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List of Acronyms and Abbreviations

ANC	African National Congress
BECSA	BHP Billiton Energy Coal South Africa
CIAB	Coal Industry Advisory Board
DHS	Department of Human Settlements
DOH	Department of Housing
DME	Department of Minerals and Energy
DBE	Department of Basic Education
ELM	Emalahleni Local Municipality
EPZ	Export Processing Zone
EMP	Environmental Management Plan
ESKOM/ESKOM	Electricity Supply Commission
EWT	Endangered Wildlife Trust
FOB	Freight on Board
FSE	Federation for a Sustainable Environment
Gt	billion ton (metric)
ha	hectare
IDC	Industrial Development Corporation
IEA	International Energy Agency
ILO	International Labour Organisation
ISO	International Organisation for Standardisation
JPOI	Johannesburg Plan of Implementation
MEC	Minerals and Energy Complex
MPRDA	Minerals and Petroleum Resources Development Act 02
Mt	million ton (metric)
NEMA	National Environmental Management Act 1998
NGO	Non Governmental Organisation
NGP	New Growth Path
NPA	National Prosecuting Authority

NUM	National Union of Mineworkers
OPEC	Organization of the Petroleum Exporting Countries
USA	United States of America
RBCT	Richards Bay Coal Terminal
RCDF	Rietspruit Community Development Forum
RMS	Rietspruit Mining Services
ROM	run-of-mine
SAICE	South African Institute of Civil Engineers
SAR	South African Railways
SASOL	Suid Afrikaanse Steenkool en Oilie
SLP	Social Labour Plan
SMME	Small, Medium and Micro Enterprises
WCI	World Coal Institute

1.1. Introduction

This paper is tasked with exploring the ability of finite resource dependent societies to successfully transition to a new resource independent growth path in the event of resource exhaustion. In sum, the question is asked: Can mining finite resources such as coal serve as the means for achieving “sustainable development?” It is this claim which underpins recent South African economic policy discourse, such as the *New Growth Path* (2010) (NGP), propagating growth of the extractive sectors as a necessary phase of development, in a bid to attain equitable and diversified development.

The economic viability of a finite primary resource-led path towards industrial development has long been a hotly contested debate.¹ At the core of the argument lie concerns over the character of linkages between the extractive sectors and non-extractive sectors of the economy, in addition to the “political structures that often develop around resource windfalls” (Bridge, 2004:228; Ross, 1999:6-9). Instead of the State possessing “sufficient autonomy to pursue economic policies that are coherent and that seek to raise social welfare,” State development is often held captive by factional interests, which are often predatory in character (Bridge, 2004:228). Revenue generated from commodity booms are often concentrated in State spending to further accumulation in the extractive industries, which according to Bridge (2004), masks the need for fundamental economic reform (2004:228). The consequences of such a relationship between State and capital renders the State’s

¹According to the resource curse hypothesis, resource based economies are seen as highly susceptible to commodity market volatility, exhibiting reluctance or a lack of, backward and forward inter-sector linkages, as well as declining terms of trade, which negatively impact upon prospects for diversified industrialisation into manufacturing. Resource based economies tend to be parasitic in character, meaning that there is a very limited margin of profit re-investment in the economy, narrow redistribution as well as a high level of concentrated ownership. This often results in a marginal manufacturing sector unable to sufficiently diversify, or for that matter compete as a result of increasing levels of inflation and currency appreciation, on the back of commodity (boom) exporting – a phenomenon also known as Dutch disease (Ross, 1999:3-6-9).

functioning beholden to the interest of fractions of capital, instead of championing the social welfare of its citizenry (Bridge, 2004:228; Ross, 1999:3-6, 6-9).

The paper argues that there is a strategic relevance for focussing on coal, not only within the context of notions of sustainable development evident in recent South African economic policy, but more importantly, as a result of coal's historical dual utility and importance to the South African economy; serving both as a core domestic energy feedstock, in addition to being considered a key commodity driving regional economic development. More specifically, the paper will explore the extent to which it may be necessary to internalise historical and present-day social costs arising from coal-led development, within a post-mining context of expected development outcomes.

This will be demonstrated by way of a case study on Rietspruit colliery, which is located on the Witbank coalfield.² During its 26 years of operation, Rietspruit colliery had served as a model colliery and mine village due to its 'unusual' housing of African workers in comparatively high standard family homes. The village built for African workers at Rietspruit was considered an anomaly at the time, which contrasted sharply with the single sex dormitories that characterised much of South Africa's mining industry throughout the 20th century. Rietspruit's profile was in no small part determined by its significant scale and exposure in the South African coal export market, mining on average 4,5 million tons (Mt) of export-grade coal per year for the international market. Notwithstanding, the colliery was faced with closure in May 2002 for reasons attributed to resource exhaustion.

The paper argues social costs arising from coal-led development, as will be explored at the Rietspruit colliery, are often overlooked in the bid for attaining short-term economic objectives. Accordingly, the use and dominance of coal in the South African economy has been rationalised on the basis of *availability* and *necessity*, or more recently, seen as the *means* for achieving sustainable development. It is on this basis that notions of "sustainable development" and "environmental rehabilitation" within the coal mining industry require contextual clarification due to a narrow understanding of their relevance and application.³

In addition, the ambiguous and contested character of mainstream sustainability discourse has further been exacerbated by mounting international concerns related to climate change. The result is a discourse which falls short in fully acknowledging the social cost implications for

²The name *Witbank* was derived the white outcrops on the farm named *Witbank* in the 1890s, marking as a signpost for travellers passing through the region. In 1903 the owner of the Witbank Colliery, Mr. Neuman, founded the township of Witbank (Lang, 1995:43, 51). The city of Witbank was renamed to Emalahleni in 2006 which Zulu translates to "place of coal." It is considered a Local Municipality, and forms part of the Nkangala District Municipality in the Mpumalanga Province. The case paper is situated within Emalahleni Local Municipality. The city name *Witbank* now known as *Emalahleni*, are used interchangeably, in a historically and chronologically appropriate manner, referring only to the Local Municipality. The naming of the *Witbank coalfield* remains unchanged.

³Referring here to notions of, and fixations with social and natural capital, amongst others, in attempting to mediate the failings of the market under neo-liberalism. See in particular Fine (1999) on his critique of social capital and Neumayer (1998) on the irreversibility of biodiversity loss, as well as Bond (2006) on the net loss as a result of natural resource extraction in resource intensive economies (Neumayer, 1998; Bond, 2006).

individuals who are socio-economically dependent on coal-led development. The paper proposes a *socio-ecology of development* as a discourse, which articulates development outcomes and costs related to coal mining, by recognising the interconnectedness between social and ecological spheres.

1.2. Towards a Socio-Ecology of Development

The paper argues for the relevance of a socio-ecological approach grounded in historical materialism, viewing production as an “articulation between nature and society,” with nature identified as the “support and active” agent of this process (Leff, 1995: 13). This motivates the paper to adopt an approach which interrogates the manner in which coal has historically been inscribed in South Africa’s historical and continued development.

The socio-ecological approach emphasises the relationship between the social and ecological spheres in the appropriation of nature (*coal mining*), alongside social factors such as *labour* and *technology*, necessary for the production process. This results in an inter-relational socio-ecological and technological dimension to production, including costs (Leff, 1995:12-15, 22). Costs, as articulated in this paper, include specific *social* inequitable outcomes arising from coal mining, in particular focussing on post-mining *liability* for loss of *economic activity*, *representation* and *governance*.

The efficacy of adopting a socio-ecological approach grounded in historical materialism resides in its emancipator potential, both in analytical purpose and development discourse at large. This is achieved as a result of a socio-ecological approach seeking to historicise, politicise and illustrate the primacy of natural or ecological factors of production in shaping the character of productive relations within society (Leff, 1995: 13). The starting point, and core theoretical framework for this paper, is to recognise the fictitious aspect of commodification of non-produced commodities such as land, labour and money, as well as the resultant *speculative character* of market relations associated with such commodities (Polanyi, 1944, 2001).⁴

Polanyi (2001) argued, it is erroneous to think *non-produced* or “fictitious” commodities such as land, labour and capital will behave the same way as produced commodities. He argued the assumed self-regulating market *logic* or *rationalism* of continued production and reproduction of capital would push “human societies to the edge of the precipice.” This he argued due to the inherent vulnerability of fictitious commodities from over-exploitation and over-speculation, resulting in intermittent *crisis* as inherent to the market *logic* (Block in Polanyi, 2001: xxv).

⁴Polanyi’s seminal work, *The Great Transformation* first published in 1944 (2001) analysed the historical development of Europe from the feudal epoch into the industrial capitalist epoch, critiquing the classical economics approach of *laissez-faire* capitalism, and in particular, the rationalisation of the market “logic.”

This undeniable character of the market economy, argued Polanyi (2001), would necessitate a *counter (or double)-movement* led by the State to check the over-exploitation and destruction of both society and nature (Leff, 1995:12, 13, 15, 22; Block in Polanyi, 2001: xxv).⁵ A so-called free market economy or *dis-embedded* economy, the type to which Adam Smith prescribed, argued Polanyi (2001), was nothing other than a “utopian project.” State intervention at the inception of the so-called free market through the introduction and enforcement of private property laws and laws of exchange, were seen not only as the antecedent to market development, but was seen as fundamental to mitigate and recover from ensuing periodic *crises* (Block in Polanyi, 2001: xxv, xxvi; Marais, 2011:110).

The view espoused by Polanyi (2001) does not however, prevent economies from operating along self-regulating market principles, nor does it result in automatic active State management of the economy to mitigate crises. This, for the simple reason that market rationality fixated on short term gains and productive continuity, clouds all sense of moral or social rationality concerning the character of such development. The net outcome, as history has shown, are intermittent *crises* manifested both in the way of conventional financial recessions, but also increasingly in the social and ecological environment. This is evident with increasing levels of inequality pervasive nationally and globally, in addition to critical resources such as land, air and water coming under threat (Block in Polanyi, 2001: xxv, xxvi).

Although within Polanyi’s context a *crisis* referred primarily on the financial variant, it can and must be extrapolated to the social and ecological factors of production. The argument will be made that just as financial externalities are manifested in the supply-demand chain of the economy through the commodification and speculation of *non-produced* commodities, so social and ecological externalities are realised through affixing of a misguided and speculative value to social and ecological factors of production, including costs. In this way, the real costs of industrial production are discounted through classical economic cost-benefit measures, biased toward short term capital profitability, or narrowed sector specific interests (Greenwald and Stiglitz, 1986; Padilla, 2002).

Such an approach disqualifies assessment of the true costs of production accruing to the social and natural spheres on the basis of the explicit market bias of continued growth through continued commodification. This is legitimated as either in the pursuit for modernisation, motivated either as “necessity,” or perhaps most seductively, as aiming for achieving “sustainable development.” In so doing, the critical role for the State to mitigate crises is often subverted due to the complicity of State interest with capital, which in turn impacts upon the State’s mandate to ensure development in the interests of all of society. In such a scenario, the counter-movement, as Polanyi (2001) referred to it, shifts to the success

⁵Polanyi (2001) argued crises would arise as the result of speculative excesses caused by either inflation or deflation of these commodities, as a result of affixing misguided values to these commodities. Evidenced most recently by the 2008 financial crisis requiring significant State and International Monetary Fund bailouts in the USA and Europe – prior to this, the Great Depression of 1929-1932 was the most significant. These two events stand out as the most significant crises, with numerous regional financial crises marking the nineteenth and twentieth century monetary landscape.

of a class struggle that is able to garner broad-based support from beyond its ranks (Stroshane, 1997: 107).

The need for a countermovement is especially pertinent for a country such as South Africa, where the State has historically been utilised to institutionalise a racially defined separate development. The results of this historic State-led phase of development are extreme levels of inequality and poverty for the majority of the African population. It is why the paper posits by analysing the manner in which nature (*coal*) has been appropriated and commodified by capital, can tentatively serve as an entry point for understanding the *institutionalised* and pervasive character of inequality in the South African economy. This will be illustrated by situating the development and outcomes at Rietspruit colliery within the historical political economy of South Africa's development, read as the development of a Minerals and Energy Complex (MEC) – with the Witbank coalfield at the epicentre of this development (Fine and Rustonjee, 1996).

1.3. Methodology

The methodology adopted is multi-disciplinary by nature, and views research as a process of knowledge discovery and interpretation, bound in a particular political economy of knowledge, power and history. This has motivated the research process to be informed by a historical narrative, allowing for a contextualised qualitative approach to follow. The relevance for a historical approach in qualitative research identifies “interpretation” as:

historical, relative in the sense that it always presupposes historically transmitted preconceptions, and...in order to be relevant, it is applied in the present time by the interpreter. And to which, the interpreter projects it on a future...Every interpretation [thus] contains three aspects of time – past, present and future – as indissoluble moments [SIC].

(Alvesson and Sköldbberg, 2000:85).

In this relation, the temporal aspects of knowledge motivate the research to be grounded in history, yet relevant, and future looking. This temporal aspect of interpretation underscores the relevance in considering the finite character of coal mining, its relevance to South Africa's economic development, in addition to assessing the post-mining social outcomes for the mine village of Rietspruit.

A stakeholder and purposive sampling approach was used to identify a range of key informants involved in the mine closure at Rietspruit. A combination of primarily face-to-face interviews as well as telephonic and email based interviews were scheduled on a first-available, first-interviewed basis. Detailed transcriptions of interviews were extrapolated from digital recordings, which formed the primary component of qualitative data. The study subscribes to the notion that discourse analyses are the starting point for achieving theoretical reflexivity. This is affirmed by Brooks et al (2010), who call for qualitative methodologies that move beyond “attempting to extract ‘hard facts’ from research participants,” through allowing participant voices to be heard unfiltered (Brooks et al, 2010:4).

The rationale to analyse discourse from this position is to “investigate the boundaries” between the so-called legitimate and illegitimate positions, which allows for revealing the relative position, power and agency of participants, within the socially constructed world. In addition, it allows for reflexive and nuanced empirical interpretation of collated data to follow, which according to Alvesson and Sköldbberg, (2000), is achieved in two phases:

- 1.) The first concerns the “data-constructing” phase where observation, discussion and preliminary problematisation of the empirical subject matter occur.
- 2.) This is followed by a phase entailing systematic interpretation “guided by ideas that can be related to academic theories,” including personal theories. This is also known as the “interface stage,” where the theory “allows the consideration of different meanings in empirical material,” even though certain interpretations are “given priority,” the space is nevertheless created for other interpretations to manifest during the course of the research process.

(Alvesson and Sköldbberg, 2000: 249, 250).

Discourse in the context of the study is comprised of recognising the context in which “a statement [verbal or written] is made or to whom statements are directed,” which in itself requires acknowledgment that discourse occurs “internally,” within a specific socially constructed environment (Hajer, 1995:44). The study recognises power inherent in discourse as manifesting in various discourse economies, which are representative of the value positions held within the specific socially constructed environment (see Chapter 4, demonstrated in a conceptual model developed by the researcher). Discourse according to this view thus embodies specific value positions that are premised on specific knowledge positions, and are determined by a host of factors in the lived experience. Chiefly amongst these, it will be argued, are those emanating from the character of productive relations within a specific historical and socially constructed environment (Hajer, 1995:44).

2. Mineral-led State Development

Inequality is inherent to the social and economic character of modern South Africa. This has been attributed to various historical phases of White minority control starting with the arrival of the Dutch in the Western Cape in 1652, progressing into various phases of increasing formalised racism under British imperial rule in the nineteenth century, and culminating with the formalisation of the apartheid State in 1948-1994 (Feinstein, 2005).

The birth of industrial South Africa however, has its origins in the discovery of minerals; firstly in the way of the Kimberly diamond fields in 1867, and thereafter the discovery of one of the world’s largest gold reefs on the Witwatersrand in 1886. This discovery of minerals, especially gold, resulted in a rapid and unprecedented influx of capital and skilled labour

entering the South African economy, and it is arguably at this point where the foundations of a modern and industrial South Africa were laid (Marais, 2011:8 Freund, 1998:149-151).⁶

The influx of capital however, led to an exacerbation of existing class tensions between Boer and British, culminating in two Anglo-Boer Wars, with the British claiming victory in the second and most important War (1899-1902). The emerging economy and society of the early twentieth century became characterised as minerals intensive, with State formation occurring as an auxiliary to economic development, resulting in the formalisation of the Boer republics and British colonies into a Union in 1910 (Feinstein, 2005:114; Freund, 1998:149-151).

The outcome of this political and economic victory was the development of an “accumulation strategy centred on mining,” housed in a newly formed State, initially imperial in orientation, however, consolidated nationally over the course of the twentieth century, in what has come to be known as a minerals-energy-complex (MEC) (Fine and Rustomjee, 1996). The significance of this victory, and in particular the domination of the mining fraction of capital in this alliance, would throughout the twentieth century co-opt the State to champion its interest under the mantra of modernisation and progress (Marais, 2011:8; Fine and Rustomjee, 1996; Christie, 1984:1; Kaplan, 1976:73).⁷

The burgeoning minerals economy was however, contingent on two key inputs necessary for viability; the monopoly control of a cheap African labour force, and the development of a subsidised and centralised industrial infrastructure necessary to facilitate extractive production. This culminated in the development of a rail network and eventual electrification of the economy by means of coal (Marais, 2011:8; Christie, 1984:1; Alexander, 2008:48).

The high level of congruency between State and capital would however, from the outset pose several development paradoxes manifested in periodic and escalating *crises*, unduly impacting upon African society. At the nucleus of this strategy, was and is, the externalisation of socio-ecological costs of production through the continued appropriation, and subordination of nature and labour, tightly bound to the development of a minerals and energy economy. It was on this foundation that the industrial accumulation strategy for South Africa was founded – through subsidising the cost of production by undervaluing the true costs of *coal* production (Adler et al, 2007:34; Polanyi, 2001; Fine and Rustomjee, 1996).

⁶It was at this point that the South African economy was integrated into the world market economy, attracting international investors’ attention from London, New York and Berlin.

⁷ It can be noted the agricultural sector was congruent with the accumulation strategy centred on mining by way of post Anglo-Boer War (1899-1902) political enfranchisement of Afrikaner elite; however this arose as a result of mine owners’ recognition of the need for domestic food production to minimise operational costs on the mines, thus forming a so-called alliance of “gold and maize” (Trapido, 1971). Whether the manufacturing sector developed as an auxiliary of mining capital or independently as a manufacturing fraction of capital has been debated by way of the Poulantzian fractions of capital hypothesis; articulating the reproduction of capital through the various “fractions” of interest “at the level of relations of production” (Kaplan, 1976:73). The debate can be settled in the post-Depression period on the back of the gold price hike; with mine ownership according to Freund (1998), taking “a more broad ranging view of capitalist development in South African industry,” diversifying their interest across primary, secondary and into the service sectors of the economy through establishing mining “finance houses” (Freund, 1998: 160; Fine & Rustomjee, 1996: 100).

It was however specifically in the post-World War II period with the ascension of the Nationalist Party to office in 1948 that the distinctions between State and capital became increasingly blurred. This was evidenced with State revenue absorbing 57 per cent of the total profits from the mining sector through taxes and levies imposed during the interwar period, in addition to the State controlling numerous corporations under the Industrial Development Corporation (IDC) (Adler *et al*, 2007:34; Christie, 1984:142, 143).⁸ However, the true collaborative partnership between State and capital was to manifest in the energy economy, centred on coal. Expanding the electrification capacity of the national grid was at the core of this strategy, facilitated by the mechanisation of coal mining, centred on the Witbank coalfield (Christie, 1984:180).

With increasing State totalitarianism premised on racism, the State found itself increasingly isolated from access to external energy and commerce markets. Domestic energy concerns became a pressing issue for the apartheid State, in addition to maintaining competitiveness in the mining and industrial sectors. The State through its IDC arm responded with a number of strategic partnerships to alleviate growing pressure. Amongst the first of these was the IDC partnering with mining capital to develop the Nazi era Fischer-Tropsch technology of coal-to-liquid fuel processing under the SASOL brand, starting with the first plant in 1951 (Banks, 2007: 250).

The true viability and importance of coal and the technological development of the SASOL operations however, only manifested as a result of the fourfold increase in oil prices in 1973 by OPEC, resulting in re-fortifying the viability of coal as a primary energy source (Banks, 2007: 250).⁹ It was in this phase that the State undertook a significant expansion drive for increasing the capacity of the national power grid. This period witnessed the up-scaling of electrification capacity from 2400 MW at the end of the 1950s to 15 000 MW by the mid-1970s. This was doubled to 30 000MW by the early 1980s, with majority of these new power stations situated on the Witbank coalfield (Christie, 1984: 151; Lang, 1995:137).¹⁰

⁸In addition to controlling the South African Railways and Harbours, the State controlled numerous marketing boards in the agricultural sector, in addition to the IDC establishing and owning companies such as FOSKOR (fertilisers) and SASOL (in Afrikaans, *Suidafrikaanse Steenkool en Oilie Maatskapy Beperke*) (Christie, 1984: 143).

⁹The fuel embargo against South Africa in the 1980s further catalysed the expansion of SASOL operations that by the early 1980s South Africa was able to achieve as much as 50 per cent petroleum fuel self-sufficiency, with an additional two plants built during this period (Banks, 2007: 250).

¹⁰In the period 1970 to 1990, the State energy utility, changing its name to ESKOM under the apartheid era, had several large-scale coal-fired power stations simultaneously under construction and commissioning; such as Kriel Power Station (3000 MW) coming online in 1979 (the largest in the world at the time), Matla Power Station (3600MW) in 1974-1983, Duvha Power Station in 1975-1984 (3600 MW) situated on the largest opencast colliery in the southern hemisphere, the Lethabo (3600 MW) (1980-1990), shortly followed by the construction and commissioning of “the world’s currently largest (4116 MW) coal fired power station at Kendal in the Mpumalanga province,” in the period 1982-1993 – all except Lethabo, situated on the Witbank coalfield (Hartnady, 2010:2; ESKOM web).

3.1. The Constructs of a Giant: Rietspruit Colliery

As a result of the ensuing spike in the oil price the global demand for coal became insatiable and South African coal was more than willing to oblige. Markets in Japan, Europe and the USA opened up, resulting in significant capital accumulation within the local coal mining and associated industrial sectors. In the wake of the demand, domestic monopoly capital was solidified through a number of joint export-orientated coal mining ventures with multinational energy corporations: The likes of BP, Shell and Total Oil assisted significantly in the (re)capitalisation, and introduction of new mining technologies in South Africa.¹¹ The introduction of dragline mining specifically within the opencast coal mining sector on the Witbank coalfield revolutionised the South African coal mining sector in the 1970s, from production philosophy to production scale, marking a point of departure within the industry (Leger, 1991:135). And it was here that Rietspruit colliery's realisation was the product of one such partnership between Shell and local mining interest Barlow Rand; starting production in 1976, targeted at the coal export market of Europe (Leger, 1991:137; RMS, 2002).

Rietspruit colliery also known as Rietspruit Mine Services (RMS), had since its inception been a joint-run operation, with one operational partner and one silent partner, with BHP Billiton and Xstrata the current joint partners. The mineral rights for Rietspruit were initially acquired in 1941 by the Manhattan Syndicate Limited, a wholly owned company of the Transvaal and Delgoa Bay Investment Company Limited. The Manhattan Syndicate including the mineral rights for the site that is Rietspruit were later acquired by Barlow Rand Limited in a joint partnership with Shell South Africa in 1974 (RMS, 2002).

Technological innovation such as the use of draglines at Rietspruit were central to its success: By 1974 more than a dozen draglines were on order for South Africa, with Rietspruit colliery taking delivery of three of these at the start of production in 1978 (Christie, 1984:179; RMS, 2002). Opencast operations such as Rietspruit colliery could open within 2 years, guarantee high extraction rates of 90 per cent, and required only a third of labour compared to underground operations. This was particularly attractive with mounting discontent amongst African labour. The “dragline bucket had a design capacity of 50m³....produced a total output of 2.9 Mt per year!” – amounting to 35 per cent of total production by 1986 (Leger, 1991:135).

Not only did the Witbank coalfield possess vast seams of high grade coal, but it was extremely accessible, sitting at an average of 15-50m below the soil, rendering it highly suitable for dragline mining, and securing South Africa's place in the coal export market by “producing amongst the cheapest [coal] in the world” [sic] (Leger, 1991:154). Figure 1

¹¹Technology transfers in exchange for joint ownership was best epitomised in State owned Gencor's 40 per cent share offer in Optimum Colliery to MacAlpine Dragline Company – in exchange for technical support associated with the introduction of dragline mining in South Africa (Leger, 1991: 135,137).

below, illustrates the geo-structural character of the Witbank coalfield and its conduciveness for highly mechanised opencast coal production using draglines.

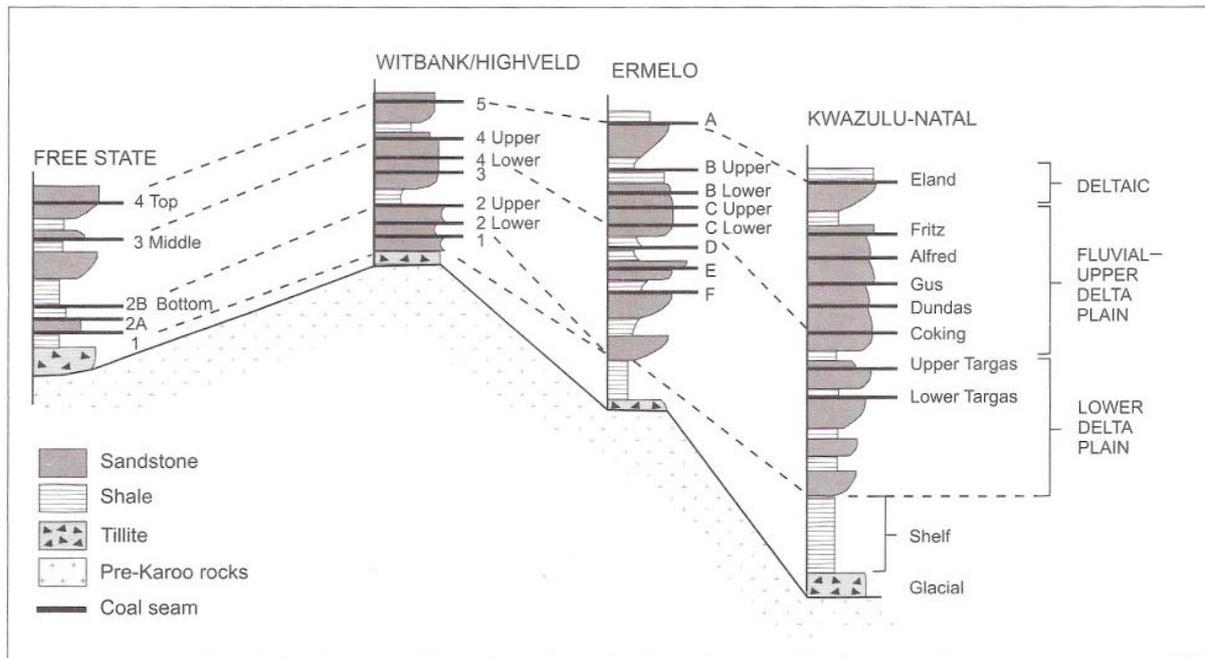


Figure 1: Character the Witbank coalfield (Source: Snyman, 1998:142).

The shift to capital intensive opencast mining was thus made possible by the escalating coal export prices and the introduction of new technologies such as the dragline during the 1970s and into the 1980s (Leger, 1991:135). The expansion of the coal mining sector resulted in extraction increasing from 55Mt to 175Mt in the period 1970 to 1985, with export volumes increasing from 100 000t to 47Mt in the same period (Feinstein, 2005:210, 211). This was largely attributable to the 17 large-scale opencast collieries in operation by 1987, mainly along the Witbank coalfield, and accounting for a third of total production in this period, of which, Rietspruit colliery was one (Lang, 1995:179; Leger, 1991:135; Feinstein, 2005:211).

These developments necessitated significant funding for the upgrading and expansion of rail and specialised infrastructure, such as the development of the Richards Bay Coal Terminal (RBCT) with a direct rail-link to the Witbank coalfield, and Rietspruit in particular. The RBCT was completed in 1976 designed to handle 9 Mt per year, further expansion in 1978 followed for an additional 20Mt, and again in 1987 to handle 48-52 Mt. With current capacity at 91Mt is a clear indication of how rapidly South African coal exports grew, with South Africa becoming the 3 largest exporter of coal in the world within a 20 year period (1970-1990) (Leger, 1991: 136, 137).

3.2. Valorising Natural Capital

On the production side, Rietspruit colliery featured highly in South Africa's coal export market, as a result of its high grade coal and being one of the first collieries in South Africa to employ draglines, averaging circa 4, 5 Mt per year of export grade coal in its 26 years of operation. By October 1978, the first coal ready for export had been railed to the Richards

Bay Coal Terminal, destined for the European coal-fired power station market (BBC Web, 7 November 2001).

By 1981 it had three draglines in operation in a bid to achieve forecasts of 6Mt of export grade coal per year, and had earned R300 million in foreign currency of that year (RMS, 2002; Lang, 1995:179; Singer, 2010:131). With an operating lifespan from 1974-2002, Rietspruit colliery produced a total ROM of 195, 970, 320 Mt from both opencast and underground workings, of which, opencast contributed a total ROM of 167, 838, 146 Mt (RMS, 2002).

3.2.1. Housing for the People?

The political and economic legitimacy within the State during the period of Rietspruit colliery's establishment (1974-1980) however, had all but disappeared.¹² By the end of the 1970s, due to increasing political isolation, foreign lines of credit became progressively difficult for the State to access. In addition labour market volatility compounded the growing instability, resulted in the post-World War II accumulation model premised on racial Fordism having reached its limits (Gelb, 1991).¹³

It was in this context that Rietspruit colliery had to guarantee its labour force and it did so by marketing itself as an equal opportunity mine and constructing what was considered the most modern mining village in South Africa at the time (RMS, 2002). Attracting skilled African employees would be central to Rietspruit's success in a volatile period, with the management stating that it would "provide formalised training to develop managerial as well as supervisory skills for all personnel" (RMS, 2002).

This however, was no gesture of goodwill on the part of mining capital, but should rather be seen in light of transition from a migrant labour model to an internal labour model, or "internalisation" as coined by the International Labour Organisation (ILO) at the time (Crush, 1995: 18). This as a result of historic external sources for migrant labour such as Malawi and Mozambique cutting ties with the apartheid regime. Malawi recalled 120 000 miners in 1974

¹²A series of domestic and international political and economic developments followed in this period, summarised here briefly as: In the period 1971-1985 the ratio of wage disparity between African and White miners decreased "from over 15:1 in 1970 to 8:1 in 1975 and 5:1 in 1985" (Feinstein, 2005:207; Christie, 1984:176). Further definitive moments such as the Soweto massacre of 1976 brought on widespread international condemnation, resulting in international isolation and significant capital flight as international investors turned their backs on apartheid South Africa (Gelb, 1991; Feinstein, 2005:229).

¹³ Fordism refers to the production philosophy espoused by Henry Ford, and premised on the division of labour in manufacturing to ensure maxim productivity. Racial Fordism became the post World War II growth strategy of the apartheid State, attempting both sophisticated industrialisation of the economy into consumer manufactures. The growth model was hinged upon ensuring the division of labour along racial lines, whilst also ensuring the living standards of Whites increased to a position "similar to advanced countries." African living standards however, increased extremely slowly, rendering most impoverished. The growth model built on inter-war industrialisation gains, facilitated by exports of gold and precious metals, and the stability of these commodities on the world market. The stability of the gold price was central to this growth model, thus by the mid-1980s, as a result of the price of gold falling by 50 per cent, compounded by a stable dollar price, and rising wages amongst Africans, the viability of the growth model was fundamentally compromised (Gelb, 1991:2).

and Mozambique followed suit by reducing its miners from 97 000 to 35 000 after Frelimo took to power in 1975 (Crush, 1995: 18).

In addition, Shell Coal the 50 per cent shareholder in Rietspruit colliery and responsible for marketing of Rietspruit's coal internationally, had faced mounting opposition internationally for its dealings with the apartheid State. As a result of international and domestic pressure, Rietspruit colliery was the first coal mine in South Africa to sign an agreement with the National Union of Mine Workers (NUM) in 1985 (Walker, 1986; ILO, 1986:10; Leger, 1991: 137). One year later, pass laws were repealed "and rights to permanent urban residence became dependent on access to approved housing" (Laburn-Peart, 1995: 38)

It was within this context that the construction of houses for African workers at Rietspruit followed alongside their White counterparts, in what was considered an anomaly in the industry at the time. "This meant that for the first time South African mineworkers could legally settle with their families in the townships close to the mines," or in the case of Rietspruit, co-habit in family homes alongside their White counterparts (Laburn-Peart, 1995: 38). Building on this premise the accommodation for African workers at Rietspruit consisted primarily of 2-3 bedroom family homes for married employees and their families, in addition to dormitories for single employees. Furthermore, African employees had access to their own amenities such as a recreation club, rugby and soccer fields as well as community hall, on a par to their White colleagues (RMS, 2002).

By 1986 saw the introduction of "housing schemes" by South African mining capital for African miners aimed at creating African home owners in urban areas. However, housing schemes were met with partial success due to amongst other things, a residual racialised and paternalistic model of social control was evident in the "planning ethos and power structure," relating to house location, price and extent of socio-economic dependence (Laburn-Peart, 1995: 38).

At a more superficial level, the racialised spatial planning could be found in the spatial layout of "town planning." For example at Rietspruit village, White miners occupied the "upper" village, atop a hill, away from the colliery operations, whilst African miners occupied the "lower" village, situated alongside the slurry dump and in close proximity to colliery operations. Furthermore, houses for African workers were substantially smaller than those of their White counterparts, in addition to comprising of rudimentary finishing (Drewes and van Aswegen, 2008:25; RMS, 2002).

4. Mine Closure and the Social Labour Plan

It is with this context that the paper aims to shift the debate to the proverbial *coalface*, by exploring post-coal-mining outcomes for the village of Rietspruit, specifically within the historical context of commodification and dependence on coal in South Africa. Prior to the cessation of mining, the mine's owners claim to have strategized a rehabilitation and closure programme five years before closure in 2002, with implementation of that plan commencing immediately after the cessation of mining operations in May 2002. The mine's owners opted

for an “integrated approach” “dealing with all issues of mine closure and not just environmental rehabilitation” (SAICE, 2007:14).

The handling of the rehabilitation and mine closure won widespread praise and accolades; winning in the category of “Technical Excellence” in 2006 South African Institute for Civil Engineering (SAICE) awards (SAICE, 2007:15). It was also during this period of mine closure that Rietspruit attained International Organisation for Standardisation (ISO) 14001 (Environmental management), ISO 9001 (Quality) and OSHAS 18001 (Occupational Health and Safety) (RMS, 2002). In addition, the handover of the Rietspruit village to the community was claimed as a world leading example of post-mining sustainability, and was documented in several leading industry sustainability reports on mine closure, such as; the World Coal Institute (WCI)’s 2002 *Good News from Coal*,¹⁴ and the IEA’s Coal Industry Advisory Board’s (CIAB)’s 2006 *Case Studies in Sustainable Development in the Coal Industry* report.¹⁵

On the ecological front, unconventional and ground-breaking methods concerning environmental rehabilitation were adopted, such as introducing draglines into the rehabilitation process alongside conventional methods. Prior to this draglines had only been used for excavation during the mining process due to high operational costs. Cost-benefit analysis however, determined that it would be beneficial to implement draglines into the vast area requiring rehabilitation, alongside the conventional earthmoving equipment such as bulldozers and graders (SAICE, 2007:15). At the cessation of operations in May 2002 the total area disturbed spanned 1760ha with a total of 2,12 Gt of material moved in its lifespan (RMS, 2002; SAICE, 2007:14; Coaltech, 2010:19).

From a social perspective, the owners took the decision to develop an elaborate “high road social labour plan” (SLP) as per legislative requirements under the *Minerals and Petroleum Resources Development Act* (MPRDA) (Act 28 of 2002). The SLP was tasked to ensure the post-mining socio-economic development, welfare provision and sustainability for the village and its members of Rietspruit (WCI, 2002; SDM, 2009:7).¹⁶ The Rietspruit village comprised of a housing estate built by the mine owners at the start of production, designed to house 1500 employees and their families at the peak of production. It was once considered a model mining village, comprising of substantial infrastructure, including aircraft landing strip, rail linkages to the Richards Bay Coal Terminal, 24hr hospital, junior and senior schools, shopping centre, as well as a plethora of recreational facilities for residents, both White and African (Coaltech, 2010: 19-21; RMS, 2002).

¹⁴The WCI “is a non-profit, non-governmental association, funded by coal enterprises and stakeholders and operated by a London-based Secretariat” (WCI, no date).

¹⁵The IEA of which the CIAB is an affiliate, was established within the 1974 framework of the Organisation for Economic Cooperation and Economic Development (OECD) (CIAB, 2006).

¹⁶Rietspruit village comprises of the former White upper housing village known as Reed Stream Park, as well as the lower Lehlaka village, formerly for African employees, collectively known as Rietspruit village.

Upon the cessation of mining operations in 2002, the mine owners through the SLP envisaged a “hand-over” of the mining village to the community. Social and basic infrastructure support was to be provisioned by the Emalahleni Local Municipality (ELM), through the formalisation of Rietspruit into the Emalahleni municipality that same year. The question of housing was dealt with by enabling former employees to purchase their houses at subsidised rates, in addition to eligible former employees receiving housing grants from the then Department of Housing. The proceeds of the house sales were to be channelled into a Section 21 company to be utilised as a development fund for community entrepreneurship and small medium and micro enterprise (SMME) development (Coaltech, 2010: 19, 20; WCI, 2002).

The SLP strategy entailed two phases:

Phase one consisted of identifying “groups within the community and obtaining their support” prior to mine closure with a transitional community forum established, resulting in the establishment of the Rietspruit Community Development Forum (RCDF). The RCDF was said to represent 12 groups in the community, with an executive representative, however, “not holding any operational responsibility” for the implementation of the SLP (WCI, 2002).

Phase two of the SLP strategy commenced on the cessation of mining in May 2002, and entailed implementing a business development model, premised on the sale of houses from the mine village to retrenched workers at subsidised rates. The proceeds from the houses were to be channelled into a Section 21 (non-profit) holding trust, with so-called “quick-win” small-medium-micro-enterprise (SMME) projects identified for the purposes of ensuring early community buy-in into the SLP. SMME initiatives such as spinach tunnels, meat processing and textile manufacturing were identified and implemented. These projects however, failed in the initialisation phase on the basis of poor management and buy-in from the local community. Widespread allegations of nepotism and corruption surfaced, with many of the key stakeholders in these projects disappearing with proceeds (BECSA interview).

It was also proposed that large-scale import-substitution-industrialisation projects, underpinned by an export orientated business model, were to come online to ensure the long term sustainability of the village. Various enterprises such as plastic moulding and the possibility of establishing an export processing zone (EPZ) in the area were identified. None of these projects materialised with mine management refusing to finance initiatives as this fell beyond its core business function (WCI, 2002; Limpitlaw, 2004:7; SLP Contractor interview).

The institutional structure and vision of the SLP is outlined below:

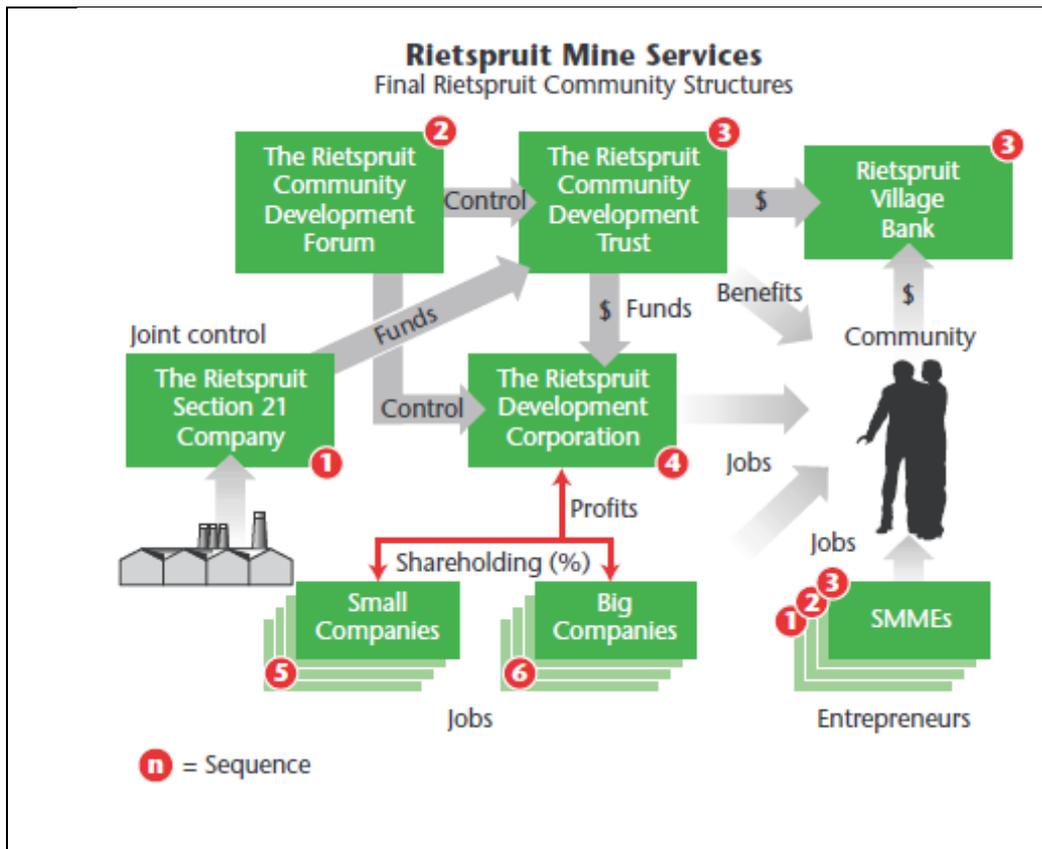


Figure 2: Rietspruit Social Labour Plan Institutional Structure (Source: WCI, 2002).

5.1. Post-Mining Outcomes: Rationalising the Social Labour Plan (SLP)?

As will be demonstrated below, there is a significant body of evidence indicating the “social labour plan” (SLP) was the outcome of capital rationalising mine closure as cost effectively and efficiently as possible. This has ultimately facilitated the State to play its historically defined role alongside mining capital, rather than safeguarding the interests of civil society. In the Rietspruit scenario, as will be illustrated, the counter-movement on behalf of mining capital has been facilitated by an inactive State unable to regulate mining capital *vis-à-vis* social cost liability. The situation has been compounded by the *institutionalisation* of social costs through the proclamation of Rietspruit mine village into the Emalahleni Local Municipality (ELM) (SAICE, 2007:14; Coaltech, 2010:19).

The origination of the SLP strategy was articulated along these lines by the representative for mine management: Initially Rietspruit colliery also known as Rietspruit Mine Services (RMS) “intended to sell the whole area comprising the township and the adjacent areas that were used for employee recreation areas” (BECSA interview). The underlying rational was for a developer to take ownership over the mine village, “on condition that that developer will oversee the development and proclamation of the township” as part of ELM (BECSA interview; SLP Contractor interview). The tender for the mine village under this arrangement, according to the BECSA interview had been accepted by the mine owners. The villagers of

Rietspruit however, “had some issues,” which were irreconcilable, eventually resulting in the cancellation of the sale in 2000 (BECSA interview).

Rietspruit colliery’s post-mining strategy for the village, or what became known as the SLP, accordingly developed in an *ad hoc* fashion in the period 2000-2002, and not in 1998 as publicly claimed by mine management. This primarily as a result of several failed attempts to privatise Rietspruit mine village and its communal assets, resulting in almost all of the White labourers moving out of the village at the cessation of mining (BECSA interview). The primary concern for mine management from the outset was voiding itself from financial liability for the provision of basic services, including water and electricity to the mine village in light of the mine closure, with the closure manager stressing the importance of budgetary limitations on this process:

The biggest challenge is to affect the closure safely and cost-effectively as we no longer generate any income from the mine, and must work according to a fixed budget within which we have to stay.

(Creamers web, 13th September, 2002).¹⁷

Recouping the historical “value” represented by the physical infrastructure of the mine village and associated infrastructure however, was an equally important component of mine closure: The sale of the 788 houses to villagers became the central focal point of this strategy, with proceeds of such sales to be channelled into a Section 21 company, to subsidise the sustainable development of the mine village in a post-mining context. It was decided by the joint venture companies which controlled Rietspruit Mining Services (RMS), to establish Lehlaka¹⁸ Property Development Pty Ltd (hereafter Lehlaka Ltd) for the purposes of administering the mine village, and seeing through the proclamation of the mine village into the municipality (BECSA interview).

Agreements concerning the provision of services to Rietspruit mine village by the ELM were concluded in October 2001 (BECSA interview). The proposed SLP was however, contested even within RMS’s own ranks, with its Duiker Mining partner proposing the bulldozing of the mine village and rehabilitation of the land as the preferred option. However, the manager of RMS at the time argued “this solution would not be politically acceptable,” and instead RMS sought a “high-road” SLP option (SLP Contractor interview).

Core to the SLP was the sale of houses to retrenched historically disadvantaged employees, with the proceeds of the sales to be utilised for sustainable village development in a post-mining context. The National Union of Mineworkers (NUM) argued for the houses to be given to the retrenched workers for free, in compensation for the years of service to the

¹⁷<http://www.miningweekly.com/print-version/grand-old-coalmine-placed-in-hands-of-closure-team-2002-09-13> - retrieved 2nd November 2011.

¹⁸The name Lehlaka is derived from the historically African village settlement, also known as the lower village due to its geographic position relative to the colliery.

colliery, however the colliery responded by saying “there’s nothing for free in this world” (ex-NUM interview).

After the first workers from the underground operation were retrenched on the 7th of December 2001, NUM alleges management withheld a portion of the workers’ severance packages as a “housing cost.” This resulted in a protest march by the workers and a sit-in at the administration block demanding the release of the full retrenchment packages, with the NUM chairperson articulating the outcome:

...after they forcefully retrenched people in December 2001, they kept forcefully a portion of their money to buy those houses. As NUM we fight for that battle, we said these people did not volunteer to be retrenched, so you cannot hold these people’s money, because if you looked into the packages of other people, at the end of the day when they receive letters from the mine, they have left with zero. So we fight for this battle, until the court said, these people did not volunteer to be retrenched, so give those people their money.

(ex-NUM interview).

In light of the several failed attempts to privatise the mine village, as well as the stand-off with NUM, the SLP came to represent an alternate option for RMS to facilitate the transfer of liability for the village and its inhabitants. The development of a “high road social labour plan” (SLP) presented an opportunity to involve the State on the basis of creating a “public private partnership,” with the interests of the historically disadvantaged ex-employees at heart *vis-à-vis* housing and employment creation (SLP Contractor interview; BECSA interview; DHS interview).

Engagements between the community and the Department of Housing at the time (hereafter Department of Human Settlements) (DHS) proceeded with the prospect of creating first-time home owners of many ex-employees (DHS interview). The intent to privatise the surface holdings such as the recreational clubs, golf course, clinic, and training centre in the mine village remained at the core of RMS’s response even under the SLP, however articulated as in the “interest of the community” (BECSA interview).

Tenders for sale of the community facilities such as the recreation clubs, clinic and community hall were obtained by mine management and presented to ELM. It was suggested to ELM to accept these tenders on grounds “because it was lucrative” (BECSA interview). The proposal was rejected out-of-hand by the ELM on the basis that such facilities belong to the community. This even though the proceeds of the sale including revenues obtained from the houses were to be channelled into a Section 21 company under Lehlaka Ltd’s control, with the proceeds to be utilised for the purpose of enterprise development for retrenched villagers (BECSA interview).

Contractors with experience in sustainable village development were contracted by RMS at the beginning of 2002. The terms of reference given by mine management to the SLP contractors was to develop the Lehlaka Ltd strategy further, into a post-mining SLP premised

on self-sustainability. This would be achieved through the establishment of the Section 21 company that was to serve as an enterprise development fund (SLP Contractor interview). The SLP contractor and villagers represented under the RCDF¹⁹ expressed serious concern at the idea of the impending proclamation of the mine village into ELM dated for the 1st of April 2002. Retrenched villagers could ill afford to pay for their houses as well as municipal rates and services – in a context where the provision of housing and all services had historically been provided for as part of the conditions of employment. After a futile appeal to the Mpumalanga MEC for Housing for a stay on the proclamation by the RCDF chairperson, Rietspruit was nevertheless proclaimed as part of ELM by June 2002 (SLP Contractor interview).

The inherent problem with the SLP, according to the SLP contractor, was that the process was from the outset driven “entirely by mine management, without community participation” (SLP Contractor interview), affirming the findings from the *Coaltech Report* (2010).²⁰ It was an undemocratic process which accordingly was motivated chiefly by “the interests of RMS, so that they would not have to continue to pay the upkeep of the water, electricity and sewage in the village” (SLP Contractor interview).

Affirming this viewpoint concerns the financial model of the SLP: Funding for the SLP was “internal,” with the success of the plan entirely hinged upon the retrenched villagers’ enthusiastic participation in purchasing houses in the mine village, with their severance packages (SLP Contractor interview). Support from RMS would come in the form of administrative support for Lehlaka Ltd, with the Section 21 company remaining in existence, “as long as necessary in order to ensure the monies raised from house sales are used for the creation of sustainable alternative employment”(WCI, 2002).

House pricing in the mine village was decided by Lehlaka Ltd at “nominal values,” which “at that time was not even 25 per cent of the actual market value” (BECSA interview). House prices were categorised according to size “making it possible for each occupant to pay for the house out of the severance package they would be receiving when the mine closed” (SLP Contractor interview).

The money obtained for each house purchased with the severance money of ex-employees would then be channelled into the Lehlaka Ltd for purposes of SMME development in the mine village. However, even at “nominal” values the SLP faced several insurmountable challenges. One of the issues which resulted in the ensuing housing crisis, according to a RCDF participant, concerned the poor value the houses represented due to the exposure of 25 years of operational blasting on the colliery, stating:

¹⁹The RCDF was designed as a communication platform and steering body, for community leaders to consult with stakeholders in the village, but did not have any operational responsibility in the SLP (WCI, 2002).

²⁰COALTECH, 2010, ‘The Socio Economic Aspects of Mine Closure and Sustainable Development: Literature Overview and Lessons for the Socio-Economic Aspects of Closure, Centre for Sustainability in Mining and Industry, Report 1 of 2, Project 7.8.5.

Standard Bank came here in 1992 to evaluate, while they were busy here they found that most of the houses have cracks and the companies still keep blasting....cracks were lot, windows were cracking in front of them as well as lights, you see, when they start to blast, they said no, the bank cannot finance these houses, you see...

(RCDF A interview).

Although certain individuals bought houses, some being aided with a housing subsidy provided by the DHS:

...there was specific lot of people who refused to buy and said the mine gave them the houses and they're not going to buy the houses. We're actually still battling with them.

(BECSA interview).

The DHS through this process became the *de facto* State stakeholder in SLP at Rietspruit during the closure negotiations. *De facto*, by virtue of attempting to mediate the impasse concerning housing as ex-employees were given the option to rent, purchase or vacate the properties on mine closure. According to the DHS there was no inter-department assistance from the Department of Minerals and Energy (DME), neither did the DHS receive any meaningful support from ELM further than meeting its administrative function in the proclamation of the mine village (DHS interview; RCDF A interview).

Lehlaka Ltd and the RCDF engaged with the DHS during the time of mine closure, to assist villagers who could not afford the housing and who were eligible for a housing subsidy from the State. Lehlaka Ltd assisted in the application for subsidies of circa 600 houses, of which 300 were successful (DHS interview; SLP Contractor interview). Several impediments to the process of transferring ownership of the houses to the villagers of Rietspruit manifested, core amongst these was the institutional change in management of RMS during the closure process. The RCDF argued that the arrival of “new people that come up with their own thinking or approach,” concerning house prices in relation to the subsidy amount, “resulted in the mine indicating that some of the houses are more than the subsidy” (DHS interview; SLP Contractor interview; RCDF interviewee A).

This posed several problems from the viewpoint of the DHS: Houses paid for with State subsidies ultimately were never transferred to grant recipients on the basis that villagers owed a top-up fee to Lehlaka Ltd, and in lieu of top-up fee payment, became rent paying tenants of the houses (DHS interview).

Most poignantly, there were a considerable amount of villagers who point blankly refused to entertain the idea that they should purchase the houses, as they claim the houses were promised to them as part of employment conditions under previous management at the colliery. This is articulated through this account by RCDF member who had resided in Rietspruit since 1983 stating her case:

...we didn't agree with them by selling the houses to the community even though they said they were going to sell them with this 'affordable price' as they call it...our concern was that these people have been here for many years. And when they were taken from that company they said you...leave everything the company is going to give you money, a house, accommodation and everything you need not to worry about the house you have at home.

(RCDF C interview).

RMS denied knowledge of this “housing scheme,” saying that no record of such an agreement existed. The villagers however, contested this issue and argued that they did indeed have a “housing scheme,” which came into effect in 1986 under the management of Rietspruit at the time, with the chairperson of the RCDF arguing:

They implemented the housing scheme...they implemented that housing scheme as a condition of employment that anyone employed after 1986 was supposed to fall under housing scheme, like it or not!...The money that has been paid to the company, they were deducting from our remunerations. We bought the houses we already bought the houses, now if the government put another money again, we are buying the houses for the second time.

(RCDF A interview).

Whether the housing scheme was a reality at Rietspruit is up for debate. All that can be said is that the development of Rietspruit colliery proved to be quite an anomaly in South Africa mining at the start of operations; claiming to be the first “equal opportunity” mine in the country, in addition to being the first unionised coal mine in South Africa (RMS, 2002). However, it was the establishment of the mine village in particular that had stood out at the time, with Shell “managing” “to nudge John Vorster into agreeing that Rietspruit should house all employees, [B]lack and [W]hite, in family homes” [sic] (RMS, 2002).

Although Rietspruit colliery seems far removed from society even by today's standards, the international spotlight had been focussed on it ever since a violent suppression of African workers at the colliery in 1985. The violent suppression of the workers strike sparked international condemnation and mounting pressure for Rietspruit's multinational partner, Shell, to cut all dealings with the apartheid State, this in the period of international sanctions (Walker, 1986; ILO, 1986:10).²¹

As production at Rietspruit colliery came to an end in 2002, the prospect of alternate forms of employment made possible through the SLP presented for many of the 1132 employees, hope

²¹Following a two hour memorial service during shift time called by the NUM shop stewards at the colliery for a worker that had been killed, management responded by suspending four NUM shop stewards. This resulted in mass action by 800 workers at the colliery in a bid to have the four shop stewards reinstated. The striking workers were met with tear gas and rubber bullets and ordered back to work at gun-point, resulting in 120 refusing to return to work, later being dismissed. The incident gained the attention of the International Labour Organisation as well as unionised colliery movement in the USA linking up with the NUM as part of the anti-apartheid boycotting campaign against Shell, complicit in dealings with the apartheid State under sanctions (Walker, 1986; also see ILO, 1986:10).

in the wake of mine closure and retrenchment. For the 536 employees resisting retrenchment, resistance proved futile, ultimately resulting in them being forcibly retrenched. For the fortunate few who were either utilised in the closure operations or were transferred to neighbouring and sister mines, respite was forthcoming. It was however, the marketing of a sustainable post-mining village, with estimates of 700 jobs being created under the SLP, in addition to owning a house for the first time that for many, served as a palliative in the wake of retrenchment. This was however, not to be the case (Coaltech, 2010:20, 21).

The SLP implementation inched ahead during the course of 2002, though bearing less than desirable outcomes for the retrenched villagers of Rietspruit colliery. This due to the fact that a significant number of villagers refused to pay for the houses they occupied. In addition there were villagers who were unable to pay the housing amount in part or in full, either as recipients of State housing grants or individuals in their private capacity (DHS interview, RCDF interview, SLP Contractor interview).

By mid-2002 cracks in the SLP were beginning to show: The “very first step of the Rietspruit SLP, which was the sale of the houses and the transfer of the money into the Section 21 company, was never achieved,” and on which, the success of the SLP depended (SLP Contractor interview). By early 2003 the failure of the SLP was a certainty. At the core of the issue was the near forced sale of existing houses to retrenched workers, with no financial assistance provided by RMS for ensuring the post-mining sustainability of the mine village and its inhabitants. Nothing further than the retrenchment packages earned by the employees and a R2500 “skills training grant” was issued on closure (RCDF B interview).

The recent *Coaltech Report* (2010) places the figure of “sustainable” employment created after mine closure at 77 jobs, 11 per cent of the original target. The *Coaltech Report* (2010) further describes the current socio-economic profile of the mine village as comprising of “huge unemployment” upwards of 65 per cent, six years after closure, with villagers subsisting “in a state of persistent structural poverty” (Coaltech, 2010:20, 21; Laduma, 2007).

For the villagers of Rietspruit frustration runs deep. According to the RCDF, poor communication from the outset played a significant role in the failure of the SLP. The RCDF contends the message from RMS has been unclear concerning the sale of houses, as well as promises tabled under the SLP, with one RCDF participant recalling a meeting with the mine closure manager during the course of 2002:

...every time they say we must buy the houses they said [the mine closure manager] says so. [The mine closure manager] was there in the meeting and said ‘...people I want to clear my name, I’m not selling houses I’m here to close the mine!’

(RCDF C interview).

With the failure in establishing the Section 21 company, the initial so called “quick-win” SMME development initiatives started in 2001, such as the spinach tunnels, beadwork, meat processing and light textile manufacturing designed to garner initial “community buy-in,” had

failed – with a handful of beneficiaries disappearing with capital equipment and proceeds (BECSA interview, SLP Contractor interview; RCDF interview A).

The responsibility for the failed “quick-win” strategies and the SLP in general, according to the mine management representative, resided with the community and the government. With the mine management representative citing individual greed, weak leadership, an unwillingness to cooperate and a lack of government support as the primary reasons for the SLP’s failure (BECSA interview). The SLP Contractor alludes to contending forces at play during the mine closure, with RMS possibly seeking to avoid a direct confrontation with NUM. The introduction of a third party “contractor” and the development of Lehlaka Ltd thus kept the social aspects of mine closure at arm’s length for RMS. This allowed the management of social aspects associated with mine closure by proxy rather than directly. This perhaps deflected NUM’s attention to the “imposition of an outside company,” handling post-mine closure issues such as job creation, believing that this should have been handled by local individuals under NUM’s auspices (SLP Contractor interview).

For the RCDF the issue of negative outcomes concerning the failed SLP concerned the lack of *bona fide* and meaningful engagement by RMS with the community. According to the RCDF this was the result of a “clash of interest” between stakeholders, resulting in the abandonment of the mine village by the company:

...Some people are talking there in the boardroom talking about our destiny, our future, deciding our fate without our engagement...there was actually a lack of meaningful engagement. I emphasised that to him [mine management], the reason why a lot of things didn't go right was, the community was left out, by those who were on the lead...to the detriment of the community...and when they leave they left everything, they leave without informing the community 'hey guys we are now leaving.' Everybody just say hey? Where is the direction? Am going to East or West? They leave us at large!

(RCDF B interview).

5.2. The SLP in Context: Accumulation by Cost Externalisation

Several years on and the social outcomes of the mine closure for the village of Rietspruit, have been dismal. Unemployment in the village according to the *Laduma Report*²² (2007) is at 65 per cent. This as a result of most, if not all, of the 10 Small Medium Enterprise (SMME) schemes designed to give employment to 700 community members, having failed to initialise (Laduma, 2007:6). Of the initial 1132 mine employees 536 were forcibly retrenched. Only

²²The report is titled: *Revitalisation Strategy for Dying Mining Towns within Mpumalanga July 2007* for the Mpumalanga Department of Economic Development and Planning and the Development Bank of Southern Africa – Development Fund.

239 jobs were created of which 77 are sustainable – a mere 11 per cent of the target (Coaltech, 2010: 19, 20).

In addition to the high unemployment, the housing scheme failed to ensure housing for all employees, with a notable rise of illicit activity involving squatting by “outsiders” and significant vandalism to common property. Furthermore, infrastructure has fallen into disrepair, due in a large part to vandalism, with signs of urban squalor characterising the once pristine and showcase mining village. The situation is further compounded by the location and isolation of Rietspruit, circa 40 km away from Emalahleni, as well as lack of institutional precedent for service provision to Rietspruit by the ELM. This has resulted in the provision of basic services to the village at best described as tenuous (Coaltech, 2010:20, 21).

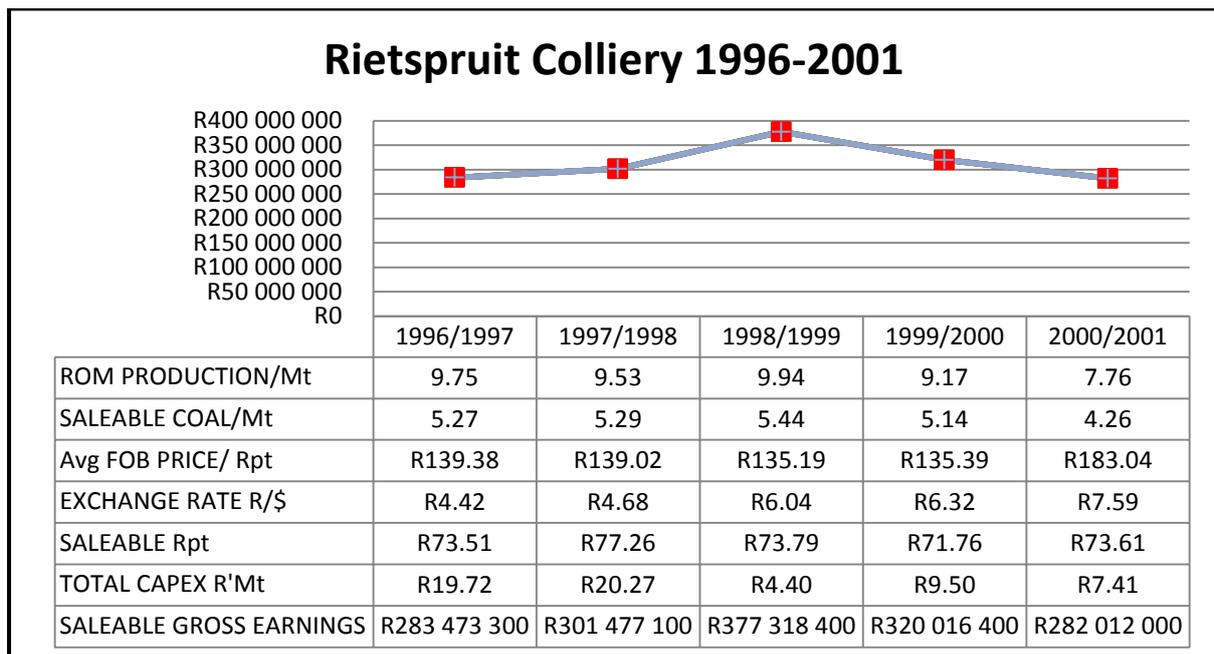
The *Coaltech Report* (2010) states that Rietspruit and its post-mining SLP has been a dismal failure, citing weak stakeholder participation by mine management: Failing “to effectively comply with the socio-economic assessment and stakeholder engagement procedures recognized globally as critical pre-requisites for best practice closure” (Coaltech, 2010:21). At the core of the problem concerned the fact that the “community assessment” undertaken by mine management was inadequate, using “unreliable statistics and estimates about socio-economic conditions around the mine.” This set vague and unrealistic goals and expectations, which “did not reflect the true situation,” resulting in failing to achieve the outcomes set for the community (Coaltech, 2010: 21, 22). Stakeholder engagement with the interested and affected parties was inadequate and too late, occurring only after the social plan had been finalised. At the crux of the matter, was the fact that “socio-economic closure planning was not integrated in the mine life-cycle but only commenced once the decision to close was taken” (Coaltech, 2010: 21, 22)

The SLP contractor from the outset foresaw the ensuing predicament concerning the proclamation of the village into ELM, and made the argument for the mine village to become a private village. The argument was made for purposes of avoiding “the imposition of rates and taxes...which would be inappropriately high for a post-mining village with less than 100 per cent employment” (SLP Contractor interview). In addition, ownership and governance issues in such a context perhaps would have been clearly defined avoiding to a large degree the quandary the mine village currently finds itself in.

According to the mine management however, the “will-full” destruction and vandalism of communal facilities upon township proclamation, was as a result of an inability of the “community” to enjoy communal facilities, without strong leadership. Instead greed, weak leadership, an unwillingness to cooperate and a lack of government support resulted in not only widespread vandalism of community facilities, but was also seen as responsible for the failure of the SLP (BECSA interview). Accordingly, the mine management representative feels that when it comes to the successful implementation of a SLP as in Rietspruit, “government has a bigger role to play.” The mine management representative stated that many promises were made to the villagers’ *vis-à-vis* housing subsidies, but little was forthcoming on the part of government (BECSA interview).

Furthermore, when questioned about the role of ownership and whether retaining a greater share in the mine village upon mine closure would result in the successful outcomes of a SLP such as at Rietspruit, the mine management representative felt although it is “probably the best thing to do,” it is however, beyond a mining company’s “scope” and “feasibility” (BECSA interview).

The following graph is intended to contextualise gross earnings at Rietspruit colliery over its last 5 years of operation, (1996-2001). The figures are derived from firm records calculated as saleable coal, less total CAPEX, multiplied by yearly saleable output, averaging R249 million per year in saleable gross earnings.



Graph 4: Production at Rietspruit Colliery: 1996-2001 (Source: RMS, 2002, own calculations).

Rehabilitation plans for the colliery according to the mine management representative are on track; with a significantly vast area of 1760ha requiring rehabilitation, costing a projected total of “some R302 million, which has to be spent over a period of five years” (SAICE, 2007: 14). Concerning the mine offices, administration block and workshops are being “subdivided” for purposes of being sold to a developer to become an industrial park (BECSA interview). The vast tracts of rehabilitated land will also eventually be sold for pasturage purposes only, as the near permanent destruction of the soil’s carrying capacity prevents it from ever becoming agricultural intensive land again (FSE interview; EWT interview):

Once the land has been stabilised to the state that it can be used as grazing without the fear of erosion and that sort of thing, but that will still be years to come, I don't foresee that within the next 7 to 10 years.

(BECSA interview).

For the SLP contractor the amount of time it had been allocated, given an “18 month head start,” as well as the financial structuring of the SLP from the outset hamstrung the successful

implementation of the SLP (SLP Contractor interview). The SLP contractor argues a time-window of at least 5 years would have been necessary, in addition to the mine taking “full responsibility” in seeing through the successful implementation of the SLP. The argument that such a route is unfeasible for a mining company such as Rietspruit colliery is invalidated on the basis that:

It is the mining company that has had the sole benefit of the non-renewable mineral that it has removed from the ground and it must now rehabilitate whatever damage it has caused. In that sense the plan that the RMS management had cooked up to make the money available for the SLP to be generated by the retrenched people buying their houses was actually iniquitous.

(SLP Contractor interview).

Feasibility, according to the SLP contractor is guaranteed for a mining company such as Rietspruit on the grounds that the mining industry is privy to tax relief in writing off “the costs of establishment.” This in essence equates to the mine village being “already paid for” (SLP Contractor interview). In addition to the above concerning feasibility, according to the MPRDA (2002) Section 41:

An applicant for a prospecting right, mining right or mining permit must, before the Minister approves the environmental management plan or environmental management programme in terms of section 39(4) issues the environmental authorisation, make the prescribed financial provision for the rehabilitation [or] and management of negative environmental impacts.

(MPRDA 2002).

On this basis every mine is required by law to open a trust fund which is exempt from the mine’s operational risk for purposes of rehabilitation (SLP Contractor interview).

Furthermore, continuous technological innovation and advancement with reference to mine closure and rehabilitation allows for increasingly cost effective ways to rehabilitate the disturbed area. This was applicable to Rietspruit colliery, evident in it winning the 2006 SAICE award for “Technical Excellence 2006,” for “Multifaceted mine closure and rehabilitation.” This as a result of Rietspruit colliery being the first colliery in the world to utilise draglines in rehabilitation phase for reasons as it proved to be the “most cost effective way” (SAICE, 2007:14). Thus according to the SLP Contractor:

...by the time the actual rehabilitation had to be started at Rietspruit, more innovative and cheaper ways had been found to close up the holes again with the overburden that had been originally removed. So in fact, as far as we could gather, there would have been a surplus left over in that Trust Fund. Yet the accountants looked upon that as a shut-down windfall for the company, instead of agreeing to apply the surplus funds to make the SLP a success.

(SLP Contractor interview).

5.3. Whither the Counter-movement?

For the RCDF, the onus or liability remains on RMS to renovate the mine village and to provide assistance for the retrenched employees, arguing RMS as complicit in the vandalism and crisis of the mine village:

...there was supposed to be a Section 21 company which was supposed to run this village then there was going to be some kind of economic activities for the villagers to labour, so as to be able for them to pay the rates and taxes, not cough up from their pockets....Why did this all disappear? This is some of our wish, ok, to say we want to see this be reviewed for the interests of our children.

(RCDF B interview).

For the ex-NUM representative, hiring outside contractors for the development and implementation of the SLP to a degree negated responsibility of RMS to create employment opportunities in the wake of the colliery closure. Furthermore, the failure of NUM to champion the interest of the retrenched employees of Rietspruit has resulted in a crisis of representation, stating:

...in fact the NUM and those unions in Klipspruit are not considering Rietspruit people as people that they are supposed to be considering for. So we need to approach those people and BECSA...you cannot just dump people as they have dumped us!

(NUM interview).

The issue of unemployment remains the greatest challenge facing Rietspruit for the ANC ward chairperson. On this basis there is a need for an urgent meeting with various regional mining houses, starting with BECSA, specifically at Kilpspruit colliery:

...we wanted to address a letter to Xstrata because they're relaxing...we need to consider the people of Rietspruit if there is any job creation, people surrounding this ward should be considered...first!

(ANC ward chairperson).

For the DHS the matter of addressing the crisis at Rietspruit is complex, with the DHS bound to a mandate of catering for impoverished, first-time home owners. On this basis, DHS is attempting to resolve the issue of State subsidy recipients at Rietspruit, who have failed to receive their title deeds due to top-up fees or rent owing to Lehlaka Ltd. The lack of inter-departmental involvement from the DME with reference to the SLP, as well as by the ELM, has been a challenge for the DHS (DHS interview).

Furthermore, the failure of the MPRDA 2002 to enforce social cost liability on the part of RMS *vis-à-vis* housing provision in a post-mining setting renders the State with few alternatives other than “requesting” co-operation from RMS on finding an amicable outcome (DHS interview). The DHS is proposing that RMS write off rent arrears and tabulate a figure owed by the grant recipients so that a conclusion for the “lucky few” grant recipients can be reached. According to DHS, the question of housing at Rietspruit could have been settled differently, offering this insight:

The best situation is they give the person the money what is due to him and also the accommodation, then also it shows their commitment and responsibility, and interest towards...ensuring that they are also committed to assist government that people are having at least houses.

(DHS interview).

The legislative shortfall inherent in the MPRDA 2002, in addition to the State’s incapacity to adequately address social costs in a post mining setting as evidenced at Rietspruit, is no anomaly. An interview conducted with a National Prosecuting Authority (NPA) official currently engaged in litigation with coal mining companies and respective directors in the Mpumalanga region affirmed the crisis concerning State enforcement capacity. The NPA official argued that the State operates on a reactionary basis, with the mining companies left to operate on a “self-regulating” basis. On this basis legislative enforcement relies on ordinary citizens and advocacy groups to lodge a criminal case against a transgressing mining company before remedial action is taken by the State (NPA interview).

Although mandates within State departments concerning regulating the mining sector are in existence, capacity issues are the biggest challenge. In addition, many of these mandates are biased towards ensuring the ecological rehabilitation of the mine upon closure. It is within this context that civil society organisations such as the Federation for Sustainable Environment (FSE) and the Endangered Wildlife Trust (EWT) are registering as “interested and affected parties” (NPA interview). Dr. Koos Pretorius, director of the FSE in an interview, states: “Look, the laws are there but it’s not regulated, good laws which are not implemented, and are not used to regulate industry” (FSE interview).

Accordingly, the issue of capacity deficit, particularly within the DME has been exacerbated by the recent commodity boom, specifically in the coal mining sector in Mpumalanga. Dr. Pretorius elaborates, as at 2009 the DME had 69 officials to handle “more than 505 mining right applications in Mpumalanga alone, [as well as] 6000 prospecting right applications” received since 2004 (FSE interview). This was affirmed by the EWT, arguing the level of disorder in the DME is such that prospecting coal mining companies in Mpumalanga are contacting her first to see whether EWT will object to the mining application and register as an “interested and affected party.” This for reasons that the DME in Emalahleni do not “even have a GIS system,” and as such, “are issuing prospecting applications in nature reserves” (EWT interview).

For the EWT the coal mining industry need to be honest and recognise that coal mining has a social aspect to it. This is evidenced by the requirement for an Environmental Management Plan (EMP), which:

...in essence already indicates that they are taking away from the community to start off with. Because if you don't take away, you won't have to give back, and I think that's the first thing that they have to be honest about. If we start there we can start addressing the issues.

(EWT interview).

It is within such a context that organisations such as the EWT and the FSE have recognised that multiple voices coming together allow one to be heard. For the EWT and the FSE recognising the social and ecological spheres as intrinsically interdependent forms an integral part to this strategy. It is here that struggles for social activism are linked with struggles of ecological preservation *vis-à-vis* the impact of coal mining:

We've just come to realise that a single NGO is not enough, not strong enough, so we have to get together with as many partners as possible to try and make our voice heard. I think the thing that I've come to realise is that nothing is in isolation, yes we try to fight for the integrity of the environment, and biodiversity but that is intricately linked with the communities. There are so many people in rural areas in this province that are dependent on different streams they don't have power over, so they come from their perspective and I come from my perspective, but we actually meet each other halfway.

(EWT interview).

For Dr. Pretorius, the situation at Rietspruit is not uncommon in South Africa, citing numerous similar cases of communities displaced and dispossessed as a result of coal mining, with communities “relocated” to areas where:

...there is not a single economic parameter underneath...that will sustain that community once the mine closes in 10 years time, poverty will set in and everything that goes along with it.

(FSE interview).

For Dr. Pretorius, the market logic is at the core of the issue, arguing that mines consider communities as not being interconnected to their respective socio-ecological environments, but rather as problematic impediments to the mining process. This accordingly requires the most efficient and cost effective “strategies” to deal with these so-called “impediments,” in a bid to guarantee access to the land (FSE interview). In describing a similar scenario to the Xstrata “relocation” programme at Rietspruit, Dr. Pretorius detailed the situation of a community some 40km away from Rietspruit, currently in the throes of being “relocated” for purposes of gaining access to the land:

...let's take the old goggo [grandmother] there Maria, she had 27 people if I remember correctly living on her site, alright, so they say 'don't worry we'll build you five houses.' So I said to them 'you're now going to build her 5 houses at Rockdale, 5 RDP houses, who's going to pay the rates and taxes on 5 houses because she is the breadwinner with her pension?' They said they'd pay it for the first year. And the second year? No that's not their problem anymore. We said 'no thank you!' Then we said 'what about the cattle?' Well they said 'there's no place for them at Rockdale, you'll have to sell them.' I said 'you can't let them sell their cattle, the cattle is their bank!'

(FSE interview).

It is here that one reflects upon the historical character of Rietspruit as a colliery designed specifically for the exporting of coal to European energy markets, however, with the costs of production residing in South Africa – and with the African population in particular bearing the brunt of this. Dr. Pretorius cites examples of collieries in Germany importing South African coal, which in return is sold at profit in Germany to address the rehabilitation of its dormant coal mines, essentially amounting to South African coal “subsidising Germany’s treatment of water” (FSE interview). This again is no anomaly, but rather representative of the Witbank coalfield in particular, playing out its historically destined role in world coal market, with EWT offering this insight:

I think there is one other thing that is critical to address...we are mining ...coal on the high veldt, a lot of it, most of it is being exported, the problems and issues, it's our people, South Africans, mostly rural people carrying the brunt of what's happening, but all of the financial gain is for a couple of individuals, and most of the gain from extracting the coal is for other countries?! So we are creating all these issues for ourselves and what are we actually getting in return for it?

(EWT interview).

6. Conclusion

From the evidence presented, the study has tentatively illustrated the social outcomes for the community of Rietspruit within the context of finite natural resource-led development. In addition, the utility of a socio-ecological approach to historical materialist analysis was underscored. The relevance for adopting such an approach was to draw attention to the inter-relational character of nature as the support and active agent of production and the impending social costs arising from such an interaction.

This underlying market logic was illustrated throughout the study, with a specific focus on the role played by coal mining, and the manner in which it has historically been inscribed into the economy of South Africa. Most significantly, it was global market forces during the time

of the OPEC crisis which resulted in significant capital penetration in the coal mining and related sectors of the South African economy. The outcomes of such an *interaction*, as has been demonstrated at a localised level, ultimately bear costs, which at some stage in the life-cycle of the mine, and phase of development, have to be accounted for.

This study postulates that due to the historic importance of coal as a domestic and export commodity in the South African economy has in part resulted in the State being unable to fundamentally, and meaningfully, address the contradictions within the productive relations of society. This is most evident in the lack of State capacity as witnessed at Rietspruit, with historically disadvantaged Africans in society bearing the greatest cost.

It is within such a scenario that the State needs to fundamentally acknowledge and address social costs arising from mining and mine closure. The first step towards achieving this is enforcing liability for social costs upon mine closure; by prioritising post-mining social liability alongside ecological rehabilitation liability. To this end, ensuring meaningful stakeholder engagement through the democratisation of access to information and representation in the event of mine closure are seen as fundamental to mitigate possible social costs. This can only be achieved by active and meaningful engagement with interested and affected parties in the mining sector, with the relevant State department to take the lead in this regard.

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