ASSESSING THE ROLE OF BA-PHALABORWA LOCAL MUNICIPALITY IN ADDRESSING SOCIO-ECONOMIC MINING CHALLENGES IN PHALABORWA COMMUNITY OF LIMPOPO PROVINCE

M.Sc. (Public Administration)

Rev. K.L. PILUSA

2010

ASSESSING THE ROLE OF BA-PHALABORWA LOCAL MUNICIPALITY IN ADDRESSING SOCIO-ECONOMIC MINING CHALLENGES IN PHALABORWA COMMUNITY OF LIMPOPO PROVINCE

by

KGASHANE LUCAS PILUSA

RESEARCH DISSERTATION

Submitted in fulfilment of the requirements for the degree of

MASTER OF SCIENCE

in

PUBLIC ADMINISTRATION

in the

FACULTY OF MANAGEMENT AND LAW

(Turfloop Graduate School of Leadership)

of the

UNIVERSITY OF LIMPOPO

SUPERVISOR: PROF M.H. KANYANE

DECLARATION

I declare that the mini dissertation/dissertation hereby submitted to the University of Limpopo, for the degree of Masters in Public Administration in the Field of Management Science and Law has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution, and that all material contained herein has been duly acknowledged.

Signed:	Date:
K.L. PILUSA (Rev.)	

ACKNOWLEDGEMENTS

I would like to extend my appreciation and sincere gratitude to the following people for the role they played, contribution, guidance, and motivation:

- All lectures and staff at Edupark Graduate School of Leadership for their contribution in this programme;
- My special appreciation goes to my supervisor Professor Modimowabarwa
 Hendrick Kanyane, who played a crucial role in my dissertation. His
 remarkable guidance, continual support, assistance and patience throughout
 the study were outstanding. Prof. for the seed you have sowed in me, may
 the Good Lord richly bless you abundantly;
- I also extend my appreciation to all my study partners especially Mr ND.
 Ndlozi, who was always generous to me, and Mr. SN. Mokgabuki, a senior librarian at Ba-Phalaborwa Local Municipality who assisted me with relevant sources of reference. I would like to also thank my colleague Mr Hlungwane S and Mr Boyama T for their assistance in gathering other sources and computer technical challenges;
- My family (i.e. my wife; Portia Tsakane, my children; Tumelo, Mpho, and Refiloe), for your continual support and motivation. The compromised weekends will be recovered.
- I would also like to thank the management of Foskor mine, Phalaborwa Mining Company and Phalaborwa Foundation (PMC section for social responsibility), Sasol Nitro, Ba-Phalaborwa Local Municipality especially the office of the Mayor, the municipality manager, Director Cooperate Services and Director Strategic Planning, the Department of Health and Social Responsibilities for responding positively during interviews.
- Above all, I would like to thank the Heavenly Father for granting me the will, perseverance and strength to complete this study.

ABSTRACT

The purpose of the research was to assess the role of Ba-Phalaborwa Local Municipality in addressing socio-economic mining challenges in Phalaborwa community of Limpopo Province. Semi – structured interviews were used for the officials of Ba-Phalaborwa Local Municipality, officials of Phalaborwa Mining Company, Foskor mine, Sasol Nitro, Department of Health and Social Department and Community members to collect data. Not much research has been conducted in this field especially in the Limpopo Province.

From the literature review, it was detected that historically, South Africa has been primarily dependent on mineral and energy production and export. Mining sector is considered as the starting point for socio-economic development and beneficiation of the local communities in every country. South Africa is still a developing country with high rate of illiteracy, poverty and unemployment. This situation was also worsened by the policy of segregation during the past government with no opportunities for black people in the decision making house. Therefore the establishment of the three spheres of government by the constitution of the Republic of South Africa exposed the local sphere with new challenges of governance, especially in administration and management of the mines.

It is evident that natural resources are the most important international commodities and thus play a major role in the socio-economic development of the communities. The study also aimed to assess the challenges and problems the local municipality faces in administration and management of the impact of the mines towards local communities. The effect of mining closures and employee retrenchment has an administrative effect on the local authority towards service delivery and social development.

Thus, an interview was conducted with various interviewees to attain the goals of the study. The main patterns that resurface from the data collected exposes lack of monitoring and evaluation on projects by the municipality and the mines.

iii

Inefficiency and ineffectiveness of local government is compromised. Projects are agreed upon during stakeholders' forum but implementation is difficult to attain. It would be advisable for the government, especially municipalities to take a lead in all socio-economic responsibilities of the community in conjunction with other key partners.

TABLE OF CONTENTS

ITEM	1	PAGES
Decl	aration	i
Ackn	Acknowledgements	
Abstract		iii - iv
СНА	PTER ONE: ORIENTATION OF THE STUDY	
1.1	Introduction	1 – 2
1.2	The problem statement	2
1.3	Motivation of the study	2
1.4	Objectives of the study	3
	1.4.1 General objectives	3
	1.4.2 Specific objectives	3
1.5	Research questions	3
1.6	Research design and methodology	3
	1.6.1 Research approach	3 - 4
	1.6.2 Target population	4
	1.6.3 Sampling	5

	1.6.4 Data collection	5 - 6
	1.6.5 Data analysis	6
1.7	Ethical consideration	6 - 7
		V
1.8	Significance of the study	7 - 8
1.9	Scope and limitation of the study	8
1.10	Outline of the study	8 - 9
1.11	Conclusion	9
CHAF	PTER TWO: LITERATURE REVIEW	
2.1	Introduction	10 - 11
2.2	Definition of concepts	12 - 13
2.3	Strategies and principles underpinning the municipality	10.10
0.4	administration and management of environment	13 -16
2.4	Government understanding of administration and management	
	of mines in South Africa and elsewhere	17 - 22
2.5	Legal nature of a local government and mining	22 - 29
2.6	Social and economic challenges	29 - 34
2.7	Conclusion	34
CHAF	PTER THREE: RESEARCH DESIGN AND METHODOLOGY	
3.1	Introduction	35 - 36

3.2	Sampling design and size	36 - 37
3.3	Instrument used in the study	37 - 38
3.4	Data collection	38 - 39
		vi
3.5	Reliability and validity of the research instrument	39 - 40
3.6	Pilot study	40
3.7	Conclusion	40
CHAF	PTER FOUR: DATA ANALYSIS	
4.1	Introduction	41
4.2	Knowledge about the mining operations in Phalaborwa	41 - 42
4.3	Possible causes of retrenchment in the mines	42 - 45
4.4	Ex-facto retrenchments	45 - 46
4.5	Skills development for the retrenched employees	46 - 48
4.6	Unemployment relief programmes	48 - 50
4.7	Unemployment rate	50 - 51
4.8	Community development projects established by the local municipality	51 - 52
4.9	Projects sustainability	53
4.10	Community beneficiation	53 - 54
4.11	Environmental challenges	54 - 56
4.12	Socio-economic status of the society	56 - 57

4.13	Strategic plans developed to address social and economic	
	challenges	57 - 59
4.14	Public-private and public-public partnerships	59 - 61
4.15	Monitoring instrument employed to measure the effectiveness of the projects	61
		vii
4.16	Other critical issues	62 - 64
4.17	Conclusion	64 - 65
CHAF	PTER FIVE: CONCLUSION AND RECOMMENDATIONS	66 - 69
BIBLIOGRAPHY		70 - 74
ANNEXURE A: PERMISSION LETTER		75
ANNEXURE B: INTERVIEW		76 - 77
ANNE	EXURE C: COVERING LETTER	78
ANNEXURE D: EDITORIAL LETTER		79