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# A bourgeois reform with social justice? The contradictions of the Minerals Development Bill and black economic empowerment in the South African platinum mining industry

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## Abstract

Since assuming power in 1994, the African National Congress has pursued an ambitious policy of 'modernising' the minerals and mining sector in line with its overarching goal of developing an internationally competitive, non-racial and socially stabilised South African capitalism. This is a materialist analysis of the measures and evolution of that policy in the critically contested period between the release of the Minerals Development Bill (MDB) (December 2000) and its promulgation as the Minerals and Petroleum Resources Development Act (October 2002). Despite its apparent radicalism, the bill's core proposal to nationalise mineral rights is a variant of what Marx termed a 'Ricardian reform', here designed to accelerate capital accumulation by eliminating the barrier of private minerals ownership. Yet, the MDB also married this classically

bourgeois reform with a nationalist commitment to racially transform the structure of mine ownership, thus embodying key contradictions of South Africa's democratic transition in the era of neoliberalism. The struggle over the final form and benefits of the new minerals dispensation would be centred on the platinum industry, where the established (white) producers had the most to lose from the legal abolition of the old mineral property system in favour of the nationalisation and strategic redistribution of the resource base.

[Une réforme bourgeoise avec une justice sociale ? Les contradictions du Projet de loi de Développement des Minéraux et l'Emancipation Economique des Noirs dans l'industrie minière du platine d'Afrique du Sud]. Depuis son arrivée au pouvoir en 1994, l'ANC a poursuivi une politique ambitieuse de la « modernisation » du secteur des minéraux et des mines en accord avec son objectif global de développer un capitalisme propre à l'Afrique du sud, compétitif au niveau international, non racialement ségrégationniste et socialement fiable. Il s'agit d'une analyse matérialiste des mesures et de l'évolution de cette politique dans la période gravement contestée entre la sortie du Projet de Loi sur le Développement des Minéraux (MDB décembre 2000) et sa promulgation en tant que loi du Développement des Ressources Pétrolières et Minérales (octobre 2002). Malgré son radicalisme apparent, la proposition de base du projet de loi visant à nationaliser les droits miniers est une variante de ce que Marx appelait une « réforme ricardienne », ici conçue pour accélérer l'accumulation du capital en éliminant la barrière de la propriété privée des minéraux. Cependant le MDB a également épousé cette réforme bourgeoise classique avec un engagement nationaliste de transformer radicalement la structure de la propriété minière, incarnant ainsi les contradictions clés de la transition démocratique en Afrique du Sud à l'ère du néolibéralisme. La lutte pour la forme finale et les avantages de la nouvelle dispensation sur les minéraux seraient centrés sur l'industrie du platine, où les producteurs (blancs) établis avaient le plus à perdre de l'abolition légale du système de propriété minérale ancienne en faveur de la nationalisation et de la redistribution stratégiques de la base de ressources.

Mots-clés: l'ANC; l'émancipation économique des Noirs; les droits miniers; la nationalisation; l'industrie du platine; la politique des ressources; la réforme ricardienne

Keywords:

African National Congress

black economic empowerment

mineral rights

nationalisation

platinum industry

resources policy

Ricardian reform

## Notes

The twists and turns of the post-apartheid minerals policy development process from the publication of the RDP in February 1994 to the release of the Mineral and Mining Policy white paper in December 1998 are traced by Cawood and Minnitt ([1998](#), pp. 374-375). See also Dansereau ([2005](#), pp. 55-56).

Indeed, Mlambo-Ngcuka had already made her name as a neoliberal outrider in the Mandela administration, most notably when, in her then role as minister of trade and industry, she infamously declared that 'black business men [sic] should not be shy to say that they wanted to become "filthy rich"' (Adam et al. 2001, p. 201). She would later go on to become Mbeki's vice-president.

With respect to 'public opinion', The Star would reveal in June 2001 that:

The Chamber of Mines has designed a sophisticated strategy, which includes the manipulation of statements by President Thabo Mbeki, in order to oppose the Mineral Development Bill.... A document with minutes of the Chamber, in possession of The Star, states: 'The strategy should have a single, central theme: that the bill will have the unintended effect of undermining President Mbeki's objectives to grow the economy and to "create a better life for all". All the arguments should thus be prefaced by a statement of support for the bill's objectives.' (The Star, 10 May 2001)

The latter included political heavyweights like Tokyo Sexwale (Mvelaphanda Holdings), Mzi Khumalo (African Mining Group) and Cyril Ramaphosa (Millennium Consolidated Investments), as well as Patrice Motsepe, the founder and CEO of African Rainbow Minerals (ARM) and his sister Bridget - the wife of then minister of public enterprises, Jeff Radebe, who established Mmakau Mining in 2000 and the industrial lobby group, South African Mining Development Association (SAMDA), the following year.

In the final version, released some 10 months later, the duration of mining rights was extended from 25 to 30 years and the 'transitional period' for converting rights from

five to seven years.

Indeed, as Anglo Platinum's main domestic rival, Impala, noted in its 2002 annual report: 'the requirements of the Bill will not be as onerous to Implats as to other producers who hold large tracts of unutilised mineral rights' (p. 17). The CEO of the 'junior' Canadian platinum firm, Southern Era, was even more pointed when he stated in March 2001: 'I have to view with some suspicion the motives of the big South African mining companies in opposing certain parts of the Bill. My interest is in seeing as much ground freed up as possible' (Chris Jennings, cited Mail and Guardian, 9 March 2001).

As well as contesting the proposed rate, the COM also argued that corporate social investment in local 'communities', as per the Empowerment Charter, should be offset against royalty payments. Representing the interest of black aspirant mining capital, Bridget Radebe, the president of SAMDA claimed that the MPRB could lead to 'downscaling, retrenchments and loss of skills' in the 'junior' mining sector (Business Day, 17 July 2003).

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