



A Vision: Cooperative Support Centres for Rural Communities

'Licence to operate remains the top risk in mining and metals for 2021' EY – Top 10 business risks and opportunities for mining and metals in 2021



Environmental, social, and governance issues, at both the local and national level, are not only important to our industry, but for our country as a whole. The minerals industry is aware of this and contributes significantly to corporate social investment (CSI) projects, many of which are in rural communities.

Unemployment is at an all-time high (approximately 32.5%). When including people who have stopped looking for a work, the number increases to 42.6%. People in rural communities, who are unable to access employment in the formal sector have to revert to subsistence farming, artisanal mining, or some other small-scale endeavour to put food on the table.

These activities are usually informal, undercapitalized, and under-equipped, which makes it difficult for them to escape from what is essentially a 'poverty trap'. This could change if separate groupings of a community were able to efficiently cooperate with one another and coordinate their activities so that a hub of economic activity is established that is large enough to attract the attention of government, investors and external markets.

CSI projects in rural areas have not always resulted in lasting improvements. There are initiatives that, although well intended, simply wind down when left to stand on their own. It may be that the objectives of these projects were not truly aligned with the expectations and real needs of the communities they were intended to benefit.

I would argue that sustainable results are more likely to accrue when assistance is targeted at helping people already trying to help themselves, and this can be achieved by establishing enabling community support centres, owned and managed by trusts, where the beneficiaries are the members of the community.

Independently managed cooperative support centres, if carefully considered and properly planned, can economically empower rural communities through the provision of:

- Suitable administrative structures, which will also facilitate the collection of taxes
- Shared services appropriate to the local activities
- Mechanized, or even semi-mechanized, systems
- Customized training to cater for site-specific requirements
- Cost-effective routes to wider markets
- Funding by way of loan guarantees, credit schemes, or tools and equipment leasing arrangements.

These centres can function as conduits for health -and safety-related interventions, or for the distribution of unemployment fund payments and social grants, in hard-to-reach areas.

Young people from our tertiary learning institutions, who often find it difficult to access internships or to secure their first job, could be used much in the same way as medical interns are used in hospitals, to staff these centres. In addition to supervising centre-specific activities, graduates would also be invaluable as assessors to complement the digital educational and training programmes that will be essential for the success of the centres.

Seasoned oversight and systematic procedures will be needed for the management of these centres, together with the related safety, health, and environmental issues. Government could contribute by creating the right environment for other participants to play a role. Donors, non-governmental organizations, and the business community could then provide the supporting infrastructure and systems that a small independent management team would need in order to mentor and guide the young graduates performing the bulk of the work. Experienced retirees could also be encouraged to 'give back' and contribute to the success of these centres.

The challenges faced by the minerals industry when dealing with these communities should not be underestimated. However, if enabling cooperative support centres were to be successfully, and sustainably, established in rural areas, then we will have come a long way towards addressing some of the frustrations in local communities, while at the same time providing employment for our youth and engaging with rural communities in a more effective and sustainable way.

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