

## Working towards sustainable mining

Sustainability, transformation and competitiveness were the keywords at the 2013 Mining Lekgotla, ran from 27-29 August in Johannesburg.

By [Janine Erasmus](#) 30 Aug 2013



Futurist Peter Schwartz, co-founder of the Global Business Network, said that human, economic and environmental elements must be in balance in any forward-looking scenario.

The lekgotla (a Sotho word for a public meeting, traditionally held to discuss issues affecting the community) is meant to be a dialogue addressing challenges and uncertainties in the local mining sector, and exploring global trends, with a view to creating a positive future.

The founding partners are the Chamber of Mines South Africa, the Department of Mineral Resources, and the National Union of Mineworkers (NUM). The event's tagline is A purposeful mining compass, which points to objectives such as encouraging greater beneficiation, promoting employment equity, and ensuring sustainable development in mining, among others. This year's theme is Growth, transformation and global competitiveness.

The 2013 lekgotla is the second, after the successful first edition which took place on 5 and 6 June 2012 – just weeks before the wildcat strike, over pay issues, at the Lonmin platinum mine at Marikana, near Rustenburg in the North West province. At the end of that strike 34 mineworkers and 10 others, including police and security guards, were dead and 16 August 2012 would go down as a black day in the industry.

The assembly observed a moment of silence in honour of these and other miners who lost their lives in the line of duty.

"There were a good deal of insightful future scenarios discussed at last year's lekgotla but these were negated by the tragic events of Marikana that occurred shortly after the event," said Mark Cutifani, president of the Chamber of Mines. "We will resume that dialogue in 2013 and focus on transformation and competitiveness in our sector, at the same time ensuring that we take those Marikana events into account," he said.

Mining companies need to do more for their communities, said Cutifani, and make a meaningful contribution to the societies they operate in, which will mean real and sustainable benefits for people.

The global mining sector is under increased scrutiny for a number of reasons, and Cutifani urged players in the industry not only to reflect on the challenges it faces, but also to look forward to what can be achieved working together. These challenges include unemployment, a strained education system, and infrastructure constraints, and the industry will overcome them if everyone works together.

"South Africans tend to be our most critical observers," he said, "and we don't sell the good that we've done over the years in the industry and across the country. I hope that after the next three days we have cause to reflect on the great things that have been achieved as a country and as a mining industry."

Cutifani lauded the collaboration that has resulted in improvements in the safety of the industry, explaining that since 2003 there has been a 66% reduction in fatalities across the industry, which in just one of the last 10 years has there not been an improvement on the year before.

"In our year-to-date performance we're seeing the best performance ever across the industry."

He said that when considered in a global context, the 66% reduction in fatalities is significant. "Even though we didn't achieve the 87% aspirational target [of achieving zero fatalities between 2003 and 2013] we made great strides compared to all of our industry competitors - in the US, a 47% improvement. In Canada, a 25% improvement specifically in Ontario, which comes the closest to having mines that are as deep as the ones we have here. In the context of the labour-intensive mining here against the mechanised mining in Canada the improvements we've made are truly remarkable."

Cutifani said that in the future there will have to be more automation and a different type of capital approach. "By continuing that rate of improvement, we hope to become the benchmark for the global mining industry in the next five to 10 years."

He said that there should be more interaction with the government, to better resolve issues and build a relationship of trust, mutual appreciation and respect. And the industry needed to understand its workforce better than in the past.

## **The most important industry in the country**

The keynote speaker at the 2012 event was Prof Stéphane Garelli of the International Institute for Management Development and the University of Lausanne, and an authority on world competitiveness. This year it was Peter Schwartz, a renowned author, business strategist and futurist. A co-founder of the Global Business Network, Schwartz specialises in scenario planning.

"Mining is important to South Africa, and South Africa is important to the world," he said. "We live in a world of profound technical and economic change, driven by world affairs and by innovation in this industry."

For South Africa to remain an active and relevant participant in the dynamic global mining industry, he said, it has to allow itself to adapt to changes in the global economy because the forces experienced today will be around for years to come.

There are three significant aspects of the future that must be addressed with equal consideration, said Schwartz, and they are human, economic and environmental factors. "If we fail to deliver on the human prospect - a reasonable standard of living, a better life for their children - we will have a fundamental problem."

In economic terms, it's vital to adapt to the ever-changing global situation. "Industries rise and fall, technologies change. This will always happen. And we have to drink water and breathe the air."

What happens to the environment in one part of the world - for instance, with air quality - can affect it in another part, said Schwartz. "We're dealing with climate change, use of water, and other challenges. Our scenarios have to involve a balanced view of human, economic and environmental issues, to plan successfully for the future."

## **South Africa must remain an investment destination**

NUM president Senzeni Zokwana, who has held the position unopposed since 2003, delivered a fiery speech, saying that operating, legal and other costs notwithstanding, for him the most painful mining-related cost was that of losing the trust of investors. "We are suddenly not seen as an attractive investment destination because there is no guarantee that, even after negotiation, there will be peace going forward."

"We can make sure that this country remains an investor destination, and that mining plays the role that it has always played - to create employment, to bring in state revenue, to ensure there is consistent employment in other elements of the industry. This is within our hands."

Zokwana also mentioned that many miners have not been given a chance to acquire other skills, and if jobs are lost these people will not be employable in other areas. "We are not using further education and training colleges in a way that every mineworker, should he lose his job, can go to another industry."

Productivity will not improve if the safety of workers at work and at home is not addressed, he said, and peace and stability in the industry will not come if anarchy is allowed to reign.

He lashed out at other industry sectors whose members engage in violent strikes. "We had a march in Johannesburg this week. Journalists will tell you that not a single vendor had his produce spilled over by our members. But we are failed by our counterparts who connive with those who break the law."

"NUM is committed to work within the law. We will not be reckless in the manner in which we engage with employers - we will not use assegais and spears."

## **Not enough transformation**

South Africa's deputy president Kgalema Motlanthe, a former trade unionist who worked for NUM for 10 years, eventually becoming its general secretary, said that the mining industry will continue to shape the future of the country, as it has done in the past.

"Mining remains central to South Africa's economy and job creation - it accounts for 6% of GDP, generates 60% of our export revenues and is a valuable contributor to corporate taxes. Mines employ 2.9% of South Africa's economically active population, which translates into more than half a million direct jobs."

In order to improve productivity, the industry needs innovation, he said, and must move away from "archaic practices that have not kept up with modern productive methods". These practices compromise the methods of collective bargaining that have been developed since 1994.

"One of these undesirable practices that need immediate attention is the migrant labour system which continues to be a scar on the face of democratic South Africa. There has been no overhaul and investment

in the migrant labour system at all," he said. "There has been no attempt to find new ways to effect a more humane system of migrancy akin to the best migrant labour systems of the world."

This would entail a system that encompasses shorter work cycles which will benefit mining families, control of the spread of HIV/Aids, and lower absenteeism leading to enhanced productivity, among other factors.

But the industry is limited by its apartheid past, said Motlanthe, with cheap labour "sourced through a migrant's punishing annual work cycle and all the social evils associated with that cycle. To move forward, the industry must break with its undesirable past and make workers feel valued for their contribution - they must have decent jobs and sustainable livelihoods, including proper housing, recreation and time with families."

Motlanthe has just played a central role of mediating between the government, trade unions and companies in the development and signing of a framework agreement to bring about a more sustainable mining industry.

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