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RESPONSES TO MINE
DOWNSCALING: COMPARING
MATJHABENG AND THE CITY OF
MATLOSANA

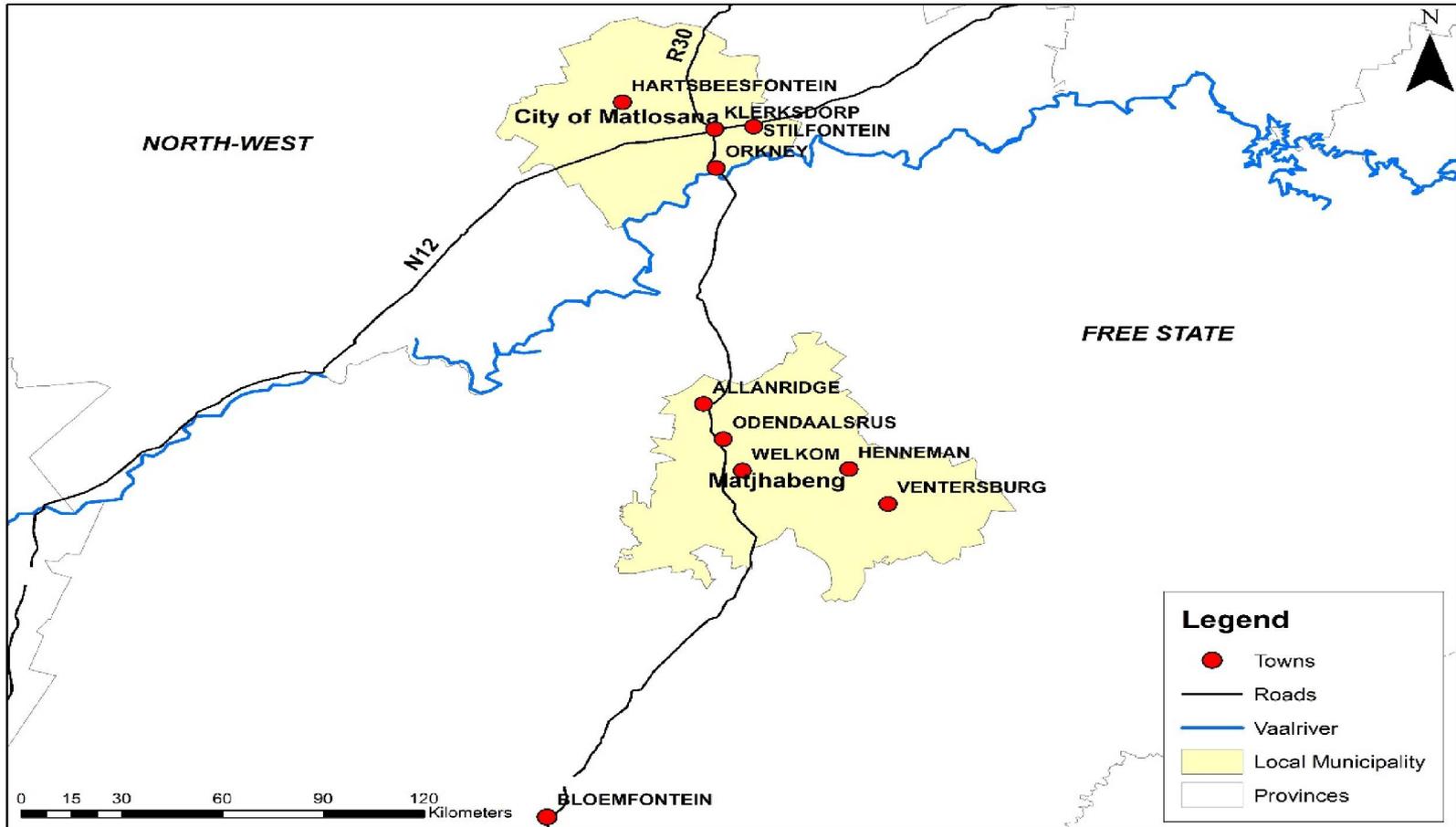
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FOUR MAIN ARGUMENTS / METHODS



- The national strategy on the revitalisation of mining areas appears to be inappropriate for areas of mine downscaling in that all mining areas are grouped together under the blanket phrase “economic revitalisation”.
- Despite the emerging role of regional services in both areas this dimension of the economy is commonly ignored as a strategy for mine downscaling.
- The absence of conceptualising and planning a post-mining economy continues to constrain both areas. Planning remains closely associated with growth and not decline
- Though there were a number of similarities in the development of the two areas, the consequences of downscaling in the two areas have been somewhat different
- Methods



THE LITERATURE

- Resources curse
- Dutch disease
- Lack of local cases studies – the doom of boom and the doom of doom (of closure)
- Obeng-Odoom (2014, p. 22) notes that “... urban level analysis in resource curse studies is underdeveloped”
- The World Bank (2002) argues that how some of the largest mines in the developing world are being closed down will determine the overall cost-benefit associated with mining.
- Secondary city literature and the rural hinterlands

POLICY RESPONSES TO MINE DOWNSCALING



- Marikana.... Living conditions rather than a labour issues
- Mining charter
 - Mine community development / housing and living conditions
- Social and Labour Plans - The “regeneration of mining economies” and the “provision of adequate living conditions and housing” are essential terms in the guidelines.
- Strategy on the revitalisation of distressed mining areas. (1) ensuring the rule of law, peace and stability; (2) strengthening labour relations; (3) *improving the living and working conditions of mine workers*; (4) providing short-to-medium-term measures to support growth and stability; and (5) identifying long-term measures to support growth and stability
- From the resource curse, to the Dutch Disease, to Marikana Flu

HISTORICAL BACKGROUND



Key historical event	Matlosana	Matjhabeng
Main town established	Klerksdorp (1872)	Welkom (1945)
Gold mined for the first time	1880s	1945
First mass gold mining	1943	1945
Mining activities other than gold	Uranium (current)	Small uranium possibilities Small diamond deposits
Shafts develop by 1972	17	22
Estimated n of people employed in mining (1972)	40 000	50 000
Estimated n of people employed in mining (1988)	120 000	180 000
Total number of shafts	28	44
USD price of gold (1972)	50USD	
USD price of gold (1980)	600USD	

COMPARING DOWNSCALING



Element	Matlosana	Matjhabeng
Population 1996	335 114	472 281
Population 2001	359 203	408 721
Population 2011		406 461
GDP, 1996 (mil. R)		14 956 207
GDP, 2011 (mil. R)		12 989 289
Total mining employment, 1996	73 945	97 914
Total mining employment, 2011	24 704	27 474
% of total empl in mining, 1996	58.8	55.6
% of total empl in mining, 2011		29.4
% of economy (p.a.), 96 - 2011		52.4
% of economy (p.a.), 01 - 2011		34.4
Economic growth (p.a.), 96 - 2011		-4.1
Economic growth (p.a.), 01 - 2011	0.07	1.4
Unemployment rate 1996	12.9	15.6
Unemployment rate 2011	19.6	26.9

So why is Matlosana different?

Historical context / pathway
Location

LOCAL RESPONSES



Characteristics	Matlosana	Matjhabeng
Acknowledging downscaling	Limited	Limited
Nature of LED strategies	Inward-looking; No reference to regional service function; limited evidence of progress made	Inward-looking; No reference to regional service function; limited evidence of progress made
Focus of Social and Labour plans	Limited focus on the economy; Limited evidence of collaborative planning; Focus on settlement issues	Limited focus on the economy; Limited evidence of collaborative planning; Focus on settlement issues
Missing the obvious	Regional service role	Regional service role
What would that mean?		

REFLECTIONS ON REVITALIZATION OF MINING AREAS



- Blanket approach (Marikana Flu)
- 80% of funds to settlement improvement
- Approach problematic for the following reasons
- First, it assumes that all mining areas are similar and that the nature of living conditions is the main problem. Yet, as we have already indicated, an expansion of settlements in areas of mine downscaling should be a last resort.
- Second, the emphasis on human settlement development, in many cases associated with the provision of title, could well lead to people being locked into a location characterised by job-loss and weak economic prospects and so limit their ability to migrate.
- Third, it could lead to the abandonment of infrastructure and housing.

CONCLUSION



- National response required
- The notion of planning for mining decline should be conceptualised in policy. A substantial number of mining settlements (including our two case studies) will never be revitalised if they are supported by the government strategy on distressed mining areas.
- The current emphasis on providing adequate housing and living conditions in declining mine areas could well result in households being locked in at locations with very little economic viability.
- The notion of a post-mining economy is seldom considered in the existing government strategies..
- The two case studies suggest that because of their original size they have performed important regional services functions. As a first step, appropriate post-mining strategies should include ways of supporting this function.
- Finally, much more effort should be put into creating an environment within which collaborative planning can excel