

WITS MINING INSTITUTE

Modern mines and the modernisation of community engagement and benefit-sharing in South Africa

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*Turning research curiosity into 21st Century minerals industry
performance, relationships and technology.*

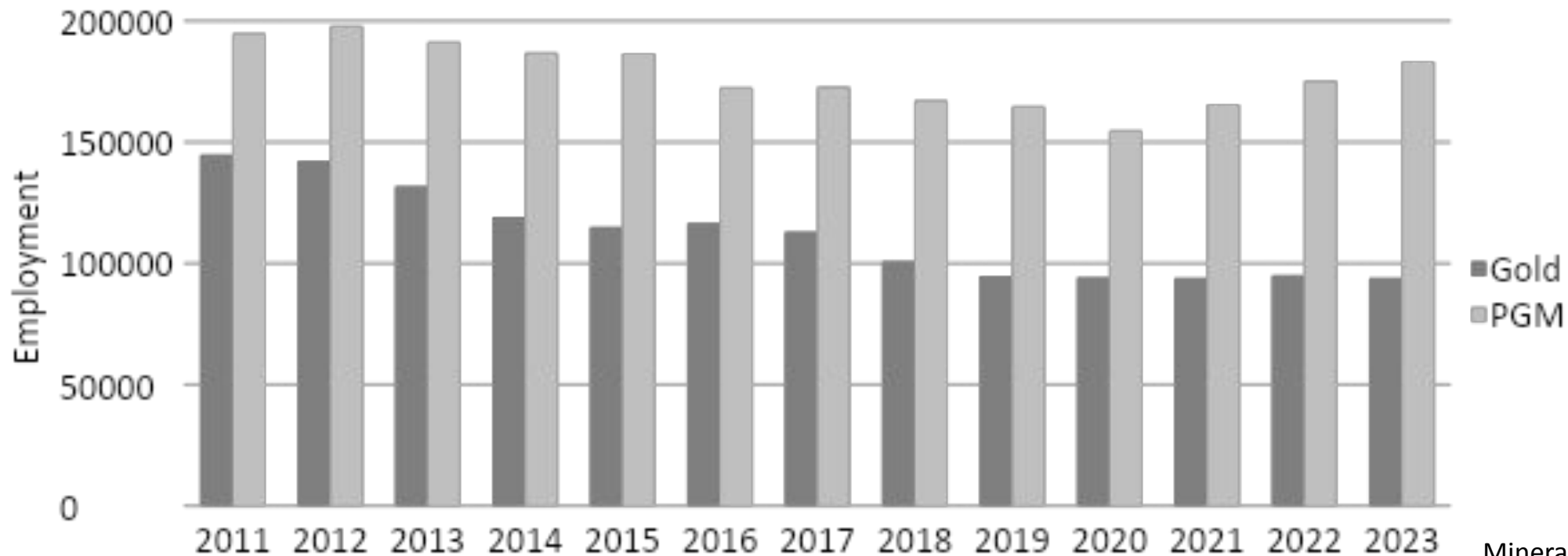


SA mining is in a process of modernisation

- Application of 4IR to the mining industry - digital technologies, automation and increased mechanisation
- Expected changes to processes, skillsets, social & environmental impacts
- Mining modernisation a key component of the SAMERDI strategy to revitalize the SA mining sector. Focused on gold and platinum mines.
- Narrative that modernisation will lead to improved health & safety, environmental performance, increased efficiencies.
- **How will modernisation impact community engagement and benefit-sharing in SA?**

Context: Mining in SA -historically has provided jobs

- Declining employment
- Total employment decrease from 512 874 (2011) to 479 228 (2023)



Context: Mining in SA is unionized & workers have protections but there are still fatalities and injuries at work

- Densely unionized sector
- Health and safety concerns, performance is improving but plateaued

	Total fatalities	Gold	Platinum	Total injuries	Gold	Platinum
1993	615	426	29	8515	7368	736
2003	270	149	58	4301	3079	738
2013	93	37	28	3126	1252	1344
2019	51	18	20	2406	732	1151
2020	60	26	16	1811	621	782
2021	74	30	21	2143	738	1027
2022	49	15	18	1988	586	1030
2023	55	20	22	2080		

Context: Legislative framework relevant to consultation about harms & benefits is fragmented

- Community engagement and participation required through legislation:
 - MPRDA; Mining Charter
 - Mine Health & Safety Act
 - Occupational Health & Safety Act
 - NEMA; Air Quality Act; Waste Management Act
 - National Health Act
 - National Water Act
 - LG: Municipal Systems Act; Municipal Planning & Performance Management Regs; SPLUMA
- Seven legislated mechanisms for benefit-sharing:
 - Ownership
 - Procurement, supplier & enterprise development
 - Skills development
 - Employment equity
 - Mine community development
 - Housing & living conditions
 - Downscaling & retrenchment

Context: Absence of guidelines, enforcement, weak local govt, transparency

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Seven legislated mechanisms for benefit-sharing:

- Ownership
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- Employment equity
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Unevenly implemented
with few examples of
good practice

Context: There is increasing community organisation to challenge mining impacts including use of the courts

- Environmental impacts
- Increased mine-community conflict



Methodology

- Semi-structured interviews between October 2020 and February 2021
- Understand their perspectives on mining modernisation, engagement & benefit-sharing

Type of organisation		# of interviews
National civil society stakeholders	Community based organisations	3
	Academics/ social performance consultants	2
	Pressure groups/civil society organisation	6
Industry community practitioners	Industry social performance representative	1
	Mine site 1	3
	Mine site 2	4
	Mine site 3	1
Total		20

Results: Three main findings

1. Lack of community engagement on mining modernisation and a perception communities would not understand
2. Modernisation will make things worse, due to loss of jobs and ongoing environmental impacts
3. Current legal mechanisms should be maintained, they could work with mediation, communities are becoming more organized

Finding 1: Lack of engagement & a perception communities would not understand (1)

- *“There is currently lack of communication on modernisation and this is problematic, consultation is critical.” (KII8 civil society)*
- *“Mines will always be on the ‘back burner’ during conversations surrounding things like modernisation. It is difficult to move the tides of ‘the developmental tsunami’ that is needed when **communities and municipalities do not have the intellectual capacity to understand the detail of the mine’s processes.**” (KII 9 industry)*

Lack of engagement & a perception communities would not understand (2)

- Mines talk to communities about modernisation when applying for a mining license stating that modernisation will protect employee health and safety and have reduced impact on the environment.
- When there are job losses mines cite modernisation as the reason behind retrenchments.

Finding 2: Modernisation will make things worse, due to loss of jobs and ongoing environmental impacts (1)

- *“Mine modernisation is going to make the impacts of mines worse, especially through the loss of jobs and no new jobs. This will impact families and the broader community.” (KII9 civil society)*
- *“Modernisation has been ongoing in the industry, but it doesn't change the impact of mining on people and the environment. The damage is still there. Changing humans with machines will make no difference to the impact of mining.” (KII7 civil society)*



Modernisation will make things worse, due to loss of jobs and ongoing environmental impacts (2)

- No appreciation of potential opportunities for women (among either civil society or industry respondents)
- *“Instead of using mechanisation to create benefits for miners by way of reducing work hours- therefore allowing them to pursue other interests and activities (potentially upskilling themselves while improving their lifestyles) – the capitalist mode of running mines, with its innate focus on profit, chooses to cut jobs and retrench workers instead of keeping people employed and expanding the benefits of their work.” (KII 2 civil society representative)*



Finding 3: Current legal mechanisms should be maintained, they could work coupled with mediation, communities are becoming more organised (1)

- *“In theory, SLPs could work in the future. If mines had better engagement with communities and could actively involve community representatives in the development and implementation of SLPs there would be potential for SLPs to create tangible development. If community trusts are treated in the same way they can also be beneficial so long as the community is able to oversee its use.”* (Kll6 civil society)

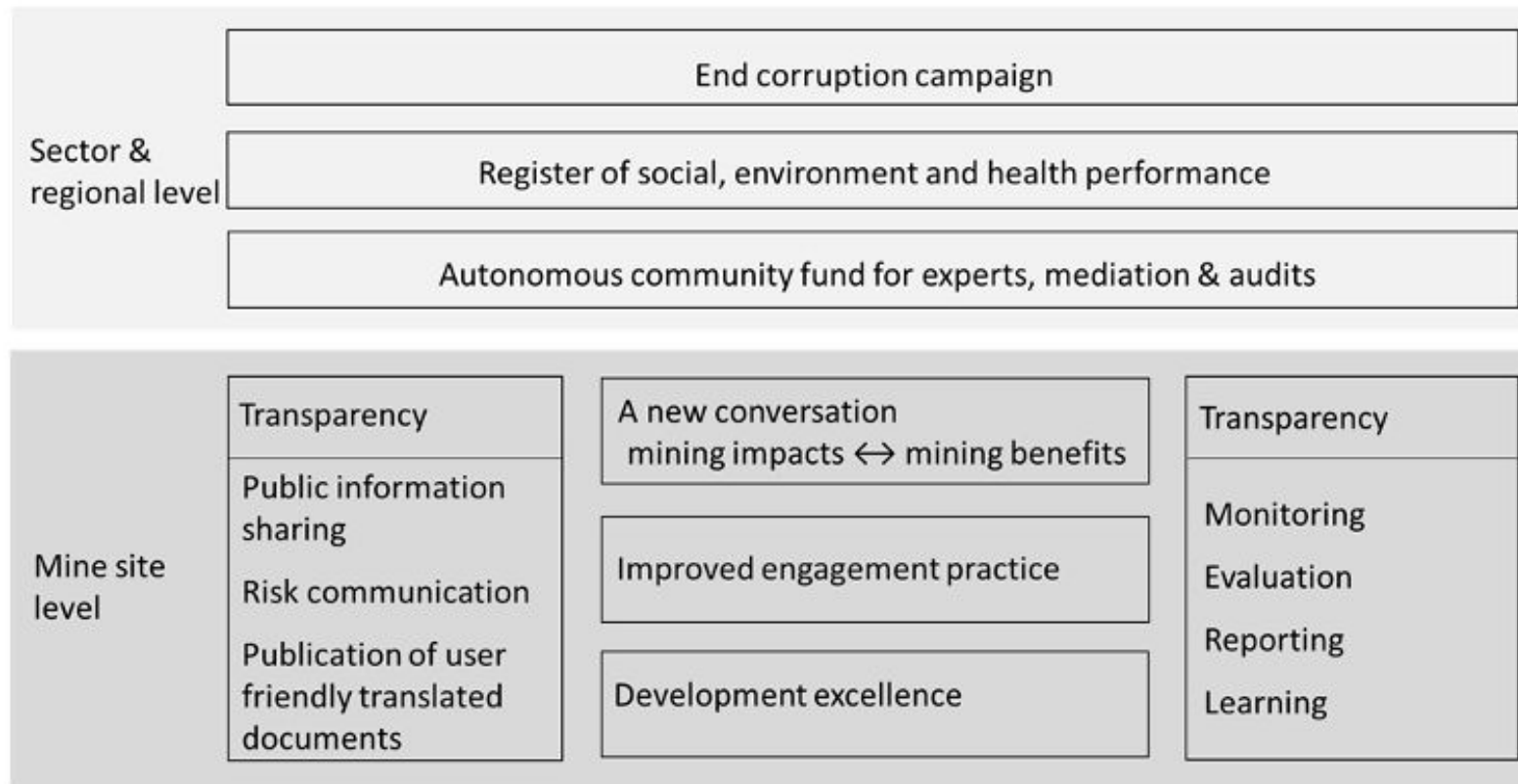
Current legal mechanisms should be maintained, they could work coupled with mediation, communities are becoming more organised (2)

- *“There is no mediation. Mines don't want to sit down and talk to communities.The court is the only way to mediate disputes. Government could fill this mediation role.”* (KII9 civil society)
- *“an increasing sense of revolt and **greater organisation** of mining communities.”* (KII2 civil society)

Conclusions

- Industry needs voluntary measures in support of community engagement and benefit-sharing as the sector modernises
 - Need to see communities as a partner worthy of engagement
 - Communities should be informed and engaged on modernisation
 - Current benefit-sharing mechanism are supported, but need a mediator
 - Benefits do not outweigh environmental harm for communities - conversations on benefit and harm need to be linked

Model for industry adoption





Acknowledgement



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