in the development of the Swartruggens community. Furthermore, the article analyses the possible CSR-related measures that could be adopted by Helam Mine to promote socio-economic and environmental development in the Swartruggens community. It is submitted that Helam mine should seriously consider embracing and incorporating new technological approaches and CSR-related measures for the effective operation and management of its mining activities. In this regard, the available regulatory framework for CSR in South Africa is examined. Lastly, the article recommends that CSR should not be merely treated as an ethical obligation but it should also be regarded as a legal obligation so as to statutorily oblige all companies, especially mining companies to adopt, promote and enforce CSR-related measures in the communities where they conduct their businesses.*

**Keywords:** CSR-related measures, community development, mining companies, technology, socio-economic development.

**JEL Classification:** K22

## **1. Introductory remarks**

There are various definitions of the concept of corporate social responsibility (CSR).<sup>3</sup> For instance, CSR is a type of private self-regulatory business that promotes public societal goals and charitable business activities that are voluntarily and ethically conducted by companies in their communities for developmental purposes in order to benefit the people of such communities.<sup>4</sup> CSR usually occur when a company volunteers to contribute part of its profits and/or resources towards community development in a certain area or community where it normally conducts its business. CSR is also known as corporate citizenship. Notably, CSR helps companies to manage the environmental and socio-economic effects of their operations in the relevant communities in accordance with the affected communities and/or public expectations. CSR is also a continuous obligation and commitment by companies to conduct their activities ethically and to contribute towards the socio-economic development and improvement of the quality of life for the people of

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<sup>3</sup> A. Dahlsrud, 'How Corporate Social Responsibility is Defined: An Analysis of 37 Definitions', 15(1) *Corporate Social Responsibility and Environmental Management* (2008), pp.1-13.

<sup>4</sup> A. Dahlsrud, 15(1) *Corporate Social Responsibility and Environmental Management* (2008), pp.1-13; P. Kraus & B. Brtitzelmaier, 'A Literature Review on Corporate Social Responsibility: Definitions, Theories and Recent Empirical Research', 14(4) *International Journal of Management Cases* (2012), pp. 282-296.

the affected communities and the society at large.<sup>5</sup> CSR is mainly enforced as a self-regulatory measure that enables a company to be socio-economically accountable to itself, its stakeholders and the community at large. Companies that practice CSR are likely to have a positive impact on the environment and the socio-economic development of their communities. Companies and other relevant stakeholders that practice CSR have the potential to uplift and develop their communities. In this regard, the South African mining sector has the potential to develop the communities through CSR measures of the mining companies. Notably, the mining sector contributes immensely to the foreign direct investment (FDI) in South Africa and as such, it ought to contribute meaningfully to the economic growth of the country and to fully adhere to CSR principles.<sup>6</sup> However, most mining companies merely accumulate huge profits without ploughing back and/or developing the communities within which they conduct their businesses in South Africa. In this regard, it is imperative that mining companies utilise appropriate technology to effectively enforce their CSR measures. Therefore, the Helam Mine (Pty) Ltd. (Helam Mine) which is currently owned by Petra diamonds in Swartruggens community is discussed as a case study in this article. Helam Mine has so far failed to adopt and utilise CSR measures in the Swartruggens community. Consequently, the Swartruggens community is poorly developed and its people are still fighting for service delivery to date. Accordingly, the article explores the historical background of CSR as well as the role played by Helam Mine in the development of the Swartruggens community.

Furthermore, the article analyses the possible CSR-related measures that could be adopted by Helam Mine to promote socio-economic and environmental development in the Swartruggens community. It is submitted that Helam Mine should seriously consider embracing and incorporating new technological approaches and CSR-related measures for the effective operation and management of its mining activities in the Swartruggens community. In this regard, the available regulatory framework for CSR in South Africa is examined. Moreover, the article explores the omission of the concept of CSR and other related flaws in the Companies Act.<sup>7</sup> For instance, despite some changes brought by the Companies Act 2008, there are no provisions that expressly oblige companies to practice CSR in South Africa.<sup>8</sup> Accordingly, the article recommends that CSR should not be merely treated as an ethical obligation but it should also be regarded as a legal obligation so as to statutorily oblige all companies, especially mining companies to adopt, promote and enforce CSR-related measures in the communities where they conduct their businesses.

## 2. Historical aspects of CSR

The CSR concept has existed since the early 1950s and it was allegedly coined by Howard Bowen in 1953.<sup>9</sup> Notably, in the 1950s, the main emphasis was on companies' responsibilities and good deeds to society in general. In the 1960s, the focus was now on both companies and individuals to play a part in the improvement of the society by making relevant social changes in their communities.<sup>10</sup> Thereafter, in the 1970s, directors and/or business managers of companies

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<sup>5</sup> Goldengate Consulting, *Corporate Social Responsibility Handbook* (Randburg, Fasset, 2012), pp. 3-20; I. Maimunah, 'Corporate Social Responsibility and Its Role in Community Development: An International Perspective', 2(9) *Journal of International Social Research* (2009), pp. 199-209.

<sup>6</sup> J. Moon, 'The Contribution of Corporate Social Responsibility to Sustainable Development', 15(5), *Sustainable Development* (2007), pp. 296-306.

<sup>7</sup> 71 of 2008 (Companies Act 2008), see sections 1 & 7.

<sup>8</sup> H.J. Kloppers, 'Driving Corporate Social Responsibility (CSR) Through the Companies Act: An Overview of the Role of the Social and Ethics Committee', 16(1), *Potchefstroom Electronic Law Journal/PELJ* (2013), pp. 165-199; *Minister of Water Affairs and Forestry v Stilfontein Gold Mining Company* 2006 ZAGPHC 47, paras 16.7-16.9, the court noted that one of the characteristics of good governance is social responsibility. This case dealt with the issue of preventing water pollution in mining operations, and the court came to the conclusion that the relevant respondents acted irresponsible by not addressing the issue of the water pollution. However, it must be noted that King II is not a legally enforceable instrument *per se*.

<sup>9</sup> H.R. Bowen, *Social Responsibilities of the Businessman*, (United States of America, University of Iowa Press, 2013), pp. 3-241; K. Rao & C. Tilt, 'Board Composition and Corporate Social Responsibility: The Role of Diversity, Gender, Strategy and Decision Making', 138(2), *Journal of Business Ethics* (2016), pp. 327-347; I. Maimunah, 2(9) *Journal of International Social Research* (2009), pp. 199-209.

<sup>10</sup> H.R. Bowen, (2013), pp. 3-241; R. Phillips, J. Schrempf-Stirling & C. Stutz, 'The Past, History, and Corporate Social Responsibility', 166 *Journal of Business Ethics* (2020), pp. 203-213.

relied on traditional management functions to fulfil their CSR duties. Moreover, CSR only gained some recognition in the United States of America (USA) in the 1970s. For instance, it is submitted that the social contract concept between companies, communities and/or the society at large was introduced by the Committee for Economic Development (CED) in 1971 in the USA.<sup>11</sup> The social contract concept postulates that companies must conduct their functions in accordance with the public consent and as such, they are obliged to contribute positively to all relevant developmental goals and needs of the society.<sup>12</sup> Likewise, in South Africa, the CSR initiatives started to be recognised in the banking, mining and oil industries in the early 1970s.<sup>13</sup> The first reference to CSR in South Africa could be traced back to the early 1970s when Meyer Feldberg, a professor of business administration at the University of Cape Town, delivered his inaugural lecture on business, profits and social responsibility.<sup>14</sup> Feldberg submitted that it is important for business leaders to get involved and help the communities in which they conduct their businesses.<sup>15</sup> It is further submitted that companies in South Africa gradually started to recognise that the living conditions in many black communities were poor and seriously affected by the country's flawed socio-economic empowerment and development policies in the 1970s.<sup>16</sup>

In the 1980s, most companies in many countries, including South Africa began to recognise their social contract and became more responsive towards the plight of the communities in which they conduct their businesses.<sup>17</sup> Consequently, CSR continued to evolve as more organisations and companies began to practice CSR in their communities. In the 1990s, the concept of CSR started to receive widespread approval from companies and other relevant stakeholders in South Africa and other countries.<sup>18</sup>

However, the concept of CSR was merely treated as corporate philanthropic responsibility on the part of companies in South Africa prior to 1994.<sup>19</sup> Moreover, the government was regarded as an exclusive corporate social agent since all people expected it to come up with socio-economic projects to develop all the communities in South Africa.<sup>20</sup> Some companies in South Africa were also reluctant to embark on CSR activities prior to 1994. This negative approach changed for the better and companies and relevant stakeholders started to contribute towards the growth, development and well-being of their communities after 1995.<sup>21</sup> The government also tried to correct the social imbalances of the apartheid era post 1995, by introducing various projects, programmes and initiatives to improve the South African communities.<sup>22</sup> Non-profit organisations (NGOs) and other pressure groups have played a key role in influencing most companies, especially mining companies to adopt CSR projects to develop the affected communities in South Africa.<sup>23</sup> Such CSR projects by mining companies are usually aimed at job creation and adequately protecting the environment in the affected communities.<sup>24</sup> The adoption of CSR strategies by companies gained

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<sup>11</sup> R. Phillips, J. Schrempp-Stirling & C. Stutz, 166 *Journal of Business Ethics* (2020), pp. 203–213; D.J. Wood, 'Corporate Social Performance Revisited', 16(4) *Academy of Management Review* (1991), pp. 691-718.

<sup>12</sup> *Ibid.*

<sup>13</sup> M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 'Corporate Social Responsibility Evolution in South Africa', 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

<sup>14</sup> M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289; M. Feldberg, 'Business Profits and Social Responsibility', 10, *University of Cape Town Inaugural Lecture Series* (1972), pp. 1-15.

<sup>15</sup> M. Feldberg, (1972), pp. 1-15; M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

<sup>16</sup> M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

<sup>17</sup> D.J. Wood, 16(4) *Academy of Management Review* (1991), pp. 691-718.

<sup>18</sup> *Ibid.*

<sup>19</sup> M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289; P. Frankental, 'Corporate Social Responsibility – A PR Invention?', 6(1) *Corporate Communications: An International Journal* (2001), pp. 18-23.

<sup>20</sup> Goldengate Consulting, (2012), pp. 3-20.

<sup>21</sup> P. Frankental, 6(1) *Corporate Communications: An International Journal* (2001), pp. 18-23; M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

<sup>22</sup> Goldengate Consulting, (2012), pp. 3-20; M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*

more momentum in South Africa and other countries in the 2000s.<sup>25</sup>

Given the discussion above, reference is now made to Helam Mine for the purposes of contextualising the CSR concept in South Africa. Helam Mine is located in Swartruggens community near Rustenburg in the North West Province, South Africa. This mine is known for mining diamond minerals in Swartruggens community.<sup>26</sup> It is submitted that Helam Mine has conducted its mining activities in South Africa since 1933.<sup>27</sup> Helam Mine recognises that it has fundamental responsibilities towards the sustainable development of the Swartruggens community.<sup>28</sup> For instance, Helam Mine has reportedly committed to identify sustainable projects and embark on a structured CSR approach to develop the Swartruggens community. Nonetheless, the Swartruggens community is yet to receive sustainable development.<sup>29</sup> For instance, although Helam Mine is located in Swartruggens community, it remains underdeveloped with very old and poor infrastructure as well as high unemployment rate, particularly for the youths of this community. This could have been worsened by the fact that the Companies Act 61 of 1973 (Companies Act 1973) did not oblige companies to embark on CSR activities. This negative approach was unfortunately duplicated in the Companies Act 2008. Nonetheless, the Minister of Trade and Industry may make relevant regulations and prescribe categories of companies that must have a social and ethics committee whenever it is desirable and in the public interest.<sup>30</sup> This suggests that only certain category of companies that are determined by the relevant Minister in terms of their annual turnover, the size of their workforce and the nature and extent of their activities may have social and ethics committees. The Minister of Trade and Industry released the first regulations namely, the Companies Regulations, 2011<sup>31</sup> on 26 April 2011 but to date these and other subsequent regulations that were made do not oblige all companies to adopt CSR strategies, projects and/or policies for the empowerment and development of the affected communities. Thus, Helam Mine and many other companies are not statutorily obliged to practice CSR in the communities which they conduct their businesses.

### 3. The South African legislative framework for CSR

There is no specific legislation that expressly provides for CSR by mining and other companies in South Africa. Nonetheless, related aspects contained in the Companies Act 2008, the Broad-Based Black Economic Empowerment Act,<sup>32</sup> the Employment Equity Act,<sup>33</sup> the National Credit Act,<sup>34</sup> Consumer Protection Act,<sup>35</sup> the Mineral and Petroleum Resources Development Act,<sup>36</sup> the Financial Sector Regulation Act<sup>37</sup> and the King Codes and Reports are briefly discussed in the sub-headings below.<sup>38</sup> It is submitted that companies, especially those in the mining sector should adopt and effectively utilise the so-called triple-bottom line approach which, *inter alia*, obliges them not to only focus on amassing profits but to focus on the social, environmental and economic

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<sup>25</sup> Goldengate Consulting, (2012), pp. 3-20; M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289; R.C. Moura-Leite and R.C. Padgett, 'Historical Background of Corporate Social Responsibility', 7(4) *Social Responsibility Journal* (2011), pp. 528-539.

<sup>26</sup> Petra Diamonds Limited, 'Sustainable Development Report', (2009) [https://www.petradiamonds.com/interactive-reports/sdr09/social\\_community.html](https://www.petradiamonds.com/interactive-reports/sdr09/social_community.html) accessed 21 October 2020.

<sup>27</sup> Petra Diamonds Limited, 'Sustainable Development Report', (2019) <https://www.petradiamonds.com/wp-content/uploads/Petra-Diamonds-Limited-Sustainability-Report-2019-FINAL.pdf> accessed 23 April 2021.

<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

<sup>30</sup> Section 72(4) of the Companies Act 2008.

<sup>31</sup> GN R351 in GG 34239 (Companies Regulations 2011); section 72(4) of the Companies Act 2008.

<sup>32</sup> 53 of 2003 as amended (BEE Act), see sections 2(f) and 10.

<sup>33</sup> 55 of 1998 as amended (Equity Act), see section 2(f).

<sup>34</sup> 34 of 2005 as amended (NCA), section 3(a); (c) & (g).

<sup>35</sup> 68 of 2008 as amended (CPA), see sections 3(1)(e) & (f); 77 & 78.

<sup>36</sup> 28 of 2002 (Mineral Resources Act), see sections 2-90.

<sup>37</sup> 9 of 2017 (FSRA), see sections 7-236.

<sup>38</sup> Goldengate Consulting, (2012), pp. 3-20; M.H. Kabir, J. Mukuddem-Petersen & M.A. Petersen, 13(4) *Problems and Perspectives in Management* (2015), pp. 281-289.

aspects of their companies in the communities which they are situated.<sup>39</sup> This approach could encourage all companies in South Africa to practice CSR and empower local people in the communities in which they undertake their core businesses, with viable economic activities, good and adequate infrastructure, business ownership and skills.<sup>40</sup>

### 3.1. The FSRA and the Companies Act 2008

#### 3.1.1. The FSRA

South Africa has taken commendable steps to enhance its financial regulation and it is the first African country to adopt the twin peaks model of regulation which, *inter alia*, seeks to promote and maintain financial stability of the financial institutions and financial markets.<sup>41</sup> In this regard, South Africa has done well to join other countries such as Australia, New Zealand, England and the Netherlands that have also adopted the twin peaks model of regulation. The FSRA provides for prudential regulation and conduct regulation which are administered by two separate regulatory authorities. Prudential regulation is enforced by the Prudential Authority (PA), which is housed in the South African Reserve Bank (SARB).<sup>42</sup> The PA replaced the banking supervision department of the SARB and it promotes the safety and soundness of financial institutions in order to maintain financial stability in South Africa.

The Financial Sector Conduct Authority (FSCA) replaced the Financial Services Board (FSB), as a separate and independent body that regulates the conduct of financial services businesses and it enforces the efficiency and integrity of the financial systems and promotes robust consumer protection in South Africa.<sup>43</sup> The FSRA requires the PA, the FSCA, the Financial Intelligence Centre (FIC), the National Credit Regulator (NCR) and the SARB to co-operate and collaborate when performing their functions in terms of the relevant financial sector laws.<sup>44</sup> In this regard, the FSRA establishes the Financial System Council of Regulators (FSCR) which offers a forum for senior officials of the aforesaid financial sector regulators to converge and address any regulatory challenges consistently and effectively.<sup>45</sup> Nonetheless, although the twin peaks regulatory model provides a more proactive and integrated approach to financial regulation in South Africa, the FSRA does not oblige mining companies and other companies to adopt CSR strategies, projects and/or policies for the empowerment and development of the communities where such companies conduct their businesses.

#### 3.1.2. The Companies Act 2008

As already stated earlier, the Companies Act 2008 does not expressly require companies to engage in CSR activities. The Companies Act 2008 merely empowers the relevant Minister to determine certain companies that must have a social and ethics committee.<sup>46</sup> Furthermore, the relevant Minister may prescribe regulations regarding the functions of the social and ethics committees of the designated companies as well as the composition of such committees.<sup>47</sup> However, the Companies Act 2008 does not expressly provide whether the social and ethics committee must enforce CSR responsibilities of the company. The social and ethics committee is further discussed below.

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<sup>39</sup> Goldengate Consulting, (2012), pp. 3-20.

<sup>40</sup> Section 2(f) of the BEE Act; Goldengate Consulting, (2012), pp. 3-20.

<sup>41</sup> Sections 7; 11-72; 76-236 of the FSRA.

<sup>42</sup> Sections 32-49 of the FSRA.

<sup>43</sup> Sections 56-72 of the FSRA.

<sup>44</sup> Sections 76-82 of the FSRA.

<sup>45</sup> Sections 79-82 of the FSRA.

<sup>46</sup> Section 72(4) of the Companies Act 2008.

<sup>47</sup> *Ibid.*

### 3.1.2.1. The Social and Ethics Committee

Companies should be statutorily obliged to conduct their businesses in a responsible manner, as good corporate citizens. Accordingly, the social and ethics committee is required to monitor and report on matters regarding the company's activities having regard to any relevant legislation, regulations and/or prevailing codes of best practice.<sup>48</sup> The social and ethics committee is further empowered to monitor and report on the socio-economic development, good corporate citizenship, promotion of equality, prevention of unfair discrimination, reduction of corruption and the companies' contribution to the development of the communities in which they conduct their business activities.<sup>49</sup> The social and ethics committee also monitors and reports on the companies' record of sponsorship, donations, charitable giving, the companies' policies on environment, health and public safety, consumer relationships including the companies' compliance with consumer protection laws and aspects on labour and employment.<sup>50</sup>

It is not clear whether a company that complies with the regulations of the Minister is regarded to have complied with CSR.<sup>51</sup> It appears that companies must also curb corruption before they could be regarded as CSR compliant by the social and ethics committee.<sup>52</sup> The social and ethics committee reports on the socio-economic development of companies in communities in accordance with company regulations by the Minister. These company regulations make express reference to the BEE Act and the Equity Act since they are aimed at improving the socio-economic rights of black people who were previously affected by discriminatory practices such as apartheid in South Africa.<sup>53</sup> The social and ethics committee is obliged to report to the directors and shareholders at the company's annual general meeting.<sup>54</sup> This could be utilised to monitor and ensure that the company adopts CSR activities to benefit the community.<sup>55</sup> Thus, the company could be held accountable if it does not adopt CSR activities.<sup>56</sup>

## 3.2. The Equity Act and the King Codes on Corporate Governance

### 3.2.1. The Equity Act

Compliance with the requirements of the Equity Act is compulsory for companies and/or employers that employ more than 50 employees or have an annual turnover exceeding the thresholds specified in the same Act.<sup>57</sup> The Equity Act gives effect to the constitutional right to equality<sup>58</sup> in South Africa. It provides for fair and equal treatment of all persons and the enforcement of affirmative action measures to combat unfair, unlawful and discriminatory practices in the South African workplace.<sup>59</sup> The Equity Act requires companies and/or employers to have employment equity plans<sup>60</sup> and report annually on how such plans are enforced to promote employment equity.<sup>61</sup> Nonetheless, the Equity Act does not expressly provide for the adoption and enforcement of CSR measures by employers and companies to promote equity in the workplace. Furthermore, the Equity Act does not specify whether employers and/or companies should have CSR committees.

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<sup>48</sup> Regulation 43(5)(a).

<sup>49</sup> Regulation 43(5)(a).

<sup>50</sup> Regulation 43(5)(a).

<sup>51</sup> H.J. Kloppers, 16(1) *PELJ* (2013), pp. 165-199.

<sup>52</sup> Regulation 43(5)(a); H.J. Kloppers, 16(1) *PELJ* (2013), pp. 165-199.

<sup>53</sup> H.J. Kloppers, 16(1) *PELJ* (2013), pp. 173-176.

<sup>54</sup> Regulation 43(3)(c).

<sup>55</sup> H.J. Kloppers, 16(1) *PELJ* (2013), pp. 173-176.

<sup>56</sup> *Ibid.*

<sup>57</sup> Schedule 4 of the Equity Act.

<sup>58</sup> Section 9 of the Constitution of South Africa, 1996 (Constitution).

<sup>59</sup> Chapter 3 of the Equity Act.

<sup>60</sup> Section 20 of the Equity Act.

<sup>61</sup> Section 24(1) of the Equity Act.

### 3.2.2. The King Codes on Corporate Governance

The first King Report on Corporate Governance<sup>62</sup> was published by the King Committee on Corporate Governance (King Committee) in 1994. It was named after Mervyn King, a former High Court judge who was the chairperson of the King Committee. King I provided a very useful Code on Corporate Practices and Conduct which was aimed at promoting the highest standards of corporate governance in South Africa. King I also provided an integrated approach to good corporate governance to protect the interests of different stakeholders. King I outlined the role of company directors with regard to good corporate governance in South Africa.<sup>63</sup> Nevertheless, King I did not expressly provide for CSR and its compliance by companies in South Africa.

In a bid to update and keep up with global changes, the King Committee introduced another King Report on Corporate Governance for South Africa in 2002 (King II).<sup>64</sup> King II introduced mandatory reporting on the economic, environmental and social aspects of a company's activities. This could suggest that King II acknowledged the importance and need for the adoption of robust CSR activities by all companies in South Africa. For instance, it appears that King II required companies to adopt CSR practices by adopting the triple-bottom line approach.<sup>65</sup> This suggests that King II required directors to carefully focus on the social, environmental and economic aspects of their companies in the communities in which they undertake their businesses.<sup>66</sup>

King III on corporate governance was introduced by the King Committee to replace King II.<sup>67</sup> This was, *inter alia*, necessitated by the enactment of the Companies Act 2008 and the need to align with new changes in the international corporate governance standards. King III provided a holistic approach to CSR that required a company to view itself as a corporate citizen that upholds principles of development and sustainability for all its stakeholders. For instance, Principles 1.2 and 2.4 of King III obliged the board of directors to ensure that their companies are regarded as responsible corporate citizens. This could suggest that the board of directors were required to make sure that their companies engage in sound CSR activities. King III further provided that directors must act in the best interests of their companies. Principles 1.1 and 2.3 of King III provided further that the board of directors should provide effective leadership of their companies in accordance with a solid ethical foundation. This implies that the board of directors must drive their companies towards ethical activities that are also beneficial to the communities such as CSR. Furthermore, Principle 2.5 of King III required the board of directors to manage all ethical issues of their companies effectively. Nonetheless, it remains unclear whether mining companies and other companies were statutorily obliged to comply with the principles and recommendations of King III.

King IV<sup>68</sup> was introduced by the King Committee in 2016 in order to align the South African corporate governance measures with international governance codes and best practice as well as to provide new inclusive and integrated approaches to capitalism. King IV deals with specific corporate governance developments in relation to the relevant governing bodies, increased compliance requirements, new governance structures, emerging risks and opportunities from new technologies and new reporting and disclosure requirements. King IV requires the companies' board of directors to conduct their duties ethically and effectively by, *inter alia*, providing integrity, competent, accountable, fair and transparent leadership to their companies.<sup>69</sup> Principle 2 of King IV also obliges the board of directors to establish and promote an ethical culture in their companies.

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<sup>62</sup> King I Report, "King Report on Corporate Governance for South Africa". (1994). *Institute of Directors in Southern Africa* (King I).

<sup>63</sup> Principle 1 of King I.

<sup>64</sup> King II Report, "King Report on Corporate Governance for South Africa". (2002). *Institute of Directors in Southern Africa* (King II).

<sup>65</sup> Goldengate Consulting, (2012), pp. 3-20.

<sup>66</sup> *Ibid.*

<sup>67</sup> King III Report, "King Report on Corporate Governance for South Africa". (2009). *Institute of Directors in Southern Africa* (King III), see principle 1.1.

<sup>68</sup> King IV Report, "King Report on Corporate Governance for South Africa". (2016). *Institute of Directors in Southern Africa* (King IV).

<sup>69</sup> Principle 1 of King IV.

Principles 3 and 13 of King IV requires the board of directors to ensure that their company is a responsible corporate citizen. This could mean that the board of directors must encourage their companies to adopt and promote CSR initiatives in the relevant communities. Thus, although King IV does not expressly provide for the adoption of CSR by mining companies, the board of directors for Helam Mine must ensure that it promotes CSR projects in Swartruggens community.<sup>70</sup> This could be achieved by appointing persons with appropriate knowledge, skills, experience, diversity and independence in the social and ethics committee of the company as provided for in Principle 7 of King IV.

The board of directors for Helam Mine must utilise technology and information in a way that supports its strategic objectives and CSR to the Swartruggens community.<sup>71</sup> They must also take into account any new technological developments and challenges brought by the fourth industrial revolution (4IR).<sup>72</sup>

### 3.3. The CPA and the BEE Act

#### 3.3.1. The CPA

The CPA may have the potential to promote social responsible conduct among all persons through its consumer rights and awareness provisions.<sup>73</sup> For instance, consumer social responsible conduct could be enhanced and promoted through individual and group education, vigilance, advocacy and activism in all South African communities.<sup>74</sup> Moreover, such conduct could also be promoted by enforcing several fundamental consumer rights that are enumerated in the CPA effectively.<sup>75</sup> For instance, consumers' rights to equality,<sup>76</sup> privacy,<sup>77</sup> choice,<sup>78</sup> disclosure and information,<sup>79</sup> fair and responsible marketing,<sup>80</sup> fair and honest dealing,<sup>81</sup> fair, just and reasonable terms and conditions<sup>82</sup> and the rights to fair value, good quality and safety must be consistently enforced by the relevant regulatory authorities to foster consumer social responsible conduct in South Africa.<sup>83</sup> Nonetheless, the CPA does not expressly provide for the promotion of CSR by mining companies and other companies in the communities where they conduct their duties.

#### 3.3.2. The BEE Act

The BEE Act empowers the relevant Minister to issue general codes of good practice on black economic empowerment (empowerment codes) in order to ensure the consistent application and enforcement of the provisions of this Act by all relevant persons in South Africa.<sup>84</sup> However, companies in the private sector are not expressly obliged to comply with these empowerment codes because their compliance is only compulsory to organs of state and public entities.<sup>85</sup> The BEE Act does not specifically provide for the utilisation of the social and ethics committee by companies to

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<sup>70</sup> Principle 3 of King IV.

<sup>71</sup> Principle 12 of King IV; S. Keremidchiev, 'The Forth Industrial Revolution and CSR', 2 *Economic Alternatives* (2019), pp. 169-183.

<sup>72</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183.

<sup>73</sup> Section 3(1)(e) of the CPA.

<sup>74</sup> Sections 3(1)(f); 77 and 78 of the CPA.

<sup>75</sup> W. Jacobs, P. Stoop and R. Van Niekerk, 'Fundamental Consumer Rights under the Consumer Protection Act 68 of 2008: A Critical Overview and Analysis', 13(3) *PER* (2010), pp. 301-406.

<sup>76</sup> Sections 8-10 of the CPA.

<sup>77</sup> Section 11 of the CPA.

<sup>78</sup> Sections 13-21 of the CPA.

<sup>79</sup> Sections 22-28 of the CPA.

<sup>80</sup> Sections 29-39 of the CPA.

<sup>81</sup> Sections 40-47 of the CPA.

<sup>82</sup> Sections 48-52 of the CPA.

<sup>83</sup> Sections 53-61 of the CPA.

<sup>84</sup> Section 9 of the BEE Act.

<sup>85</sup> Section 10 read with section 9 of the BEE Act.



promote CSR in South Africa.<sup>86</sup> It remains unclear how BEE policies could be effectively utilised to promote both social transformation and CSR initiatives in South African communities by all companies, especially mining companies.

Although the BEE Act was enacted to, *inter alia*, promote effective economic participation of black owned and managed enterprises, including small, medium and micro enterprises and cooperatives in the formal economy,<sup>87</sup> it does not specifically deal with the promotion of CSR by mining companies and/or other companies in South Africa. Moreover, although the BEE Act was enacted to correct the imbalances of the past and support previously disadvantaged persons,<sup>88</sup> it does not expressly provide for the empowerment of rural communities and informal settlements through CSR initiatives of mining companies such as Helam Mine and/or other companies to promote viable economic activities, improve land ownership and provide good infrastructure in such communities and settlements.<sup>89</sup>

### 3.4. The NCA and the Mineral Resources Act

#### 3.4.1. The NCA

The NCA seeks to promote a fair and non-discriminatory marketplace that provide adequate access to consumer credit services to all persons in South Africa.<sup>90</sup> It also regulates consumer credit in order to improve standards of consumer information, promote black economic empowerment and ownership in the South African consumer credit industry.<sup>91</sup> For instance, the NCA prohibits reckless credit granting and certain unfair credit and credit-marketing practices so as to promote responsible credit granting among all persons in South Africa.<sup>92</sup> The NCA provides for debt re-organisation in cases of over-indebtedness and regulates the registration of credit bureaux, credit providers, credit information and debt counselling services in South Africa.<sup>93</sup> This is done to establish national norms and standards for consumer credit so as to promote a consistent regulatory enforcement framework for consumer credit that is enforced by the NCR and the National Consumer Tribunal (NCT).<sup>94</sup> Like the CPA, the NCA seeks to promote and protect the socio-economic welfare of all consumers through the development of a credit market that promotes responsible conduct on the part of consumers<sup>95</sup> to prevent over-indebtedness<sup>96</sup> and/or increase equal access to all persons in South Africa.<sup>97</sup> The NCA also seeks to enhance consumer protection through debt relief measures, debt counselling processes and debt intervention measures.<sup>98</sup> Despite these positive developments, the NCA does not oblige companies to adopt and promote CSR programmes in their respective communities. This implies that Helam Mine is not statutorily obliged under the NCA to promote CSR programmes in the Swartruggens community.

#### 3.4.2. The Mineral Resources Act

The Mineral Resources Act seeks to promote employment and socio-economic welfare of all

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<sup>86</sup> Section 2 of the BEE Act.

<sup>87</sup> Section 2(h) of the BEE Act.

<sup>88</sup> Section 2 of the BEE Act; Goldengate Consulting, (2012), pp. 3-20.

<sup>89</sup> Section 2 of the BEE Act.

<sup>90</sup> Sections 3-106 of the NCA.

<sup>91</sup> Sections 3-106 of the NCA.

<sup>92</sup> Sections 74-99 of the NCA.

<sup>93</sup> Sections 39-99 of the NCA.

<sup>94</sup> Sections 12-59 read with sections 124-173 of the NCA.

<sup>95</sup> Section 3(c) of the NCA.

<sup>96</sup> Section 3(g) of the NCA.

<sup>97</sup> Section 3(a) of the NCA.

<sup>98</sup> A. Boraine and J. Calitz, 'Some Consequences of the National Credit Act 34 of 2005 on the Proof of Claims in Insolvency Law', 4, *TSAR* (2010), pp. 797-807; A. Boraine, and C. Van Heerden, 'To Sequester or Not to Sequester in View of the National Credit Act 34 of 2005: A Tale of Two Judgements', 13(3) *PER* (2010), pp. 83-124.

persons in South Africa.<sup>99</sup> It also provides that mining companies and those with mining rights should contribute towards the sustainable socio-economic development of the communities in which they operate.<sup>100</sup> However, the Mineral Resources Act does not clearly provide how such contribution could be made by mining companies such as Helam Mine.<sup>101</sup> Thus, it is up to the mining company to decide on what to do towards the socio-economic development of the affected community. This voluntary nature of the provisions of the Mineral Resources Act could give rise to non-compliance and/or the adoption of less viable measures that will not develop the affected communities by mining companies. Moreover, this position could have been worsened by the fact that the Mineral Resources Act does not expressly provide for the promotion of CSR by mining companies to develop informal settlements and rural communities such as the Swartruggens community.<sup>102</sup>

#### 4. CSR in the South African mining industry

Mining is one of the key sectors which promotes FDI and socio-economic development in South Africa.<sup>103</sup> The mining industry deals with mineral resources which are unfortunately non-renewable but when extracted they produce huge profits for the mining companies and those with mining rights at the detriment of the affected communities.<sup>104</sup> The North-West province has about 300 active mines. It is also interesting to note that about 18% of total employment in this province comes from the mining sector.<sup>105</sup> However, most mining companies are responsible for a wide range of negative socio-economic and environmental challenges in the North-West province and other provinces of South Africa.<sup>106</sup> For instance, most mining companies are responsible for causing river siltation, land degradation and displacement of persons living on an area that is later demarcated for a mining site and/or those living near the mining areas. This has negatively impacted on the livelihoods of local communities and traditional lifestyles of indigenous people living near mines.<sup>107</sup> Most communities near the mining areas, for example, the Swartruggens community, have serious socio-economic problems such as excessive poverty, poor health facilities, high unemployment rates, high adult illiteracy rates, poor educational facilities, poor infrastructure and poor housing. This shows that Helam Mine is not doing enough to promote viable CSR projects that contribute to the sustainable environmental protection and socio-economic development of the Swartruggens community.

#### 5. CSR and the Forth Industrial Revolution (4IR)

##### 5.1. The advent of the 4IR and related technologies

The first industrial revolution commenced in about 1750 and 1760 in England and it remained active between 1820 and 1840.<sup>108</sup> It promoted the use of steam and water power for transport and other functions. The second industrial revolution began in the middle of 19th century,

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<sup>99</sup> Section 2(f) of the Mineral Resources Act.

<sup>100</sup> Section 2(i) of the Minerals Resources Act; S. Mukwarami, G. Nyirenda & M.B. Fakoya, 'Governance of Corporate Social Responsibility and Return on Assets in the South African Mining Firms', 9(5) *African Journal of Public Affairs* (2017), pp. 136-153.

<sup>101</sup> Sections 2; 9-56 of the Mineral Resources Act; S. Mukwarami, G. Nyirenda & M.B. Fakoya, 9(5) *African Journal of Public Affairs* (2017), pp. 136-153.

<sup>102</sup> Sections 9-56 of the Mineral Resources Act; Mukwarami, G. Nyirenda & M.B. Fakoya, 9(5) *African Journal of Public Affairs* (2017), pp. 136-153.

<sup>103</sup> Mukwarami, G. Nyirenda & M.B. Fakoya, 9(5) *African Journal of Public Affairs* (2017), pp. 136-153.

<sup>104</sup> *Ibid.*

<sup>105</sup> *Ibid.*

<sup>106</sup> *Ibid.*

<sup>107</sup> *Ibid.*

<sup>108</sup> H.K., Mohajan, 'The First Industrial Revolution: Creation of a New Global Human Era', 5(4) *Journal of Social Sciences and Humanities* (2019), pp. 377-387; S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183; J. Uys & R. Webber-Youngman, 'A 4.0 D Leadership Model Postulation for the Fourth Industrial Revolution Relating to The South African Mining Industry', 119(10), *Journal of the Southern African Institute of Mining and Metallurgy*, (2019), pp. 793-800.

between 1850 and the late 1960s. It reportedly expanded the growth of pre-existing industries and also created new ones such as the steel, oil and electricity industries.<sup>109</sup> During the second industrial revolution, the main technologies such as the innovative introduction of electricity and use of internal combustion engines and related machines were developed. There were also significant changes such as the specialisation and development of the labour markets and the introduction of mass production.<sup>110</sup> The third industrial revolution commenced around 1969 and it brought electronics, telecommunications, computers, information technology and production automation systems.<sup>111</sup> Computers and relevant software were used to adapt and manage individual machines, machine centres and electronic systems of governments and many companies globally. Workplace automation and automated control systems were further introduced during the third industrial revolution.

It is submitted that Klaus Schwab (the founder and executive chairman of the World Economic Forum (WEF)), coined the term '4IR' in 2016 and it was later published in his book entitled 'The Fourth Industrial Revolution'.<sup>112</sup> The 4IR has brought several changes to the way in which people and companies conduct their personal and businesses activities globally.<sup>113</sup> The 4IR has brought key technological innovations which include artificial intelligence (AI), robotics, the robust use of the Internet, autonomous vehicles, 3D printing, nanotechnology, biotechnology and quantum computing.<sup>114</sup> AI and robotics have empowered machines to do most work that is normally done by human beings. Therefore, it is important for mining companies to adapt to the advanced technological developments and innovations that were brought by the 4IR so as to enhance the methods which they use to conduct their activities.<sup>115</sup> Companies, especially mining companies such as Helam Mine should adopt appropriate technological policies and strategies so as to conduct their activities effectively without creating many socio-economic, health and other environmental problems to the communities in which they operate.<sup>116</sup> Each company should develop its own CSR approaches and purchase adequate technological equipment that is compliant with the 4IR. This approach could enable Helam Mine to avoid land degradation and other environmental challenges in the Swartruggens community.<sup>117</sup>

Currently, CSR is not mandatory for companies in South Africa but they are merely expected to consider the interest of the society and take responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities, other stakeholders and the environment in the affected communities.<sup>118</sup> In this regard, the authors submit that companies should be obliged to comply with the relevant legislation as well as to utilise appropriate technology and adopt CSR initiatives to improve the well-being of their employees, local communities and the society at large.<sup>119</sup> Accordingly, Helam Mine should carefully adopt CSR initiatives that utilise new technological innovations to curb all the socio-economic, health and environmental problems that are caused by its mining activities in the Swartruggens community.<sup>120</sup> Helam Mine should provide adequate technological training to all its employees and not solely rely on the universities and/or the government for such training.<sup>121</sup> Helam Mine should also adopt CSR projects that adequately address the current threats and challenges that are posed by the ongoing corona virus (covid-19)

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<sup>109</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183; J. Uys & R. Webber-Youngman, 119(10), *Journal of the Southern African Institute of Mining and Metallurgy*, (2019), pp. 793-800.

<sup>110</sup> *Ibid.*

<sup>111</sup> *Ibid.*

<sup>112</sup> K. Schwab, *The Fourth Industrial Revolution*, (United Kingdom, Penguin, 2017), pp. 10-190.

<sup>113</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183; C. Postelnicu & S. Călea, 'The Fourth Industrial Revolution: Global Risks, Local Challenges for Employment', 15(2), *Montenegrin Journal of Economics* (2019), pp. 195-206.

<sup>114</sup> *Ibid.*

<sup>115</sup> *Ibid.*

<sup>116</sup> *Ibid.*

<sup>117</sup> *Ibid.*

<sup>118</sup> I. Maimunah, 2(9) *Journal of International Social Research* (2009), pp. 199-209.

<sup>119</sup> *Ibid.*

<sup>120</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183; I. Maimunah, 2(9) *Journal of International Social Research* (2009), pp. 199-209.

<sup>121</sup> *Ibid.*

pandemic to all its employees and the Swartruggens community at large.<sup>122</sup>

## **5.2. The changes brought by the 4IR**

The digitisation, AI, robotics and automation of work brought by the 4IR have an enormous impact on the people's businesses and well-being.<sup>123</sup> For instance, the 4IR has brought advanced innovations, autonomous transport, machine learning and a heavy reliance on computerised technologies that enable machines to independently do most activities that are normally done by human beings.<sup>124</sup> It is submitted that the adoption and utilisation of these technological developments will enable Helam Mine and other companies to effectively utilise CSR projects to develop the communities in which they undertake their businesses.

### **5.2.1. Positive changes brought by the 4IR**

#### **5.2.1.1. Replacement of routine operations and low-qualified and unqualified labour**

The robotics and automation of production which is now utilised in many factories of major world manufacturers have replaced most routine operations and low-qualified and unqualified labour in the mining industry. Most mining companies are now empowering machines to do the work that is normally done by human beings to avoid extra costs and claims for extra payment and related demands from their employees' trade unions.<sup>125</sup> Moreover, autonomous vehicles have made human drivers unnecessary and/or drastically reduced them and/or led them to merely perform control functions to such vehicles.<sup>126</sup> It, however, remains to be seen if Helam Mine will embrace robotics, automation of production and related technological innovations that were introduced by AI measures to remove some routine operations by human beings and/or low-qualified and unqualified persons with machines in its operations in order to save money and adopt viable CSR projects to develop the Swartruggens community.

#### **5.2.1.2 Robotic technological systems increases production and save costs**

Robotic technological systems could increase production, routine work flexibility and create products that highly meet the individual customer preferences.<sup>127</sup> These technological systems are usually enforced and controlled through electronic gadgets such as smart phones, tablets and/or computers and they may increase productivity since they can do the routine work beyond the normal working hours.<sup>128</sup> Most of the company activities are now automated to enable companies to save billions of dollars.<sup>129</sup> Helam Mine should seriously consider adopting a similar approach in order to cut costs and save money for CSR developmental projects in the Swartruggens community.<sup>130</sup>

#### **5.2.1.3. Creation of labour demand in the IT-related sectors**

A number of new technologies that were introduced by the 4IR have created a huge labour

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<sup>122</sup> Ibid.

<sup>123</sup> A. Hirschi, 'The Fourth Industrial Revolution: Issues and Implications for Career Research and Practice', 66(3) *The Career Development Quarterly*, (2018), pp. 192-204.

<sup>124</sup> J. Uys & R. Webber-Youngman, 119(10), *Journal of the Southern African Institute of Mining and Metallurgy*, (2019), pp. 793-800.

<sup>125</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183.

<sup>126</sup> Ibid.

<sup>127</sup> Ibid.

<sup>128</sup> Ibid.

<sup>129</sup> M. Xu, J.M. David & S.H. Kim, 'The Fourth Industrial Revolution: Opportunities and Challenges', 9(2), *International Journal of Financial Research*, (2018), pp. 90-95.

<sup>130</sup> S. Keremidchiev, 2 *Economic Alternatives* (2019), pp. 169-183.

demand in the IT-related sectors since most companies now require an IT specialist who will install, maintain and update their relevant computers' hardwares and softwares.<sup>131</sup> The use of automated machines saves transport, communication and logistics costs in many companies. It is hoped that Halem Mine will also utilise automated machines to cut costs and save money for CSR developmental projects in the Swartruggens community.<sup>132</sup>

## **5.2.2. The negative changes brought by the 4IR**

### **5.2.2.1. An increase in unemployment rate**

The automation of production, robotic machines and the reliance on AI measures have at times culminated in job losses in some companies. This has worsened unemployment rates in some communities as most employees are retrenched and replaced by robotic machines or AI powered automated machines, especially in mining companies.<sup>133</sup> It is hoped that Helam Mine will carefully utilise the relevant technology without causing job losses to its employees who perform routine operations.<sup>134</sup>

### **5.2.2.2. Challenges with cybersecurity, hacking and risk assessment**

The 4IR has brought various threats and challenges to cybersecurity and risk assessment in many companies.<sup>135</sup> Consequently, most companies are now spending some money on acquiring relevant cyber preventative measures and other risk detection measures such as security cameras, smart speakers and anti-hacking software. The sophistication in the identification and neutralisation of risks have made it very difficult for many companies to effectively combat all cyber threats and related risks associated with 4IR technological innovations. For instance, company data can be lost or stolen by its employees through hacking. Moreover, the company data can be lost or stolen through hacking and other external malicious attacks on the companies from some unscrupulous persons.<sup>136</sup> Helam Mine should invest in adequate cyber preventative measures and other risk detection measures to combat hacking and other cyber threats which could impede or discourage it from adopting robust CSR projects in the Swartruggens community.

## **6. Concluding remarks**

CSR is not only good for community development but it is also good for imaging and profit maximisation for the companies involved.<sup>137</sup> As indicated above, the first incidence of CSR in South Africa was recorded in the early 1970s. However, most mining companies in South Africa are merely extracting minerals from the communities without embarking on viable CSR projects to develop such communities. This has resulted in many problems such as river siltation, land degradation and displacement of persons living on an area that is later demarcated for a mining site and/or those living near the mining areas. It is abundantly clear that mining companies are not expressly and statutorily obliged to encourage and promote CSR and/or to contribute towards the development of the communities in which they conduct their businesses. We argue that the Helam Mine has done very little to adopt CSR measures to develop the Swartruggens community to date. Helam Mine has so far failed to adopt and utilise CSR measures in the Swartruggens community.

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<sup>131</sup> Ibid.

<sup>132</sup> K. Schwab, 'The Fourth Industrial Revolution: What it Means, How to Respond', *World Economic Forum*, (2016), pp. 1-5; M. Xu, J.M. David & S.H. Kim, 9(2), *International Journal of Financial Research*, (2018), pp. 90-95.

<sup>133</sup> A. Hirschi, 66(3) *The Career Development Quarterly*, (2018), pp. 192-204.

<sup>134</sup> M. Xu, J.M. David & S.H. Kim, 9(2), *International Journal of Financial Research*, (2018), pp. 90-95.

<sup>135</sup> Ibid.

<sup>136</sup> Ibid.

<sup>137</sup> S. Geethamani, 'Advantages and Disadvantages of Corporate Social Responsibility', 3(3) *International Journal of Applied Research* (2017), pp. 372-374; J.L. Campbell, 'Why Would Corporations Behave in Socially Responsible Ways? An Institutional Theory of Corporate Social Responsibility', 32(3) *The Academy of Management Review* (2007), pp. 946-967.

Consequently, the Swartruggens community is poorly developed and its people are still fighting for service delivery to date. This status *quo* is worsened by the fact that there is no legislation that expressly obliges mining companies to adopt and promote CSR initiatives in the communities in which they operate. In light of this, it is submitted that policy makers should consider amending the Companies Act 2008 to introduce specific provisions that obliges mining companies and other companies to promote CSR in the communities in which they operate.<sup>138</sup> It is submitted that companies, especially those in the mining sector should adopt and effectively utilise the so-called triple-bottom line approach in their businesses and communities. This will oblige them not to only focus on amassing profits but to also focus on the social, environmental and economic aspects of their companies in the communities which they are situated.<sup>139</sup>

It is essential for Helam Mine to identify all the socio-economic challenges in Swartruggens community and prioritise the solutions in respect thereof through viable CSR projects. Mining companies such as Helam Mine should also work hand in glove with non-governmental organisations (NGOs) and civic society groups to isolate problems that are caused by their mining activities and remedy them through viable CSR projects in the affected communities. Helam Mine should also carefully adopt and utilise appropriate technological measures to conduct its mining activities and effectively promote CSR developmental projects in Swartruggens community.

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