

# Disconnect between business and state contributed to Marikana massacre

The Marikana massacre, in which 34 striking mineworkers were shot dead by police on 16 August 2012, was a tragic and historic event in South Africa. A judicial [commission](#) of inquiry set up to investigate how it came about put much of the blame on the police.



Ambiguity of the transformation rules made it possible for mining companies to renege on their commitments. Shutterstock

It was also critical of the mining company, Lonmin. In particular, the commission highlighted the company's failure to live up to its promise to build 5,500 houses for workers. It only built three. This created a situation, according to the [commission](#), in which "large numbers of Lonmin workers live in squalid informal settlements... creating an environment conducive to the creation of tension, labour unrest, disunity among its employees or other harmful conduct".

Even a Lonmin executive conceded this link in one of the commission's hearings.

But how was it possible for Lonmin to renege on its promise to build 5,500 houses? After all, this was a formal commitment made in terms of the Mining Charter of 2002 and thus [legally binding](#).

Based on a growing scholarly literature on corporate irresponsibility, [some](#) might see this as yet another example of "a corporate bad guy." [Others](#) might point to the "systemic" nature of corporate irresponsibility, in which a broader array of actors are also implicated.

Having collected data on mining companies in this area since 2001, I suspected that additional, processual factors were at play. So I [studied](#) how interactions between business and government created the underlying conditions that gave rise to the Marikana massacre.

## Business - government interactions

I analysed interactions between business and government in the 10-year period from the creation of the [Mining Charter of 2002](#) to the Marikana Massacre in 2012. The charter was meant to specify post-apartheid transformation rules for the industry.

I studied these interactions at the national level, especially in the debates surrounding the charter, as well as at the local level in the platinum mining area around Marikana.

I paid particular attention to two key aspects of governance. These were the establishment and enforcement of commonly binding rules, and the provision of public goods and services.

I [found](#) that interactions between business and government progressively dissipated the adopted and enacted social responsibilities of both parties. The term I used to describe the process is “dynamic de-responsibilisation.”

## Ambiguous and flexible rules

The process started with the government committing to negotiate rules with companies. This was [premised](#) on assumed shared interests, as well as fears of an investment strike. But the negotiation process resulted in vague and ambiguous rules.

For example, the Mining Charter [scorecard](#) required that companies “cooperate in the formulation of integrated development plans and... in the implementation of these plans” in mine-affected communities. Such a vague expectation is difficult to enforce.

The government and the mining companies also emphasised flexibility in the implementation of these ambiguous rules. As the government negotiator [highlighted](#) “you don’t want to straitjacket anybody, so there is flexibility in the implementation of the framework”.

These outcomes were at least in part due to the lobbying of the mining industry. But the lack of clear and implementable rules was not the only problem.

## Absconding state

The Mining Charter, as well as a broader international debate about corporate responsibility, expected companies to contribute to public goods and services in areas near their mines. The companies accepted this. In fact, mining companies sought to outdo each other in acting, and being seen, as public development agents.

Local mining managers were also motivated by the need to maintain a viable operating environment in the context of a failing local state. One manager [noted](#), “where local government is supposed to be looking after public goods and services, we are doing refuse removal, we are doing sewage plants, we are supplying quite a big portion of water”.

What’s more, the local state consciously absconded from areas which were expected to be supported by the mining companies. A government representative reportedly [told](#) local officials asking for bigger budgets, “you, you are the children of the mine, whatever your needs are, you go and you ask the mine, don’t come here, we have lots of other communities that don’t have mines that look after them”.

Together, the ambiguity of the negotiated rules and the absence of the local state provided an excuse for Lonmin to renege on its housing commitment.

Company managers pointed out that their contributions to public goods and services around the mines were constrained by an absent local state. A senior manager in another company active in the area [argued](#), “We must not underestimate some of the serious capacity constraints within the municipalities, and the extent to which this constrains even the ability of mining companies to deliver on our own Social and Labour Plan obligations.”

The overarching outcome was that neither government nor Lonmin lived up to their statutory or public commitments. They failed to provide public goods to communities around the mine. This contributed to the squalor of Marikana and other settlements in the area, which in turn fed the grievances of striking mineworkers.

## **Clearly defined roles and responsibilities**

My argument does not suggest that participation by companies in negotiated rule-making and the contribution of public goods is necessarily harmful.

But two things need to happen to make this work. Firstly, there must be clear and enforceable rules and companies must be monitored to ensure that they deliver on their promised contributions.

Secondly, government can't retreat. Companies should insist that their contributions to public goods and services do not displace, but are in support of, government and other state organs as the primary governance agents.

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