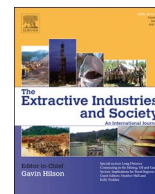




Contents lists available at ScienceDirect

The Extractive Industries and Society

journal homepage: www.elsevier.com/locate/exis

Original article

White capital: Corporate social responsibility and the limits of transformation in South Africa

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ARTICLE INFO

Keywords:

South Africa
Corporate social responsibility
Marikana
Labour
Corporate political authority
Rule
Social welfare

ABSTRACT

Since the 2012 Marikana killings there has been a boom in scholarship about labour relations in the South African mining sector, focused primarily on the ability of workers to organise and the role of state violence in policing strikes. Quality of life issues in mining communities are usually explored only insofar as they affect these labour relations. This article argues that this focus is incomplete, because it ignores the way that services and infrastructure in mining communities affect local residents who have no formal links to the mine. Local residents engage in resistance to the mine's operations quite separately from labour activists. Scholarship that treats these local residents simply as a potential labour force subject to stabilisation overlooks their political agency. Indeed, local residents and labour groups come into conflict with one another, and with the state, even as all three groups come into conflict with the mine. The article situates the 2012 violence within an ongoing multi-party conflict over the post-apartheid social settlement. It finds that the logic of transformation, with its emphasis on companies' contributions to social welfare, places white-owned mining companies in a position of political authority, and strengthens their position against demands for reform.

1. Introduction

In August 2012, 45 people were killed during a wildcat strike at the Lonmin platinum mines in Northwest Province, South Africa. At the time, the longstanding National Union of Mineworkers (NUM) was in decline, with its membership falling below 50% of the Lonmin workforce, as workers came to see it as captured by powerful state and corporate interests (Malala, 2012). A rival union, the Association of Mineworkers and Construction Union (AMCU), was growing in strength, but was still not recognized by Lonmin as a negotiating party, when the company's rock drill operators took strike action to demand the tripling of their monthly wages to 12,500 rand (£691). For a week, strikers clashed with company police, South Africa's national police, and with representatives of NUM, with at least 2 police officers, 2 security guards and 6 miners killed. On the 16th of August, police officers fired on strikers while attempting to end the strike, and killed 34 miners. The killings, the most lethal use of force by the South African police against civilians since 1960, drew national and international outrage, and led to the creation of a commission of inquiry, whose findings were released in 2015 (Marikana Commission of Inquiry, 2015).

The Marikana killings prompted dialogue about the failures of the post-apartheid settlement. Within academia, the period since the killings has been marked by a boom in scholarship about labour relations

in the South African mining sector. Scholars such as Beresford (2012), Alexander (2013), Gentle (2015) and Chinguno (2015) emphasise mineworkers' rejection of the National Union of Mineworkers (NUM) as captured by corporate interests. As Chinguno (2015) and Beresford (2012) have argued, the Labour Relations Act of 1995, which guarantees workers' right to organise and establishes rules for settling disputes, has formalised a corporatist model of unionism. The privileges afforded to majority unions encourage the creation of closed shops that limit workers' ability to challenge union leadership, while union bosses serve two masters: their members and the companies at which they work. Beresford (2012), Gentle (2015) and Freund (2007, 673) have argued that the growth of a small black middle class who benefit from affirmative action schemes like Broad-Based Black Economic Empowerment (BBBEE) has eroded the link between racial and class solidarity, with newly promoted black skilled workers and supervisors increasingly distant from the majority of unskilled black workers. Finally, the growth in contract labour has additionally weakened NUM's ties to the mining labour force (Forrest, 2015).

Moreover, in the rise of AMCU and its more militant model of resistance, scholars such as Chinguno (2013) and Alexander (2013, 615) see workers rejecting not only the Labour Relations Act framework, but the ANC government, situating recent strikes in the history of relations between labour unions and the post-apartheid state. This interpretation is strengthened by state violence to protect business in the Marikana

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<https://doi.org/10.1016/j.exis.2017.10.007>

Received 10 April 2017; Received in revised form 19 September 2017; Accepted 16 October 2017
2214-790X/ © 2017 Published by Elsevier Ltd.

killings.

Where this literature touches on welfare issues, it frames them within its analysis of labour relations: [Forrest \(2015\)](#) has examined the role of changes in service provision for migrant workers in the shift from permanent to contract labour. Asanda Benya has argued that Marikana “collapses the distinction between home and work”. For Benya, conflicts over water, sanitation and other infrastructure are about “the living conditions of workers and their families” ([Benya, 2015, p. 557](#)). Leonard Gentle has argued that violence taking place in community settlements outside the mines reflects workers’ attempts to channel their grievances outside a “compliant” and “disgraced NUM” ([Gentle 2015, 669](#)). In these analyses, communities surrounding the mines acquire relevance because of their role in the social reproduction of mineworkers. In this analysis, corporate provision of services serves to stabilise workers and render them compliant through dependency, and conflicts over service provision stem from workers’ attempt to resist this control.

This article argues that this explanation is incomplete, because it ignores the way that services and infrastructure in mining communities affect local residents who have no formal links to the mine, and engage in their own resistance to the mine’s operations. Scholarship that treats these residents simply as a potential labour force subject to stabilisation overlooks their political agency. Indeed, local residents and labour groups often come into conflict with one another over whether mine-provided services should be open to non-working residents of the area ([Benya, 2015, 553](#)). As Gavin Capps and Sonwabile Mswana have documented, non-working local residents also engage in conflict with mineworkers and the state over the implementation of land reforms ([Capps and Mswana, 2015](#)). At the same time, workers and residents come into conflict with the mining companies. [Alexander and Pfaffe \(2013\)](#) have argued that these types of conflict should simply be treated collectively as a ‘rebellion of the poor.’ This article argues instead that it is only when we look both at the conflicts between the mine and its stakeholders, and at the conflicts among stakeholders themselves, that the role of welfare in political mobilisation on the platinum belt comes into focus.

This article draws on 55 interviews conducted in September 2014 and in August–September 2015 with managers, local authorities, national regulators, workers, labour representatives, community members and community leaders, as well as publicly available records about Lonmin’s operations and the policy context in which it operates. It finds that at Lonmin, the form and content of mine-provided governance has emerged as a site of political struggle, not only between the mine and the state or between the mine and labour, but equally, among stakeholders themselves – regulators, labour groups and local residents. Political cleavages have emerged between older and younger workers, workers and non-mining residents of the area, and labour organisations and the African National Congress. These cleavages reflect competing visions of post-apartheid transformation and conflicting definitions of who ‘belongs’ in the community which should benefit from democratisation. They produce competing demands on mining companies and conflicting definitions of ‘good’ corporate governance. At the same time, they mirror internal divisions within Lonmin about the purpose and significance of its governing role.

This article considers mine-provided governance not merely as a matter of economic or social welfare, but as a factor of political order, or Rule. Contestations about mine-provided governance are contestations about the form of Rule that ought to prevail in mining communities. This notion of Rule draws on the work of Nicholas Onuf, who argued that political authority arises “wherever [social] rules have the effect of distributing advantages unequally” ([Onuf 1989, 22](#)). Corporations who choose how advantages are distributed in their design of services and infrastructure are ‘rulers,’ or political authorities, in this sense. This understanding of Rule is similar to the “banal sovereignty” Mark Duffield has previously attributed to NGOs, who have “the power to choose who benefits from development” ([Duffield, 2007, 52](#)). This

article argues that, by designing social programmes that navigate between the contradictory visions of ‘good’ corporate governance espoused by different stakeholders, Lonmin curbs the effect of post-apartheid reforms, protecting its position of authority as a white-owned multinational in democratic South Africa.

2. Corporate welfare spending and the post-apartheid settlement

Service provision and welfare spending at Lonmin are heavily shaped by the legacy of apartheid. As a liberation movement, the African National Congress (ANC) committed to transfer ownership of economic resources from the white minority to the black majority, including promises to nationalise white-owned mining companies and to hold mineral rights as public assets ([Congress of the People, 1955](#)). However, after political transition in the 1990s, nationalization was shunted to the side ([Hall, 2010, 19](#); [Feinstein, 2005](#), [Wilkinson, 2004](#), [Allen, 2006](#)), and abandoned as a party policy in June 2012 ([Manson 2013, 409](#)). Instead, the ANC has focused on ‘transformation’, an attempt to marry a capitalist economic system with development that benefits previously disadvantaged black South Africans. At the centre of this transformation programme are policies aimed at improving the social responsibility of white-owned businesses to justify their continued license to operate in post-apartheid South Africa.

These programmes set out to ‘transform’ of the social order surrounding the mines and redress injustices arising from the migrant labour system which, since the apartheid era, has provided the bulk of the mining industry’s unskilled black workforce. The apartheid division between the white South African state and black homelands separated workplaces from the sites of labour reproduction. With black workers migrating between the families in the homelands (primarily in Eastern Cape) and their work at the mines, neither the South African state nor the homeland authorities assumed responsibility for the costs of social welfare. Mining companies today continue to recruit primarily from the Eastern Cape but increasing numbers of workers now reside with their families at or near the mining sites. This increases the pressure to deliver social development in the mining areas.

To this end, mining companies are subject to three separate transformation policies.

First, to convert mineral rights held before 1994 into new mining licenses, companies must comply with a Mining Charter, which establishes targets for black hiring and promotion, black share ownership, and social investment in majority-black areas ([Tangri & Southall, 2008, pp. 705–707](#)). Companies submit five-year Social and Labour Plans (SLP) detailing their commitments to meet these targets to the Department of Mineral Resources (DMR), which issues the licenses. While the SLPs are not published as a rule, as part of fieldwork, relevant SLP documents from Lonmin were shared with me by both the company and by regulators: this article draws on these sources as well as public records.

Second, all industries are subject to Broad-Based Black Economic Empowerment (BBBEE), which requires firms to empower previously disadvantaged populations through increased shareholdings, employment and local development, as a condition of receiving government contracts. This policy also encourages the use of a rating system to enable firms to consider BBBEE status in their dealings with one another. The programme is administered by the Department of Trade and Industry (DTI), which sets specific targets for each industry. Each criterion comes with a points value, and companies are permitted to outperform targets on some metrics to compensate for lacklustre performance on others ([Scorecard for the Broad-Based Black Economic Empowerment Charter for the South African Mining Industry, 2004](#)). At the time of fieldwork, DTI and DMR used different metrics and formulas for evaluating company performance.¹

¹ New legislation reconciling the two schemes was introduced in 2016, after the

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