



Media statement by the Bench Marks Foundation

Flawed Charter will further bedevil relationships

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FOR IMMEDIATE RELEASE

The new Mining Charter is a flawed document that is the result of inadequate consultation with communities, and is set to further bedevil relationships among stakeholders in the industry, according to the board of the Bench Marks Foundation.

Speaking today after the release of the long-delayed Charter on Thursday last week, Bench Marks Executive Director John Capel said: "The Mining Charter has been dressed up as a masterstroke of empowerment and transformation. In reality, it is a weakened piece of legislation that provides little benefit for mining-impacted communities and will result in more protest action. It's as dangerous to South Africa as an abandoned and unsafe mine shaft."

He added: "The Department of Mineral Resources is being entirely disingenuous when it claims it has consulted with communities over the Charter. It boggles the mind that the DMR believes that speaking to a small number of chiefs in one mining area is representative of the views of mining-affected communities in South Africa.

"The DMR is guilty of misleading the public in claiming it has consulted communities. There has been more than sufficient time for the DMR to engage with people throughout the country, in much the same way as did the poverty hearings that took place almost two decades ago. The arrogance and high-handedness of the way the department treats its own constituency is mind-blowing," Capel said.

More decision-making in the mining industry by all mining-impacted communities is needed, and a genuinely equitable distribution of wealth with them.

The extension of the definition of a "black person" to include an African, Coloured or Indian person who has been naturalised as a South African is a thinly veiled attempt to promote the Guptarisation of the mining industry, thereby excluding communities from sharing in mining bounty even further, Capel said.

While on the face of it, 8% shareholding for communities and mine employees appeared to be a move forward, it should be remembered that these groups would have to buy their shareholdings.

"This is an absurdity, given that most mining-affected communities are poverty-stricken and have precious few assets on which to raise capital," he said.

"There is also no guidance provided on how and on what basis communities will be represented in shareholding schemes, and on how this will be implemented and monitored.

“We note also that community shareholding is to be held in trust by the Mining Transformation and Development Agency. Precious little detail is spelt out about this agency, and we are deeply concerned about how this shareholding will benefit communities, and not just result in the enrichment of individual chiefs, or the looting of its funds in the way that the trust of the Bapo-Ba-Mogale community was stripped,” he added.

Another serious deficiency arising from the new Charter related to housing.

“The affirmation of the centrality of home ownership stands in direct contradiction to the wishes of mining workers who have rejected this model of housing as unaffordable,” he said.

He noted that Anglo American had developed the entire town of Welkom in five decades ago to cater for its mining community.

“Compared to what was done for the mining community in the 1960s, the development imperative for mines today is far less onerous.”

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Bench Marks Foundation is an independent non-governmental organisation mandated by churches to monitor the practices of multi-national corporations to

- ensure they respect human rights;
- protect the environment;
- ensure that profit-making is not done at the expense of other interest groups; and
- ensure that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporations.

The Foundation was launched in 2001 by the Rt Rev Dr Jo Seoka who chairs the organisation and by member churches of the SACC.

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