

# Are communities benefitting from mining?

## Bafokeng and Bakgatla cases

The traditional elite-led model of community development in which traditional authorities work with mining companies is often hyped as a model that benefits communities. That might not necessarily be the case, as seen among the Bafokeng and Bakgatla Ba Kgafela, writes **Sonwabile Mnwana** who argues that the traditional elite-mediated model only benefits some to the exclusion of other social groups.

The past two decades have been marked by a rapid expansion of the platinum industry in South Africa's rural communal areas that fell under the former Bantustans 'states' of Bophuthatswana and Lebowa during the apartheid regime. This phenomenon coincides with post-apartheid state's legislation attempts to redefine rural residents in these territories as 'tribes' (traditional communities) under traditional leaders (chiefs). As such, a situation has also evolved whereby chiefs have become mediators of mineral-led community development. I argue that the question of whether 'communities' are benefitting from mining can only be addressed when the social dynamics around the 'tribal elite-mediated' model of community development are brought to light.

The Bafokeng and Bakgatla Ba Kgafela; the two prominent, platinum-rich traditional authorities in South Africa's North West Province epitomise this phenomenon. They enjoy considerable control over their enormous wealth generated from platinum mining, mainly through direct royalties and shareholding

partnerships with major multinational mining corporations that operate on their territories.

### POWERS OF CHIEFS

In essence, the inclusion of rural 'communities' in South Africa's platinum industry is embodied within the post-apartheid state's minerals legislation – particularly the commitment to change the racial ownership structure of the mines in the country through the Black Economic Empowerment (BEE) mine-community transactions and the encouragement (by the state) of communities who previously received royalty compensations for loss of land due to mining to 'convert' their 'interests ... into equity' shares. As such, the dominant mode of engagement between traditional communities and mining companies is through local chiefs. The assumption is: traditional leaders ('chiefs') are the custodians of rural communal land and other resources and therefore are 'legitimate' to enter into mining concessions (or the so called 'community concessions') on behalf of rural residents (their 'subjects').

Indeed, such an assumption shows the entrenchment of the

powers of traditional leaders in the post-apartheid South Africa – formally carried out through the enactment of the Traditional Leadership and Governance Framework Act of 2003 and the Communal Land Rights Act of 2004 and the proposed, much criticised Traditional Courts Bill. As such through these traditional-elite mediated mine-community agreements, the institution of traditional leadership, seen by some as a product and instrument of colonial administration's 'indirect rule' mechanism that was created to rule Africans as mere subjects not citizens, as argued by Mahmood Mamdani, has ironically risen to prominence in the post-apartheid South Africa – to the level of championing mineral wealth-engendered community development.

### TRADITIONAL ELITE-MEDIATED MODEL OF DEVELOPMENT

The traditional elite-mediated model of 'community' participation in the mining industry has produced conflict and tensions in the villages under Bafokeng and Bakgatla. This is in contrast to the media discourse which filtered, particularly after the

Marikana massacre that the ‘community control’ is ideal for congenial relations within the rural-based South African platinum sector. Moneyweb, for instance, in October 2012 lauded the Bafokeng leadership for its ability to create a ‘platinum model’ and for converting ‘mineral wealth into social stability’. However, the research I conducted in the villages under Bafokeng and Bakgatla traditional authority area in 2009 revealed that conflict and tensions were among the key dilemmas of traditional elite-mediated mineral-led development. Local narratives of residents in the villages of Phokeng, Luka Kanana (under Bafokeng), Moruleng and Lesetlheng (under Bakgala) presented among others, some dilemmas.

### POLARISED DEVELOPMENT PRIORITIES

Bafokeng and Bakgatla traditional authorities have adopted a more or less similar strategy of investing in ‘communal infrastructure. Funds are not directly distributed to individual community members or households but invested in amenities such as schools, clinics, roads, hotels and sports stadia. The traditional leaders are committed towards developing a world-class infrastructure and preparing for a post-mining economy through diversification. The commitment to development is expressed through vision documents and sophisticated plans for infrastructural development.

Table 1: Royal Bafokeng expenditure for 2009 and budget for 2010

BUDGET ITEM	RBN EXPENDITURE 2009: R1.355 billion	RBN BUDGET 2010: R800 million
Sports and recreation	35%	9%
Education	23%	24%
Governance and administration	23%	24%
Public and community utilities	10%	13%
Safety and security	3%	1%
Health and social development	3%	14%
Environment and land use	2%	4%
Economic development	1%	4%
Food security	1%	1%
Bafokeng history and heritage	1%	1%

(Source: Royal Bafokeng Holdings, 2010)

Table 2: Bakgatla Baga Kgafela platinum wealth distribution priorities for 2009/2010 period

Infrastructural development 2008 / 2009	Infrastructural development 2009 / 2010	Infrastructural development 2010
Road D533 (Sefikile - Mononono) (R21m)	Administration offices: Phase Two	Schools upliftment programme: project aims at improving all the schools for the Bakgatla ba Kgafela traditional community. The project is expected to be completed by mid 2010.
Administration Offices: Phase One (R26m)	Public and private clinic	
Moruleng Stadium (R174m)	Shopping complex	Health centres revitalisation.
	Five star hotel at the Bakgatla Gate	
	Lekutung Township	The primary objective of this programme is to ensure that all the members of the Bakgatla ba Kgafela traditional community have access to health care. Members of the community will not be more than 15 km from the health-care centre.
	Golf estate	
	Civic centre	
	Eco estate	
	Residential complex next to the stadium	
Multi- purpose sports centre		

(Source: Bakgatla Ba Kgafela Traditional Authority, 2009)



*Cattle graze next to a mine shaft as communities and mines share the same neighbourhood.*

There is no doubt that the rapid infrastructural developments in Phokeng and Moruleng highlight the benefits of platinum mining in the Bafokeng and Bakgatla communities – a feature which distinguishes both communities from the rest of more than 800 traditional communities recognised by the South African Constitution. The local leaders herald this development through detailed infrastructural development plans (the Bafokeng’s Masterplan, for instance). However, the ownership of mining interests and other corporate interests has triggered divisions, partly due to what may be termed ‘infrastructure fixation’. There is a clear neglect of the ‘softer’ developmental issues such as food security, and economic empowerment for the struggling majority.

The analysis of dominant narratives also revealed heightened popular discontent with the manner in which the traditional leaders handled platinum wealth-engendered community development in the study communities. Community agitations about lack of broader consultation, arrogance and corruption of the ruling elite were rife. Such discontents were marked by sporadic outbreaks of local conflicts in the form of protest marches, disruption of community meetings leading to arrests and court interdicts against certain groups and even litigation against traditional leaders (especially kgosi Nyalala Pilane of Bakgatla) for alleged corruption.

Says a resident from Moruleng: ‘There is a sense of arrogance on

the side of the tribal authorities; when they are doing a development project in a community they seem to think they are doing that community a favour. It is wrong for any authority whether it is a tribal or a local governmental authority to sit in a boardroom and determine what the needs of the communities are – it doesn’t work that way... The projects that they are doing were never identified by Bakgatla Ba Kgafela community. They were initiated by them in their boardrooms. That is why I say to you don’t sit in a boardroom and decide what is best for the community because you are using their millions of rands. It is this community that must determine what their needs are and what their priorities are. We have no say whatsoever over the projects that are taking place right now’.

A retired traditional councillor from Phokeng adds: ‘We used to demand to know the value of our assets and royalties. We discovered that if we divided the amount of royalties, each Mofokeng household would receive R10,000. We suggested that in every four-year period that amount be given to Bafokeng for as long as we still have mineral resources. We said that we can use the clans to account for every family. Each clan would come up with the number of households for administrative purposes. The clans can decide to buy farms, cattle or invest. We could also help manage families with irresponsible parents. We thought that if we used that method, we would reach everybody. Kgosi was not pleased with us. This money

belongs to community but he [Kgosi] and his family use it as they please. He hated us for that. In an interview on television last week, he was asked what the individual Mofokeng was gaining [from platinum wealth] and he did not answer that question. The world still considers us as the richest tribe but we have people among us who are very poor.’

## INEQUALITY

Some villages felt marginalised when it comes to infrastructural development. A Lesetlheng resident says: ‘I assure in this village [Lesetlheng] there are families who cannot even buy a loaf of bread. Look at what we call a health centre [pointing at Lesetlheng Clinic]. Does this portray riches to you? How can this guy [Kgosi Nyalala] build a R100-million stadium [in Moruleng] while people [sic] don’t even have a proper health centre?’

## MINING IMPACT

The inaction of the ruling traditional leaders in addressing time adverse social, health and environmental impacts of mine operations has led to the formation of many community forums as grassroots-created platforms through which the community chose to engage with the mines. Village forums mainly sought to address issues around the environmental impact, socio-economic development, business or procurement, and employment opportunities for local youth. Most of these community-mine participation platforms were not always recognised by the mines and were accused of serving narrow selfish interests.

A resident of Phokeng talks about the irony of pylons. ‘There is a poem that we studied at school many years ago. It was about “The Pylons”. High voltage pylons that carried electricity passed over a rural village that didn’t have electricity. Yet those things [electric wires/pylons] were damaging the environment and were a threat to the lives of the poor villagers. Someone climbed on the pylons and got electrocuted.

Wasn't it an ironic situation? They didn't have electricity yet they could see the wires passing through their backyards going to exclusive suburbs and the cities. That is exactly what is happening in Phokeng. Isn't it ironic that we are surrounded by platinum mines yet we are still poor? People die from sickness caused by the mines, like TB, HIV, and so on and we don't even have home-based care.'

Ordinary residents see their leaders as being more concerned with accumulation of wealth through advancing and diversifying community-owned business interests, hence the social well-being of local people and monitoring of the environmental impact of mining are not receiving adequate attention. As a result, village residents who experience intense mining impact feel poorly represented by the traditional structure. Such a finding reveals a dilemma of conflicting interests, whereby the traditional leaders are tossed between being custodians of the welfare of the rural citizens under their rule and maximising profits as mine owners. This is the central paradox of the 'traditional elite-mediated community participation in the mining economy.'

Youth complained that mines were not prioritising local residents when it came to employment and small business opportunities.

## DIFFERENTIATION

In the case of Bafokeng villages, in particular, there appears less ambivalent evidence of social differentiation. Social categories along class, gender, age are emerging through various forms of accumulation by ordinary residents. One such form is 'backyard shack landlordism': village residents in Phokeng, Luka and Kanana rent out their backyard single-roomed flats (mostly shacks) to migrant mineworkers. Backyard dwelling came at a price, namely overcrowding. Villages such as Luka, Kanana, Phokeng, Robega, Macharora and Lefaragatle looked overcrowded. The renting out of backyards seemed

lucrative to Bafokeng stand owners, so much so that, despite reported firm objections to the practice by Kgosi Leruo, the practice seemed entrenched. Fuelling this activity was the incentive popularly known as living out allowance (some miners called it 'sleep-out allowance') offered by mines to their workers who did not reside in mine hostels. Monthly rent ranged between R80 and R150 for a shack and R350 and R600 for a single-roomed brick flat.

For many 'shack landlords', rental income was a main source of survival or it supplemented employment income or a government social grant. However, evidence of another class of 'backyard shack petty-bourgeois landlords' was emerging. This category usually had capital to build several shacks in their yards some even more than one residential plot. Evidently, their rent income exceeded their subsistence needs.

Despite 'backyard shack landlordism' being a dominant form of survival for village residents who lost pastoral and agricultural land as a consequence of platinum mining, it also carried some shortcomings.

Firstly, it excluded the youth and women. Customary law tends to marginalise these categories when it comes to access to residential plots of land. Many youth and women expressed how difficult it was for them to access land since income status, age and marital status are often factored in before one could be granted a residential plot by traditional leaders. Non-Bafokeng ethnic groups also cannot own plots in the Bafokeng territory – as custom dictates.

Secondly, the limited infrastructure and services (electricity, water, education, and health) in these villages seemed overstretched due to the influx of migrant mineworkers. The inclusive character of the mine and the exclusionist character of local 'tribal' norms seemed like an unmanageable dilemma. While mines, by their nature, tend to attract labour from all over South Africa and beyond, local villages in the Bafokeng and

Bakgatla territories are saddled with the huge social burdens of inbound migration. In most villages in the Bafokeng territory where one water tap and a pit latrine (toilet) were common services in each residential plot, these were shared between tenants (migrant mineworkers and their 'landlords').

Thirdly, the poor condition of the shacks rented out to migrant mineworkers (usually small, single-roomed, clustered and constructed out of old corrugated iron sheets) epitomised the abject living conditions of miners in the post-apartheid political regime – a fact worth considering when making sense of the social dynamics around the 2012 Marikana massacre.

As such, the question: 'are communities benefiting from mining?' is the wrong question. It perpetuates the simplistic notions that rural residents in communal land are 'tribal communities' who are socially and culturally homogeneous with collective interests that could be represented by a 'legitimate' chief. I argue that there are social categories that are emerging as a result of the mining economy on rural territories. The so called 'community' itself, is socially differentiated. There are winners and losers. The less ambiguous question, I suggest should be: which social categories are benefiting from mining and how?

Lastly, I argue that as long as chiefs are assumed to be the legitimate representatives of the interests of rural residents in mining concessions and local development, inequalities will persist, the negative impact of mining will continue to receive inadequate attention, conflict will escalate and the range of social categories benefiting from mining will continue to shrink while the advocates of this model will continue to say 'communities are benefitting'. <sup>LB</sup>

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