

The Sands Worth Billions: How Mining Companies Are Reshaping South Africa's West Coast



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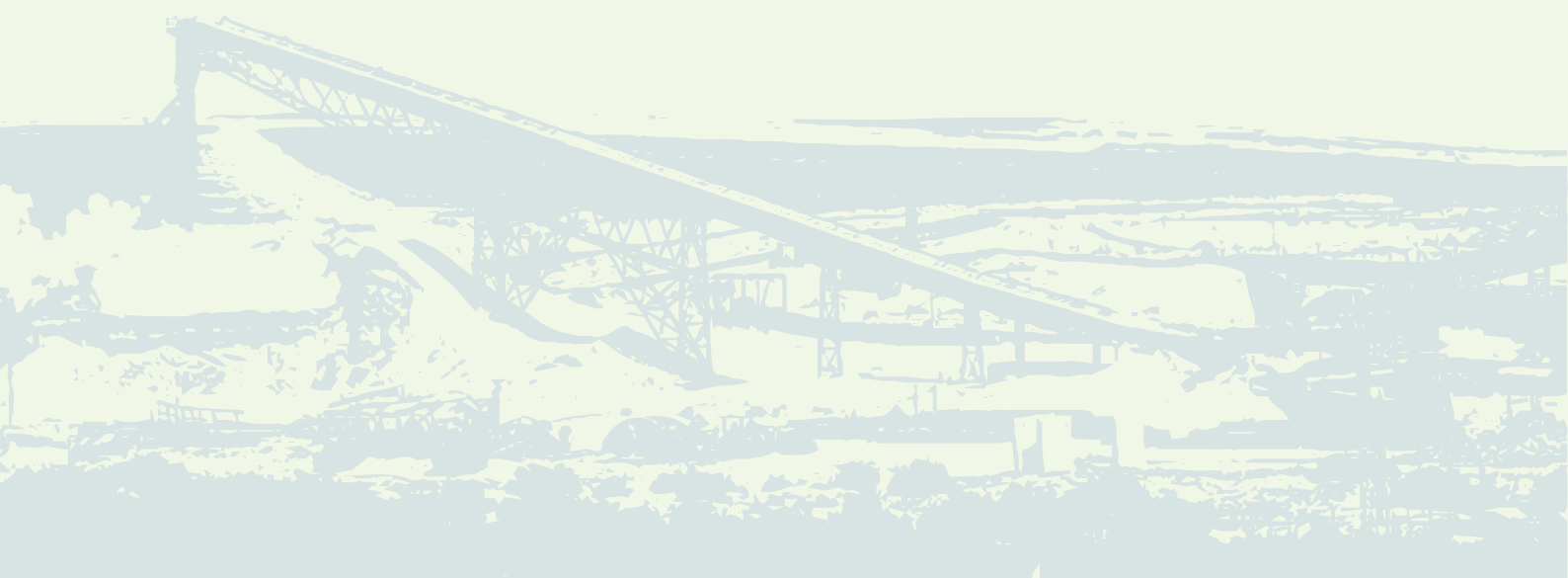
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Ensuring the socio-economic rights and decent work
conditions for South Africa Small-scale fishers.

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Table of Contents

Introduction	4
The sands worth billions	6
The three circuits of capital; how corporations strategise in a competitive market	12
Productive capital: extension of mining into new areas and intensifying mining through technological improvements.	12
Commodity capital: The logistics of getting commodities to market as fast and cheaply as possible	14
Money capital: Mining depends on investors with large sums of money	16
High stakes: The ‘gold fever’ of mineral sands	19
Who gets to own the sand? mining applications and public hearings	19
Land conflicts and violence unleashed by mining and the State	21
The impacts on the environment	21
The revolving door and state bias	23
The daunting task of winning struggles for justice	26
The fishers’ struggle for a national fishing policy	26
The ‘Xolobeni’ struggle for mineral sands	27
The Treatment Action Campaign	28
Conclusion	29
Endnotes	31

Introduction

“The concern is... how the mining people cooperates with government and municipalities and get clearance to do their stuff but we know nothing about that. We just see a lorry coming... okey there they gonna work” – Oslan Tuter, Papendorp¹

“I would like to send a whole army of people around the world [to] bring investors here... funding is available [and] we will be able to attract a great deal of funding” – President Cyril Ramaphosa, 30 July 2021²

The mining industry is among the biggest contributors to the South African economy.³ The industry has flourished for more than a century, even as it has dispossessed local communities, caused environmental harm and contributed to the climate crisis.⁴ Mining corporations and the state continue to pursue new frontiers of mining, and people from the affected communities keep fighting against these trends. This report aims to provide affected people, social movements and organisations engaged in mining struggles with a deeper understanding of corporate strategies in contemporary capitalism. Hopefully, the report can offer a useful contribution to the struggles for social, economic and environmental justice in the context of mining in South Africa and beyond.

This report looks specifically at mineral sands. It unpacks the types of minerals the sands contain, what they are used for and who derives profits from them. It does so by looking into the corporations own publications, tracking their involvement in politics and their intermingling with the state. It also relies on media reports and academic articles to supplement these primary source documents. Particular attention is given to one of the largest corporations involved in mineral sands globally, Tronox Holdings plc (hereafter Tronox). Furthermore, the report looks into the history of mining in South Africa for the purpose of demonstrating some of the persisting patterns of capitalism over time, as the economics and politics of contemporary mining cannot be fully understood without looking into the past.

The report aims to provide readers with an analytical approach to understanding mining corporations. Building on the work of people who have written extensively about mining and other extractive industries,⁵ the intention is to look at the strategies corporations make use of in three interconnected *circuits of capital*: the circuit of productive capital (the site of extraction in mining); the circuit of commodity capital (the value chain of minerals); and the circuit of money capital (financiers investing in mining).

This approach makes it evident that it is important, if not essential, for political struggle to look beyond the ‘site of extraction’ (the circuit of production).

The first section, *the sands worth billions*, provides a basic overview of the valuable minerals contained in the sands found on the West Coast of South Africa, what these minerals are used for, and which corporations are active in this region. This is followed by three sections on each of the three *circuits of capital*.

The section on productive capital focusses on the site of exploitation of mineral resources, through *intensification* and *extensification* of mining. Corporations invest in new technologies to enhance extraction while reducing costs — they *intensify* production. At the same time, they also invest in new mining areas through prospecting in new areas, expanding the mining within areas where mining rights are already obtained or by acquiring mining rights from other corporations. This is referred to as *extensification*. Both intensification and extensification are corporate strategies applied in the circuit of productive capital. In the next section, on *commodity capital*, we focus on the process of selling the commodity on the market at the highest possible price as fast as possible. Corporations seek to maximise profits by improving logistical arrangement for getting the commodity to the market. In doing so, they make use of different strategies. This is followed by the section on *money capital*, which analyses the way corporations depend on investments to expand mining activities and position themselves as leaders in a competitive industry. In this circuit of capital, corporations strategise to secure investments from actors possessing money capital.

Following this elaboration of the three circuits of capital, the *High stakes: The ‘gold fever’* of mineral sands section extends the analysis to show the ways political and economic interest in the sands continues to grow. The section exposes some of the new mining players (new prospecting companies) and highlights the centrality of land rights in the struggle against mining.

Even mining companies are willing to acknowledge that mining impacts the natural environment. The section on *impacts on the environment* presents evidence of the different environmental consequences resulting from mining, while questioning the extent, or sufficiency, of scientific or empirical evidence in the context of minerals sands mining. It is proposed for actors involved in assessing the the impacts of mining to put stronger emphasis on, among other approaches, participatory action research.

The following section on the *revolving door* exposes how mining magnates mingle with the state and vice versa. By highlighting examples from South Africa's long mining history, the section exposes how the capitalists become politicians or use their economic power to influence politics. It also shows how politicians and senior government officials use their positions to transition into the business of mining, through political reforms (e.g. Black Economic Empowerment) or corruption, to tap into the profits derived from mining.

The final section sheds light on *the daunting task of winning struggles for justice*. It describes three particular struggles waged by social movements in South Africa over the past two decades — namely the human rights struggle of small-scale fishers, the Xolobeni anti-mining struggle, and the Treatment Action Campaign's (TAC) struggle for AIDS treatment. The aim is to highlight, as a source of inspiration, the various political strategies applied by social movements.

The conclusion explains the extent that mining in South Africa is and has always been embedded in capitalism. Many of the same practices we see today date back to the colonial era, continued during Apartheid and persist in more sophisticated forms under contemporary democracy. This points at the centrality of developing a deeper understanding of how capitalism functions: How the corporations strategise and make profits, and how the state depends upon and promotes mining. It finishes with a reminder of past successful struggles and a question for the reader: Could a People's Tribunal trigger a new turning point in the struggle for justice?



Photo: Protect the West Coast (www.protectthewestcoast.org)

The sands worth billions

Every person living on the West Coast of South Africa knows that the sands there are the source of life. People walk the sands, they launch their boats from beaches, they catch fish from near a seabed made of sand, they harvest plants (wild and cultivated) and raise domestic animals on the sandy stretches of coastal lands, and they have done so for centuries.

They also know the sands have been a source of profit making for the last century and a half and that their sands are again up for grabs. But why is this sand so interesting from a capitalist point of view? What does it contain and what is it used for?

The sand on the West Coast is rich in zircon, ilmenite and rutile, the so-called *heavy minerals*. Hence, the sands are referred to as *mineral sands* or *heavy mineral sands*. The mining industry uses these terms interchangeably. Heavy earthmoving equipment (excavators and trucks) is used to excavate and transport the sand from the mining sites to the primary and secondary concentration plants. This concentration process typically takes place at or near the mining site, before the concentrate is transported by truck to a mineral separation plant where it is further separated into zircon, ilmenite and rutile. These three minerals are then further processed and transported, as industrial *feedstock*, to Saldanha, before being exported to overseas markets. Feedstock is the raw material produced by the mining corporations and used in processing or manufacturing industries further down the value chain.

Zircon is a hard mineral that comes various colours and is found as grains in sand. It is used either directly as a strong metallic element in ceramics, or processed into zirconium chemicals and zirconium metal. The vast majority (97%) of zirconium chemicals and metal produced worldwide originates in mineral sands. South Africa's share of world zircon production was 25% in 2020, equivalent to 311,800 metric tons.⁶ Tronox alone accounted for 60% of that production (180,000 metric tons) of which approximately 40% is derived from the West Coast sands and the remainder from KwaZulu Natal and its Australian mines.⁷ Zircon is a strong and heat resistant mineral that is applicable in a wide range of products. The majority is used in ceramics (50% in 2017),⁸ whereas the zirconium metal and chemicals are used in the production of solar panels, TV-screens, jet-engines, hydrogen fuel-cells,

Zircon end-products

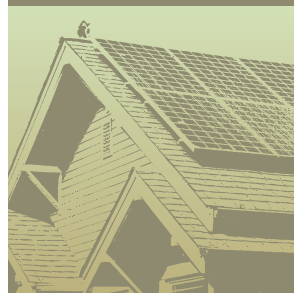
Ceramics



Nuclear reactor



Solar panels



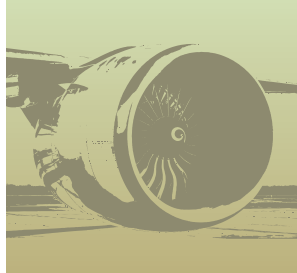
Mobile phones



TV-screens



Jet engines



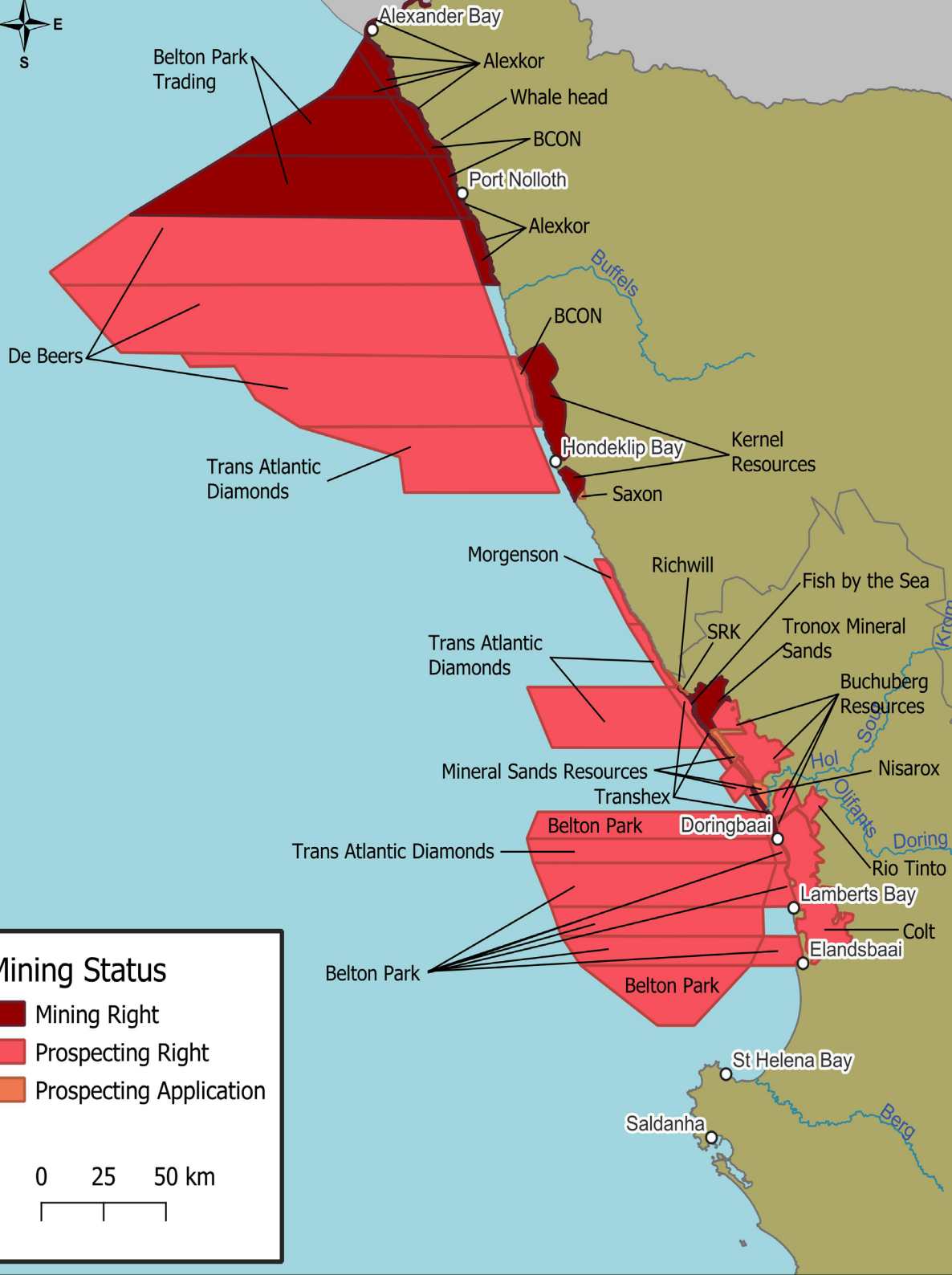
Vehicle catalysts



Dental implants

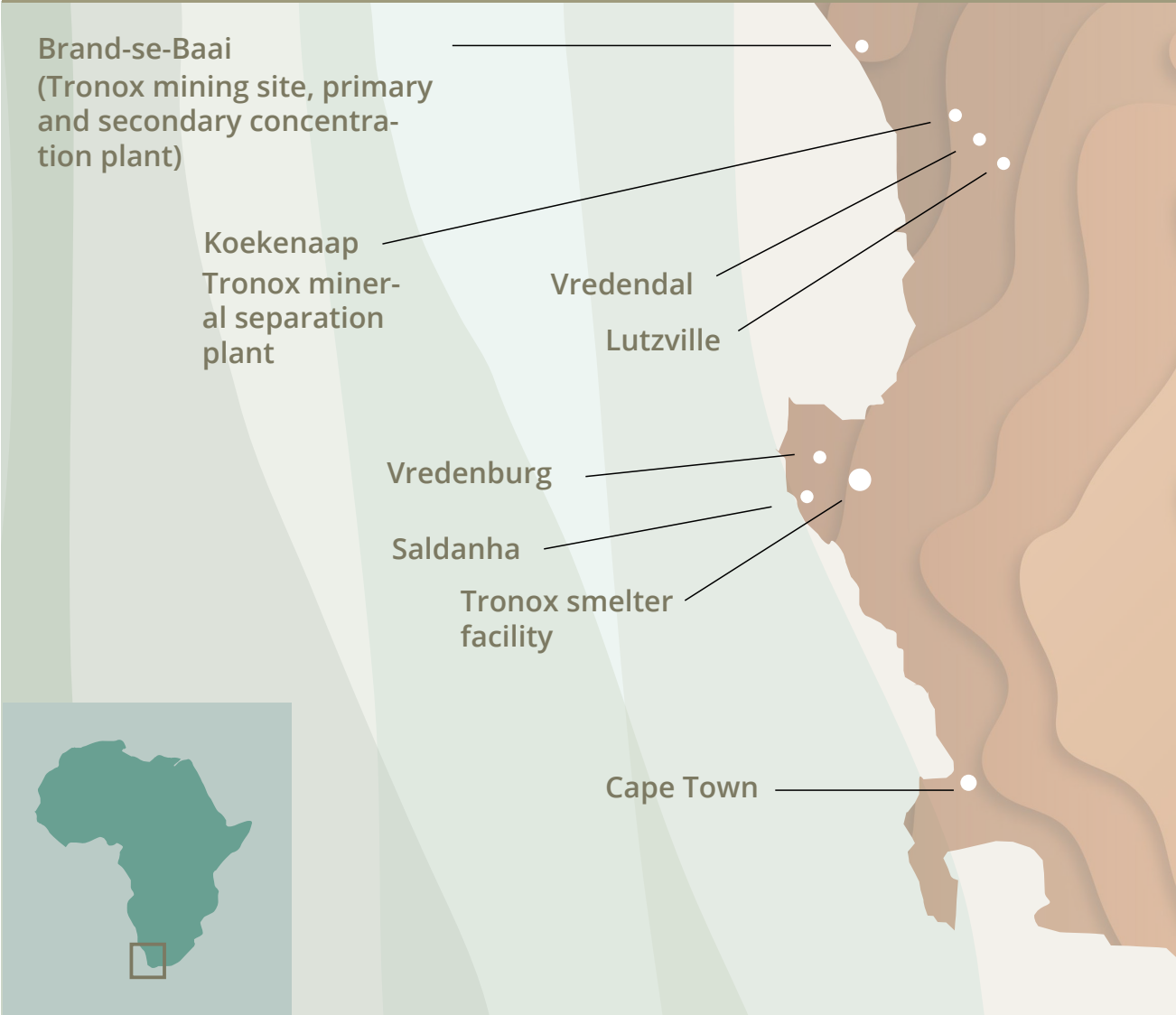


Status of Knowledge: Current applications and approved operations for mining on the West Coast, South Africa



Data gathered and synthesised by One Ocean Hub Research Group, Department of Environmental and Geographical Science, UCT.
 Disclaimer: This map is subject to constant updates based on available information.

Location of Tronox mining activities



Mineral sands processing



nuclear reactor cooling systems, vehicle components and more.⁹ This wide range of applications makes zircon a high value mineral compared to other heavy minerals. In 2021, Tronox generated \$478 million in revenue from direct sales of zircon,¹⁰ accounting for 13% of its total revenue.¹¹

Ilmenite is a black iron-titanium oxide mineral with a relatively high titanium content (ranging between 45% and 65%). It is processed in one of two ways into raw material — *TiO2 feedstock material* — that is used in further industrial processing. Smelting of ilmenite is used to produce *pig iron* and *titanium slag* with a high *titanium dioxide* (TiO2) content. In the smelting process titanium minerals are separated from iron and other impurities. The titanium slag contains 86% to 89% titanium dioxide and is sold as a TiO2 feedstock material. Based on information provided in annual reports, it seems this is the only method applied by Tronox in South Africa. In the other way of processing, Ilmenite is heated in a high temperature rotary kiln to produce *synthetic rutile*. The synthetic rutile contains 89% to 94% of TiO2 and is therefore considered a higher quality feedstock material compared to titanium slag. Meanwhile, natural rutile has a very high TiO2 content (94% to 96%). It

is separated from other sand minerals in the concentrator and separator plants to produce natural rutile feedstock.

Pig iron, a form of iron with a high carbon content, is primarily used in steel production. While the main economic interest in mineral sands lies in TiO2 feedstock materials (titanium slag, synthetic rutile and natural rutile), pig iron still generates significant revenues. In 2021, Tronox generated \$301 million in revenue (equivalent to 8% of total revenue) from sale of pig iron and other unspecified products combined. While the company does not provide disaggregated data on revenue from pig iron, it does mention that 220,000 metric tons of pig iron were produced in 2020 — of which some 45% came from smelting on the West Coast and the remainder from KwaZulu Natal.¹² Based on a conservative market price for pig iron at \$300 per metric ton in 2020, Tronox' revenues generated from the sale of pig iron are likely to be more than \$75 million.

The TiO2 feedstock materials (synthetic rutile, rutile and titanium slag) are exported and processed into fine white TiO2 powder in chemical manufacturing facilities. This is used as a whitening, brightening and opacifying material in a wide range of products including food and beverages,



Photo: Amadiba Crisis Committee, South Africa

cosmetics, plastics, paper, white paints, and pharmaceuticals. An ultra-fine grade of TiO₂ is also used in sunscreen and as a catalyst in vehicles to remove harmful exhaust emissions. In other words, nearly every person in the world uses a product containing the white TiO₂ powder on a daily basis.

South Africa provided minerals for 10-15% of the global titanium dioxide (TiO₂) production in 2020, second only to China.¹³ Tronox is one of the leading producers of both TiO₂ feedstock and TiO₂ globally. It is listed on the New York Stock Exchange with a net worth of \$2.39 billion¹⁴ and total revenues amounting to \$3.59 billion in 2021. Sales from South Africa to external customers made up \$441 million, equivalent to 12% of total revenues.¹⁵ The majority of this amount — approximately \$260 million — came from direct sales of zircon. An unknown proportion came from the sale of pig iron.¹⁶ Based on extrapolations from the 2020 and 2021 annual reports, it is assumed that sale of TiO₂ feedstocks makes up the difference between total sale from South Africa (\$441 million) and the proportion

derived from sale of zircon (estimated at \$260 million) and pig iron (estimated at \$75 million), meaning approximately \$125 million. However, this proportion does not account for the economic contribution of the TiO₂ feedstock materials from South Africa to Tronox's revenue that comes from TiO₂ end-products. According to the 2021 annual report, Tronox generated \$2.8 billion from sales of TiO₂ products (equivalent to 78% of its annual revenue) and considering 31% of the rutile¹⁷ is derived from South Africa (17% from the West Coast and 14% from KzN),¹⁸ it can be assumed that approximately one-third of Tronox's revenues from TiO₂ products (equivalent to \$870 million) is derived from the sands in South Africa. When adding the \$260 million derived from sale of zircon and around \$75 million from pig iron, the South African contribution towards Tronox's revenues exceeds \$1 billion annually. Altogether, these numbers illustrate the massive revenues and profits made in foreign countries from South African sands.

Mapping of prospecting and exploitation of mineral sands: the geographical overview.

Even this analysis of a highly complex mining sector falls short of providing a full picture. On the one hand, it is extremely difficult to access accurate data on production of zircon and TiO₂ feedstocks (titanium slag and rutile) as well as to disaggregate financial information. This is, according to authors of a recent study, despite investigations by both government groups, consultants and scholars and partially because of different classification systems of minerals.¹⁹ Furthermore, the heavy mineral sands also contain other minerals of significant economic value, including rare earth elements (see box on rare earth). Prospecting for rare earth in mineral sands is currently taking place in South Africa with several mining corporations showing great interest in the sands on the West Coast.²⁰

Despite these potential shortcomings, the analysis anyway reveals several key facts: The mineral sands are a source of minerals used to manufacture a wide range of end-products that most people all over the world depend on to meet their daily material needs such as housing, food and transportation. The minerals feed into multi-billion dollar industries and the South African sands are too valuable for mining corporations to leave untouched. Corporations will continue exploration and extraction of heavy mineral sands provided they can control the cost of production and that risks, such as political instability and rising energy costs, are considered manageable. This also means competition for the coastal lands and the sea, between local communities and mining companies, will continue and possibly lead to further tensions.

The three circuits of capital; how corporations strategise in a competitive market

The circuits of capital are an analytical lens through which it is possible to develop a more nuanced understanding of the ways corporations operate. When affected communities react to mining projects, the focus is often at the site of extraction -- that is, within the circuit of productive capital. However, in focusing explicitly on the territories where extraction takes place or where mining corporations wish to mine (prospecting), there is a tendency to lose sight of both the circuit of commodity capital (the value chain of minerals) and money capital (financiers providing the money capital needed for capital accumulation).²¹ The following three sections take a deeper look at each of these circuits.

Productive capital: extension of mining into new areas and intensifying mining through technological improvements.

The *concentration* of capital is a process that unfolds over time in pursuit of profits. Corporations, in competition with each other, have to maximise profits (surplus value) and reinvest part of the profits in the production of more commodities. In the business of mineral sands mining, corporations invest part of their profits in excavating more sands which they sell on the market to make new profits. Through this process, more and more capital is concentrated by the corporation over time. In the *circuit of productive capital*, corporations make use of two main corporate strategies to concentrate ever more capital: *extensification* and *intensification* of mineral extraction.²²

In his address to the De Beers shareholders at the annual general meeting in 1898, chairman Cecil J. Rhodes proclaimed 'you may be quite sure whenever you hear that a new mine has been discovered, that if De Beers are not there they are very near the spot'. The rise of De Beers in the last decades of the nineteenth century and early twentieth century, was partially based on investing in more mining rights — as in an expansion of the total mining area. Through this *extensification* strategy, De Beers acquired more mining sites as compared to most of their competitors. Even in instances where the company did not immediately extract diamonds from the sites, controlling such sites gave the company a competitive advantage. But mining was also costly. At times the diamond industry was in crisis as the cost of labour swallowed the revenues gained from sales or when geopolitical factors affected the market price of diamonds. This profitability problem was partially resolved through *intensification* of the mining activity. De Beers was one of the first corporations

to introduce the highly racialised compound system (accommodation barracks for black-skinned workers) as a means to discipline the work force (optimising the output of the labour power) and thereby intensify extraction. The compound system ensured the presence of a workforce at or near the actual mining sites and at the same time prevented workers from negotiating wages with different employers. In addition to the intensification of manual labour (more efficient use of labour power), the technological development also paved the way for other methods of intensification. Machines were introduced to replace the shovels, ropes and buckets and the first steam engine was put to use in 1875. De Beers was at the forefront of improving technological developments at the time, and this *intensification* strategy played a key role in the concentration of capital within De Beers. De Beers was, until it was taken over by Anglo American in 1929, the most successful mining corporation in South Africa. This resulted, at least in part, from their successful *extensification* and *intensification* strategies.

For its part, Anglo American, the biggest mining corporation in South Africa in the latter half of the twentieth century, serves as a more recent case of capital concentration. Remarkable changes in South Africa's mining industry took place between 1930 and 1960. These included substantial improvements in gold outputs achieved through both technological advances and the development of three new gold fields'. In other words, *intensification* of mining took place through technological breakthroughs such as new equipment capable of drilling deeper, developing tunnels, introducing new sources of power for machinery,

and substituting steam-power with electric power. At the same time, Anglo American also invested in prospecting and acquired ownership of new mining areas.²³ In combination, the *intensification* and *extensification* processes led to key corporate strategies upon which Anglo American concentrated capital and became the single most dominant mining corporation in South Africa.

As will be clearer in the following sections, these two cases not only show how *intensification* and *extensification* are applied as corporate strategies in a capitalist economy. But they also are directly applicable to the West Coast of South Africa. Today's mineral sands mining can be traced back to Anglo American, the first company to invest in this particular sector in South Africa. Furthermore, the capital accumulated by Anglo American has its roots in De Beers. Or put differently, the accumulation of capital in mining for more than a century, has continuously opened up for mining in new geographical areas as well as for extracting a more diverse range of minerals — including the type of mining now underway in South Africa's mineral sands.

Tronox — and previous owners of the Namakwa Sands mine, Anglo American and Exxaro Resources in that order — has manifested itself as the biggest mineral sands corporation operating on the West Coast of South Africa. Tracking the operations of Tronox and the previous mine owners provides a similar picture of how *intensification* and *extensification* have been applied to maximise profits. The investment in a new 25 MW furnace technology paved the way for Anglo American to begin commercial mineral sands mining on the West Coast in 1994, and subsequent investment in a second 35 MW furnace in 1999 gave the corporation a competitive advantage over other companies.²⁴ The furnace technology made it possible to increase revenues by smelting of ilmenite into pig iron and titanium slag (TiO₂ feedstock) instead of exporting ilmenite unprocessed. Tronox, and the previous owners of Namakwa Sands, have further *intensified* production through investments in excavators, trucks, and sand concentration and separation facilities. Excavation at the Brand se Baai site (Namakwa Sands) started with just one open pit mine in 1994 and was expanded to two mines in 1998. This expansion of mining area was the first case of *extensification* in the minerals sands sector.

While data from the early days of the Namakwa Sands mine are difficult to find, more recent company reports reveal that 3,409 hectares were used for mining in 2007²⁵ and that the area of total mining rights increased to 13,100 hectares by the end of 2014,²⁶ and 19,205 hectares by the end of 2021.²⁷ This *extensification* of mineral sands mining on the West Coast is not unique to Tronox (nor the previous owners of the mine). In 2020, Mineral Sands Resources Pty (MSR) — the South African subsidiary of the Australian listed Mineral Commodities Ltd (MRC) — was granted mining rights to an additional 75 hectares of coastal lands, including beaches. This new area, which forms part of the *Western Strandline*, contains an estimated 22.8 million metric tons of sands with a high concentration of heavy minerals. In the words of Executive Chairman Mark Caruso, it will, 'become the pillar of our future mining operations... [and] demonstrates the true potential of what we believe is a world class asset that our company will be mining for decades to come'. The new mining right forms part of an area of 1,741 hectares along a 12 km stretch of coastline for which MRC was granted prospecting rights in January 2020.²⁸

The cases presented in this section show how corporate *intensification* and *extensification* strategies have been applied throughout the history of industrial mining in South Africa and, importantly, how these strategies are vital for any corporation to stay competitive. While De Beers and Anglo American continued to concentrate capital year after year in their prime days, thousands of artisanal miners and mining companies went bust or were swallowed by these mining majors.²⁹ The recent cases from the mineral sands sector show that little has changed in the world of mining today. Corporations apply the very same strategies, which are part of the inherent logic of capitalism.

As we have now analysed the ways in which corporations concentrate capital in the *productive* circuit, the next section will look at the corporate strategies applied in the circuit of *commodity capital* — or, more concretely, how corporations seek to increase profits through expanding relations in and control over the value chain.

Commodity capital: The logistics of getting commodities to market as fast and cheaply as possible

Once a commodity has been produced — for example, a particular quantity of titanium slag — the company has to sell it at the market as quick as possible in order to generate new revenue. A portion of that revenue covers the cost of production and another portion is returned in the form of profit. Put another way, capital — in this case, a sum of money — has been invested in technology and in the labour that is needed to produce a commodity. After the commodity has been produced it is sold on the market for a sum of money that is larger than the initial sum of money invested. In this way, the *commodity* circuit is completed and the company can spend the money it collected in a new cycle of production. Part of the profit is paid out as dividends to the owners of the company — the shareholders — fees for board members and bonuses for its directors, but part of it is also reinvested in a new cycle of production.

This section focuses on the process of getting the commodity on the market at the highest possible price as fast as possible. Before turning to concrete cases, it is useful to elaborate on this particular process in order to show conceptually how this circuit of capitalism functions.

The process of getting a commodity to the market involves a series of steps that vary by the commodity. In a context of food sovereignty — characterised by a localised value chain — any food commodity is both produced, processed and sold at the local market. In this case, the producer is close to the buyer; the site of production is near the point of purchase and consumption; the logistical connectivity is short, quick and relatively in-expensive. This stands in contrast to most commodities today. With the vast expansion of the global market over the past decades, most commodities are transported at sea from one part of the world to another. Even before the commodity is loaded on a ship, it has been transported from a site of production by road or rail, and once it reaches the port in another country it again has to be transported to the site of consumption. Here, we consider *consumption* as the use of the commodity regardless of what the buyer uses it for. Maybe, as in the case of food, it is used for breakfast or dinner, but the commodity can also be in the form of minerals used for production of cellular phones or any other material commodity we use on a daily basis. Most minerals excavated in the mining sector are themselves commodities, but they are also — with few exceptions — applied

by other industries as ingredients in the production of new commodities. Think of titanium slag as a commodity bought from a mining company by an industrial company in order to produce TiO₂ powder, which is then sold to yet another company which produces paint before this, as an end-product, finds its way to a shelf in a warehouse and is sold to the end-consumer. This example illustrates just how long and costly the value chain can be from the initial point of production to the end consumer.

Getting the commodity to the market as fast as possible, at the highest possible price and the lowest possible logistical cost, is a fundamental necessity for corporations to stay competitive. Corporations, in competition with each other, use at least three different strategies for this: *Firstly*, they invest in new *infrastructure* to ensure a swift process of getting the commodity to the buyer. In mining this includes investment in trucks and roads. *Secondly*, they make agreements with companies in logistics such as rail and port services. This was emphasised by the Anglo American's deputy chair when he, at the 2018 Investing in African Mining Indaba [mining business conference] told the audience that, '[b]ringing back investment into our sector is also dependent on our ability to revitalise crucial infrastructure, especially rail and port networks'.³⁰ *Thirdly*, corporations invest in *vertical integration* in the commodity value chain by taking control over corporations further up or down the value chain. This is done through *acquisitions* and *mergers*. As we will see, these different corporate strategies have been pursued in the South African mining sector since the rise of diamond mining in the late nineteenth century.

By the turn of the twentieth century, De Beers had developed into the biggest mining corporation in South Africa. Through *extensification* and *intensification*, coupled with acquisitions of established mining companies, De Beers controlled both gold and diamond mining and was one of the biggest land owners in South Africa. It also controlled infrastructure which gave the corporation a competitive advantage over mining rivals. Through its ownership of coal mines, it had access to cheap fuels for its mining and transportation activities; with investments in explosives (which was previously controlled by a dynamite 'monopoly') it could reduce the cost of mining; communications (vital for production and access to markets) was secured through ownership of tele-infrastructure; and timely and

cheap transportation was secured through investments in its own rail-infrastructure.³¹ These examples point at two of the above mentioned corporate strategies applied by De Beers. On the one hand, De Beers invested in the infrastructure necessary to ensure swift access to the markets. On the other, De Beers became a *vertically integrated* company that owned the production of commodities required for mining activities, such as explosives and energy (coal).

Over the following decades the mining landscape in South Africa changed significantly. Anglo American positioned itself as the biggest mining corporation in South Africa — and indeed one of the major players globally — in both gold and diamond mining. By the 1960s, Anglo American controlled between 80% and 85% of global diamond production. The accumulation of capital over decades was facilitated by corporate strategies similar to those of De Beers, but there was one decisive difference: windfall profits, partially as a result of soaring gold prices during and after World War II, made it possible not only to expand mining operations (through extensification and intensification), but also to take over other corporations through mergers and acquisitions. De Beers and many other mining corporations have been swallowed by Anglo American over the years and, equally important if not more so, the acquisitions extended far beyond mining and transformed Anglo American into a fully vertically integrated corporation. Anglo American acquired corporations that produced commodities and services needed for mining activities, including coal for energy; cement and timber for building of mining shafts and other infrastructure; engineering corporations facilitating technological improvements; and industrial diamond drilling equipment. Furthermore, to ensure commodities could reach markets as swift as possible, Anglo American also invested in rail services and trains, trucks and shipping.³² In terms of corporate strategies it is abundantly clear that market access — both getting the mining commodities to the markets (gold, diamonds and other minerals) and ensuring access to commodities applied in mining activities (energy, building materials, mining equipments etc.) — played a key role in the rise of Anglo American as a major force in the economic, political and social life in South Africa.

Today, Tronox is one of the biggest players globally on the TiO₂ market. While tiny in comparison to Anglo American,³³ it applies some of the same corporate strategies. Tronox has invested in new infrastructure such as trucks for transportation of concentrate from the primary processing plant to the separation plant located 52 km to

the south in Koekenaap. Tronox is also reliant on the services provided by Transnet Freight Rail and the Transnet National Port Authority for the transportation of its commodities.³⁴ Ilmenite, rutile and zircon are transported by rail from the mineral separation plant in Koekenaap to Saldanha via the Sishen-Saldanha line.³⁵ However, it is the strategy of vertical integration that gives Tronox a significant competitive advantage over other companies operating in the same business.

When Tronox acquired Exxaro's Namakwa Sands mine in 2011, the supplies of heavy mineral sands at the global market were considered limited. Prior to the acquisition, Tronox was a chemical corporation that specialised in TiO₂ production with no ownership of mines. However, the Tronox management expected the vertical integration would provide the corporation with safer TiO₂ feedstock supplies and enable it to maintain high operating rates to meet rising demand in the sector.³⁶ The acquisition made Tronox one of the largest vertically integrated TiO₂ corporations at the time and one decade later, the two co-chief executive officers (CEOs) of Tronox proclaimed the 'vertically integrated portfolio enabled us to optimize our business quickly and efficiently, allowing us to successfully navigate through various raw material, shipping and other supply and inflationary challenges while achieving record production'.³⁷

These cases show that the business of mining is not at all limited to extraction of minerals. By investing in logistics to ensure swift access to the markets and through vertical integration (as in the case of Tronox), corporations increase their competitiveness over other corporations. In other words, the *commodity circuit* is a highly competitive circuit in which corporations compete against each other.

As in the case of the *productive circuit*, the examples presented above also show how corporate strategies have been, and continue to be, of immense importance in the *commodity circuit*. We have seen how these corporate strategies cover investment in infrastructure to get the product to the market; entering into agreements with logistical companies; and vertical integration in the commodity value chain through mergers and acquisitions. The corporate strategies applied in both of these circuits are costly and, except for the rare occasions where corporations have generated super profits, necessitate access to money capital from other sources. This is the focus of the next section.

Money capital: Mining depends on investors with large sums of money

Any mining corporation — junior or major — needs to access money for investment in production. In certain cases, capital concentrated by a particular corporation over time can be sufficiently large so as to lay out money for expanded production — meaning new investments in the circuits of *productive and commodity capital*. We see such cases when corporations make super-profits as Anglo American did when gold prices rose by 327% between 1948 and 1960.³⁸ However, in most instances, a corporation will rely on money capital from other investors in order to initiate or expand production. It is therefore necessary for any corporation to build and maintain relations with people who possess *money capital*. The notion of money capital is preferred over other terms, as it puts emphasis on the necessity of accessing money for initiating and expanding production (productive and commodity capital) regardless of the source.

In the early days of mining, corporations often accessed money capital via wealthy merchants, whereas today this function is largely taken over by *institutional investors*. This implies the particular institution provides money — often in the form of loans which have to be paid back with an interest or through Initial Public Offering³⁹ (IPO) — and it is sometimes referred to as *finance capital*. Institutional investors are also often referred to as institutional financiers, as they possess finance capital. Banks, pensions funds, private equity funds and asset management corporations, among others, often play the role of *institutional investors*.

A few cases from the history of mining in South Africa illustrate just how fundamental money capital has been in shaping the world of mining we know today. In other words, the circuit of money capital has been fundamental in shaping and continuing to shape mining in South Africa and elsewhere.

The Commander of the Good Hope, Simon van der Stel, left Cape Town in 1685 to examine the copper deposits in Namaqualand. From his diary, it stands clear that no mission of this scale could have been possible without the money capital laid out by the Dutch East India Company (VOC).⁴⁰ The expedition, which took more than five months, was made possible by the money that paid for a caravan of 15 wagons (for heavy transport), eight carts (two wheelers), 289 oxen, 13 horses, a boat to cross rivers and more than 100 workers.

Moving forward some 200 years, mining for diamonds had become a lucrative business in the Kimberly area. In just 10 years (from 1871 to 1881) the number of 'claim owners'⁴¹ - those holding the mining rights — was reduced from 3,588 to 71,⁴² and just 12 of them controlled three-quarters of the mines. This tendency to shift from many small companies to a few big corporations, is also referred to as the *centralisation* of capital. For a 'claim owner' to make profits, they⁴³ would have to lay out money capital. Those who managed to build relations with money capitalists became more successful and ultimately out-maneuvred their mining competitors. The money capital provided by diamond traders from London, Hamburg and Paris — including Barney Barnato, Alfred Beit, Joseph Robinson and Jules Porges — as well as money capital from the the British Rothschild bank played an immense role in the *centralisation* of mining rights.⁴⁴ While the name of Cecil Rhodes is widely know as the preeminent mining magnate from those early days, his mining empire would not have been possible without relations with the aforementioned money capitalists.⁴⁵

One of the most important decisions of Ernest Oppenheimer — the chairman and director of Anglo American from its formation in 1917 until 1953 — was to invest in the diamond fields of today's Namibia. The investment — an example of *extensification* into Namibian mining fields — proved a decisive factor in the rise of Anglo American as the biggest corporation in South Africa. However, for this investment Anglo American was dependent on its relations with the US-based J.P. Morgan and Co, which specialised in investment banking.⁴⁶ The money capital provided by J.P. Morgan not only led to significant expansion of mining activities in new territories (*extensification* and *intensification*) and the generation of super profits several years later, it also broke the dominance of the South African Barnato-De Beers mining alliance of the early twentieth century.

It was Anglo American Prospecting Services (wholly owned but a now dormant division of the Anglo American corporation) that mapped out the heavy minerals of the Namakwa Sands deposits on the South African West Coast in 1986. A few years thereafter, Anglo American laid down the money capital for the open-cast mining infrastructure and concentration plants at Brand-se-Baai; the separation facility at Koekenaap; and the smelting facility in

Vredenburg, close to the port of Saldanha Bay. While it has not been possible to obtain annual reports from the years the initial investments were made (in the mid-1990s), the total assets of the Namakwa Sands mine amounted to \$430 million at the time Anglo American sold the mine to Exxaro for \$330 million (Anglo American maintained 10% of the shares in Exxaro).⁴⁷ The venture into mineral sands mining represents one of many examples of how corporations, in this case Anglo American, diversify into other sectors of mining. The vast investments required to get a mining project off the ground, also points at the necessity of strong connections with money capitalists. When Exxaro acquired the Namakwa Sands, it relied on money capital in the form of loans.⁴⁸ A few years later, in 2012, Tronox acquired the mine from Exxaro in exchange for 38.5% of Tronox's equity. Put another way, Exxaro let go of its direct ownership of the mine in exchange of becoming a shareholder of Tronox. To make this acquisition possible, Tronox issued new shares. Technically, this involved the formation of a new holding corporation, Tronox Limited, listed on the New York Stock Exchange in which Exxaro received 38.5% of the shares.⁴⁹ In this latter case, the acquisition did not rely directly on investments from money capitalists, but the overall business of Tronox is anyway closely tied to money capitalists. The decision to acquire the mine was partially based on the opinions of the financial advisors to Tronox, including the investment banks Goldman Sachs and Moelis.⁵⁰

In 2019 and 2021, Buchuburg Resources Pty lodged four applications for mineral sands prospecting on the West Coast. The prospecting area covered in three of these applications totals 64,192 hectares of land (publicly available information for the fourth application does not specify the total prospecting area).⁵¹ In comparison, the Namakwa Sands mining rights held by Tronox totals 19,205 hectares⁵² and the Tormin mining rights of Mineral Sands Resources Pty (MSR, 50% owned by Mineral Commodities Ltd) totals approximately 6,634 hectares according to its annual report of 2021. MSR has also submitted applications to mine another approximately 8,500 hectares of coastal lands.⁵³ If the prospecting junior, Buchuberg Resources, obtain prospecting licences and find high concentrations of minerals in the sands, it can be expected that bigger mining corporations and certain investors with money capital will show great interest. Considering the significant sum of money required to extract minerals from the sands (productive capital) and bring them on to the market (commodity capital), it seems abundantly clear that the mining junior will either have to sell the mining rights or their owners have to let go of the majority of the shares in exchange for money capital. Technically, the latter is sometimes facilitated through IPO in which shares are sold to investors in order to mobilise money capital for for initiating production. IPOs are often accompanied by the listing of the corporation on a stock exchange.



Photo: <https://www.pexels.com/photo/buildings-with-glass-windows-351264/>

The above cases all illustrate the necessity of strong links between mining corporations and money capitalists. Just like the corporate strategies for the *extensification* and *intensification* of mining activities (productive capital) and for accessing markets as swift as possible (commodity capital), corporations also continuously seek to improve strategies to build relations with money capitalists. This can, for example, be achieved by appointing board members who hold senior positions in investment banks or by minimising the social, economic and environmental risks of doing business in order to attract the investors. The cases also show the interrelation of the strategies

applied in all three circuits of capital, and the mutual dependency on these strategies for corporations involved in production of commodities as well as for money capitalists. In order to ensure continued growth of their combined economic wealth, the money capitalists have to invest their money in profitable sectors. In the case of mineral sands, this means the money capitalists depend on mining corporations to *extensify* and *intensify* their operations, for example. At the same time, the corporations depend on the money capitalists to expand or get new mining projects off the ground.

High stakes: The ‘gold fever’ of mineral sands

As mining companies look to expand their interests in South Africa’s coastal lands they seems to leave no grain of sand untouched. Buchuburg Resources, as a mining junior, needs to secure mining rights before others get to it. At the same time, the two big players on the West Coast — the Tormin mine and Namakwa Sands owned by MSR and Tronox respectively — are seeking to expand operations through new mining applications or acquisitions of mining rights obtained by others. In addition to ilmenite, rutile and zircon (see section one), the sands also contains rare earth minerals which are considered critical for the transition to so-called green energy. Considering the varied applications of the minerals contained in the sand, coupled with growth expectations in numerous industries (e.g. technology, energy, aviation and construction), it seems evident global demand will increase. But the stakes are high: mining comes with risks for both people and environment.

Who gets to own the sand? mining applications and public hearings

In May 2021, Buchuberg Resources hosted public hearings in Doringbaai, Lamberts Bay, Papendorp and Ebenhaeser as part of its prospecting application process.

Here, Lambertus Marthinius Cilliers, Buchuberg’s owner, presented the company’s prospecting plans. In what appeared a procedural exercise as part of the application

BOX 1

Rare earth

Rare earth minerals are a group of 17 chemical elements that possess unique properties and are crucial components in various technological applications. These minerals include lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, lutetium, scandium, and yttrium.

In the context of the renewable energy transition, rare earth minerals play a vital role in the necessary technologies. For instance, neodymium and praseodymium are key components in the production of high-performance magnets used in wind turbines. These magnets enable efficient electricity generation by converting the rotational motion of the turbine blades into electrical energy. Rare earth minerals are also crucial in the production of photovoltaic cells used in solar panels, as well as the batteries of electric vehicles. Materials like lanthanum and cerium are utilized in the manufacturing of battery electrodes, enhancing their energy storage capacity and longevity.

When it comes to heavy mineral sands, certain rare earth minerals can be found in deposits alongside ilmenite, zircon and rutile. Two of these minerals, called monazite and xenotime, contain significant amounts of rare earth elements such as cerium, lanthanum, and neodymium.

Because the rare earth elements are used in the production of the ‘clean energy’ technologies, like solar and wind power and electric vehicles (in particular for lithium batteries), the demand for rare earth elements is, according to the International Energy Agency (IEA), likely to increase by a factor of 10 by 2030 (with 2021 figures as the baseline).⁵⁴

BOX 2

Critical minerals

As stated by the IEA, critical minerals (rare earth included) have become key to countries' energy security. The IEA director, Fatih Birol recently told *The Financial Times* that '[m]eeting the climate goals will turbocharge demand for critical minerals'.⁵⁵ This resonates with Mark Cutifani who, in early 2023, was director of Anglo American Platinum (an Anglo American subsidiary), the chairperson at De Beers and a director of the Paris based petroleum major TotalEnergies. At a meeting of the South African Presidential Climate Commission (PCC), speaking to President Cyril Ramaphosa and other members of the PCC, Cutifani said 'minerals support decarbonisation [and] mining accelerates because the minerals support the transition'.⁵⁶

There is no agreed upon definition of *critical minerals* and different agencies and governments have their own perceptions on what makes a particular mineral 'critical'. From a national security standpoint, certain governments, like the US administration, view critical

minerals as essential to their economic and security interests. These minerals are seen as crucial components for the production of advanced technologies, including defence systems, electronics, and telecommunications infrastructure. Governments may implement strategic policies to ensure a domestic or reliable supply of critical minerals, reducing dependency on geopolitical rivals and safeguarding their national security interests.

In the context of the energy transition, critical minerals play a pivotal role in the development of renewable energy technologies and in addressing the environmental crisis. These minerals are integral to the production of electric vehicle batteries, wind turbines, solar panels and other technologies. The IEA considers metals such as copper, lithium, nickel, cobalt, graphite and rare earth as critical for the energy transition, but also mentions metals such as aluminium, manganese, platinum group metals and uranium as relevant.

process for prospecting rights, concerned citizens used the opportunity to raise questions related to environmental impacts and social justice. One of the contested issues in the Ebenhaeser hearing was whether Buchuberg Resources would prospect on land that was reclaimed by the community as part of a restitution settlement in the Land Claims Court in Cape Town and which now belongs to the Ebenhaeser Communal Property Association (ECPA).⁵⁷ When Cilliers confirmed the company had met with the ECPA representatives ahead of the hearings, community representatives called for the ECPA to convene its own internal meetings and develop positions before engaging with any prospecting company.

At the hearing in Ebenhaeser, Celliers also claimed that Buchuberg Resources has nothing to do with Mineral Sands Resources and its Tormin mine.⁵⁸ Yet, research reveals that the three persons behind the junior company — Lambertus Martinius Cilliers, Vincent Sebatly Madlela

and Jacobus Kotze Van Niekerk — have connections to several mining corporations including Mineral Sands Resources, Trans Hex, West Coast Resources (a merger between Trans Hex Operations and other companies), Alexkor, De Beers, Mantengu Mining Ltd and Anglo Gold Ashanti.⁵⁹ In other words, while Buchuberg Resources is a mining *junior* (a new and small company) their owners seem well connected to *mid-tiers* and *majors*.⁶⁰ The companies in the latter categories are generally well aware of who gets what prospecting and/or mining rights and it would not be surprising if the owners of Buchuberg Resources are already in contact with mining mid-tiers or majors.

For the local communities, the hearings provided an opportunity to get access to more information. For Buchuberg Resources, the hearings served to tick a box in the application process, to mitigate social risks, and ultimately, to gain control of land for mining.

Land conflicts and violence unleashed by mining and the State

The tensions over control of land is not unique to the mining cases on the West Coast. The struggle against the Tendele coal mine in KwaZulu Natal (80% owned by Johannesburg-based Petmin Ltd.) carries with it the memory of the tragic killing of anti-mining activist Fikile Ntshangase in 2020 — a murder that is still unsolved. Before Ntshangase was murdered, she told friends she was approached by mine management, which offered \$24,000 in bribes.⁶¹ Tendele is still pursuing the right to expand mining activities in the Somkhele region, and if successful, some 200 families are at risk of being evicted. In a community meeting in October 2022, local MCEJO⁶² member Israel Nkosi alleged that Tendele, 'acts as if it can do anything it wants in our community ... It is as if our lives do not matter — we are merely dots on a map to be told and not asked.' Nkosi further claimed, 'it was reported that the traditional leadership opened the meeting with a threatening remark that translates as: "if anyone speaks against the mine, his eyes will turn to blood".'⁶³ This case points at divide-and-conquer tactics in which mining corporations, supported by the state, succeed in obtaining consent from some community members even as others in the same community resist.

Similar divide-and-conquer tactics were applied when the Australian listed corporation Mineral Commodities (who also owns shares in Mineral Sands Resources, the owner of the Tormin mine) geared up for mineral sands mining in Xolobeni, the Wild Coast region of the Eastern Cape province. Here, as articulated by Hali Healy in a recent article, '[the] post-colonial state in South Africa has conspired

with international and domestic mining companies, local businessmen, co-opted local leadership and the police, to displace and dispossess a community that is unequivocally opposed to mining.'⁶⁴ This case also carries with it the memories of the murder of Sikhosiphi 'Bazooka' Rhadebe, the chairperson of Amadiba Crisis Committee. 'Bazooka' was shot eight times on 22 March 2016 and no one has yet been brought to justice for his murder.⁶⁵

As explained by political geographer Martín Arboleda, the violence unleashed by mining interests take numerous forms. In his book, *The Planetary Mine*, he describes the systemic character of violence in the context of mining in Latin America and also argues for similarities in other places around the world. 'Aside from the spectacular violence of bulldozers, police trucks, bullets, and evictions, the [dispossession of local, small-scale food producers] associated with resource extraction unfolds in tandem with slower temporalities, some of which are barely noticeable within months or even years,' Arboleda writes.⁶⁶ In other words, the direct and armed violence mentioned in the above cases, is coupled with a slow violence where communities are expropriated over time. 'The violence of extraction does not have its main thrust in the individual acts of treacherous corporations, murderous landlords, or corrupt technocrats,' Arboleda argues.⁶⁷ The forms of violence evident in mining — in South Africa and beyond — are systemic and produced by political and economic interests which inform law-making and govern mineral extraction.

The impacts on the environment

In addition to the high stakes placed on land ownership and access to natural resources, mining mineral sands also brings environmental risks. Destruction of flora and fauna coupled with hydrological and climate impacts and air pollution from trucks are some of the direct impacts. While most of the mineral sands are excavated from inland sites, the beaches of the West Coast have also become a target for mining, producing unavoidable consequences for the marine environment and its flora and fauna. The impacts of decades of mining is visible to anybody visiting the beaches of the West Coast⁶⁸ and citizens living along the coast have repeatedly raised frustrations about the consequences of mining.⁶⁹ These environmental concerns

generate serious questions about the extent to which the citizens are seeing their constitutional right to environmental protection (section 24 of the Bill of Rights) upheld and whether Environmental Impact Assessments (EIAs) are an effective legal instrument for protecting these rights. Georgine Kengne, who is coordinator for Consent & the Right to Say No at the WoMin African Alliance, argues that it is a common practice for mining companies to 'make sure that certain community members are ignored or avoided' and that mining companies instead generally 'buy up some key personalities in the community' as part of the EIA process.⁷⁰ Often, the obligatory public consultation meetings are convened far from affected communities,

without proper announcement and with relevant documentation usually available in English only. The combination of these factors results in insufficient participation of people in the communities impacted most and is arguably part of the reason why EIAs rarely lead to the rejection of mining applications. Another reason is rooted in the state's own interest in promoting and expanding mineral extraction. Apart from the well documented cases of resistance to mining in Xolobeni and Somkhele,⁷¹ it is hard to find any example of an EIA forcing a mining corporations to abandon their plans for prospecting or mining.

EIAs specifically address mining projects on a per mining application basis and therefore tend to miss the cumulative effects of various extractive activities across different sectors and geographical sites. For example, the obligatory assessment reports ('basic' for a prospecting application and 'full report' for a mining right application) generally lack information about water usage by other actors at the regional level. This is particularly problematic in the context of the water scarce Western Cape. Scientific and empirical evidence of the impacts of mineral sands mining

does exist, but is either ignored or considered irrelevant as sources of information for EIAs. Some studies clearly state that mining of top soils — as in the case of mineral sands mining — is a driver of environmental degradation. Scientists from the University of Western Cape and University of Cape Town argue that mining operations in Namaqualand (also covering the West Coast mineral sands mining areas), 'have the most severe and long-lasting impacts on the environment',⁷² and that '[p]erhaps the greatest challenges to restoration derive from the unsuitability of much of the mined overburden soils for plant growth'.⁷³

Improved research on both social and environmental consequences of mineral sands mining could be an impactful way of informing decision making processes and EIAs. Such evidence could be gathered through Participatory Action Research where scholar activists work with people from the affected communities to explore, document and publish empirical knowledge about the impacts of mining.⁷⁴



Photo: Transnational Institute

The revolving door and state bias

A neutral state in a liberal democracy implies that voters can neutralise the power of any particular group in society. It means no group in society is more important than another in influencing decision making; and it means the state is willing to be influenced by anyone. 'In being open to listening to all groups and willing to be pressured or influenced, the state is neutral in principle; it doesn't have its own biases for or against any particular part of the population',⁷⁵ writes professor of sociology Vivek Chibber. This is all theory. In reality, the state is never neutral. It depends on royalties and taxes and takes side with groups that makes profit in the capitalist society — in this case mining corporations. History also shows that mining magnates exercise greater influence on people elected into office (local to national government) or they themselves become elected or find their ways into influential positions in the state.⁷⁶

The Black Flag Rebellion in 1875 stands as one of the turning point in the history of capital centralisation in South African mining. The rebellion was triggered by miners who opposed the British control (the Cape Colony) over the diamond fields and wanted control reversed to the Free State (which was not under British control at the time) or to an independent mining republic. The laws at the time restricted the size of a mining area and the number of mining rights one person (company) could hold. In other words, the laws were a hindrance to the logic of capital accumulation which very much was promoted by the British rulers in the Cape Colony. The Black Flag Rebellion was eventually suppressed by the British colonial forces, and over the following years several mining magnates were elected into the Cape Colony assembly and introduced a series of new regulations. These changes, serving the interest of the colonial power and the capitalists, led to the removal of the restrictions on the size and number of mining rights one person could hold. Importantly, it enhanced the political power of the white capitalist class through the emergence of joint-stock companies and paved the way for accessing money capital from overseas investors.⁷⁷

The mining sector — as in any sector in a capitalist economy — has its good and bad periods. When the prices are high and production costs low, the capitalists make profits and the state generates revenues (taxes, royalties). In times of crisis — if, for example, wages or production costs rise while the price on minerals remain unchanged

or fall — both the state and the capitalists lose money and are forced to act. At the end of the nineteenth century, the mine owners and the state launched an attack against the black labour forces over the cost of labour. The capitalist class of miners — led by Cecil Rhodes who, at the time, was both prime minister of the Cape Colony and an established mining magnate — drafted an act to increase the mine owners' control over black workers that became the Pass Laws of 1895.⁷⁸ This attack on mine workers was followed by additional reforms to control labour (in particular black workers) and stimulate economic growth over the many decades to follow.⁷⁹ The reforms not only enabled corporations to reduce the cost of labour, but also segregated white and black workers in what would later to become more fully institutionalised under Apartheid.

Cecil Rhodes, one of the first prominent mining magnates, is both remembered as the man behind De Beers Consolidated Mines (established in 1888) and as a prime minister of the Cape Colony (1890-1895). Decades later, Ernest Oppenheimer, the founder of Anglo American, served in the parliament of South Africa from 1924 to 1938 while maintaining his positions as chairperson and director of Anglo American. His successor — Harry, Ernest's son — spent time as a member of parliament for another decade (1948 to 1957). Throughout these years, the Oppenheimer family had excessive control over not only the mining corporations, but also many other areas of industry and finance. While the mining magnates' grip on the state changed with the fall of Apartheid and introduction of democracy in 1994, the structural connection between the state and the capitalists has anyway enabled contemporary politicians to amass enormous wealth.⁸⁰ To illustrate this latter point, the following section takes a brief look at the business interests of the current president, Cyril Ramaphosa. It is beyond the scope of this report to shed light on the many other capitalists who are elected into government or the many politicians and governmental officials who have used their positions to move into the business of mining.

Ramaphosa was not a rich man when South Africa become democratic almost three decades ago. As a prominent ANC member, he was elected into the first democratic parliament in 1994, but already two years thereafter he resigned from office and ventured into the world of business. With the introduction of Black Economic Empowerment policies, opportunities rose to serve on

boards or as directors of corporations operating in South Africa. Ramaphosa's wealth can be traced back to the positions he held in various corporations. He was chairman of MTN group until 2013; a director in Bidvest Group; a non-executive director in Standards Bank Group Ltd.; and he held similar positions in another 150 companies.⁸¹ Ramaphosa was a non-executive member of Lonmin Pls, a mining company listed on the London Stock Exchange, at the time of the Marikana massacre in 2012 where 34 workers on strike were shot and killed by the police.⁸² A proportion of the fortunes he accumulated from all these positions was placed in a holding company he established, the Shanduka Group, which held shares in various corporations — including mining ventures. Before taking office as deputy president in 2014, Ramaphosa stepped down as a member of the various boards, resigned from his directorship positions, and sold his 30% stake in the Shanduka that was valued at \$1 billion at the time. His fortune — estimated at somewhere between \$450 and \$700 million in 2014⁸³ — was then invested in a 'blind trust'. In principle, this means the president is unaware of the details of his investments. But, regardless, the president is aware he owns a tremendous number of shares in large publicly listed corporations — meaning he has a personal economic interest in making sure such companies are as profitable as possible.

The state bias towards mining capital is also evident from the president's eagerness to pave the way for more investments (*money capital*) in mining. At a 2021 session of the Presidential Climate Commission, Ramaphosa proclaimed, 'I would like to send a whole army of people around the world [to] bring investors here... funding is available [and] we will be able to attract a great deal of funding'.⁸⁴ Two years later, the president gave an opening speech at the 2023 Investing in African Mining Indaba (an international conference gathering more than 4,000 representatives from transnational corporations, financial investors, governments and more)⁸⁵ in which he announced he is 'determined to remove all impediments and create an environment that will drive sustained growth in mining'.⁸⁶ Whether the South African state will succeed in attracting more foreign investments (money capital) depends on a number of factors, one of which is the share of the profit it wishes to collect in the form of royalties, company taxes and export taxes. Here, South Africa is in competition with other states and if the South African state demands too big a share of the profits, it is possible investors and mining corporations will look towards other countries for new mineral sands projects.

While the state depends on royalties and taxes from the mining corporations to maintain the public work force,⁸⁷ it also depends on the corporations to create jobs in the private sector. This gives the corporations increased influence as compared to the working class as politicians are likely to go an extra mile to side with those who promise to deliver jobs. The mining sector employs a significant number of workers today and Tronox alone, the biggest employer in the mineral sands sector in South Africa, has a workforce of 2,108 employees.⁸⁸ Most of the money capital laid out for production today goes into technology (excavators, separation plants, solar energy, smelters, water systems, etc.) and manual work is increasingly replaced by machines. In essence, this means more money capital has to be invested for each new job created and it puts the state in a dilemma. On the one hand, the state wishes to deliver more jobs and on the other, it relies on a sector employing fewer and fewer workers as technology continues to improve. For municipalities, one way to address the dilemma is, to secure money from corporations through Integrated Development Plans.

The Fourth Integrated Development Plan (IDP) of Matzikama Municipality provides a good illustration. In the year of 2022, five mining corporations operating in the municipality contributed close to R50 million (\$2.7 million) to the IDP, with Tronox outmanoeuvring its mining competitors.⁸⁹ Even so, Tronox' contributions of R44.5 million (approximately \$2.5 million) out of the R50 million, should be seen in the context of its overall revenues. As addressed previously, total revenues in 2021 stood at \$3.59 billion and while the majority of this stems from chemical production of TiO₂ in other countries, a significant chunk of the revenues (more than \$1 billion) are generated on the basis of minerals from the South African sands.

The significant contributions of Tronox towards local development projects traces back to its acquisition of the Namakwa mine in 2012. In its first year of operation in South Africa, Tronox contributed R6.4 million (\$350,000) to the development of the first community owned abalone farm in the country.⁹⁰ The farm, established in the traditional fishing town of Doring Bay, is a partnership between a private company and the Doring Bay Development Trust (DDT). The trust owned a 35% share in 2013.⁹¹ The farm is approved to produce 60 metric tons of Abalone per year and provides jobs for approximately 50 people.⁹² In a small fishing community where more than half of the working people are unemployed, investment in an abalone farm

makes a big difference and positions the investor on good footing with the local government.

The above analysis show some of the ways in which the state tends to side with and reinforce the power of capital — as opposed to siding with working people. It also illustrates how 'the state ends up being biased because capitalists and their servants literally occupy the halls of power, or have influence over those who do', as Vivek Chibber puts it.⁹³ For social movements, it is essential to consider the structural connection between the state and capital.

Any analysis of the role of the state would be incomplete without mentioning corruption. It is common knowledge that corruption is widespread in South Africa and as stated by Corruption Watch: 'perpetrators are rarely penalised'.

In its report on corruption in mining, Corruption Watch argues that insufficient capacity within the Department of Mineral Resources leads to delay in processing of applications and 'opens doors to bribery and corruption'. Their research findings show 'that the legislation governing the application process is often side-stepped to favour those who are able to pay a bribe'. Other key findings show that the 'Mining Charter's BBBEE [Broad Based Black Economic Empowerment] provisions are being misused to benefit a few elite and not always being used for the purpose for which it was created' and that 'social and labour plan (SLP) commitments are not adhered to'.⁹⁴ Corruption in mining has been addressed in numerous other publications and will not be addressed further in this report.



Photo: Protect the West Coast (www.protectthewestcoast.org)

The daunting task of winning struggles for justice

The rich history of struggles for justice in South Africa dates back to colonial times. Ever since the country was colonised, communities have fought to keep their land, water and natural resources. The strategies and tactics applied over time has inspired and informed new struggles. A great many of these struggles have centred, and continue to centre, on a desire to ensure a future where social, environmental and economic justice prevails. Fishing communities, in the same areas impacted by mining on the West Coast, combined mass mobilisation and litigations with other strategies in their struggle to protect communal fishing rights. This section sheds light on some of the strategies and tactics used by the fisher peoples in their struggle in the period from 2003 to 2014. As the report focuses on mineral sands, it would be an oversight not to give attention to the Amadiba Crisis Committee and the 'Xolobeni' struggle in Mpondoland in the Eastern Cape. For close to two decades, the Amadiba Crisis Committee has managed to keep the state and corporations from mining the mineral sands in the area around Xolobeni. One additional struggle worth mentioning is the Treatment Action Campaign (TAC), which is recognised as one of the most successful and well-documented mobilisations since the end of Apartheid.

The fishers' struggle for a national fishing policy

Just a few years into democracy the government endorsed the Marine Living Resources Act. The new legislation aimed to 'address historical imbalances and to achieve equity within all branches of the fishing industry'.⁹⁵ Yet, it defined fishing in narrow categories that excluded the small-scale fishing sector. This meant thousands of fisher people were deprived of their livelihoods and human rights. One of early decisive moments that should pave the way for a longer struggle was the Fisher People's Human Rights Hearing in Simonstown in 2003. Testimonies by woman and men brought together communities from all over the Western Cape and fostered support and alliances with NGOs and academics. This was instrumental for the rise of Coastal Links, a mass movement of fisher people which steadily gathered support from communities in coastal provinces before spreading across the entire country in 2012.

When the repeated calls upon government in the early 2000s fell on deaf ears, Coastal Links, with support from Masifundise, activist academics and other CSOs, took to the streets — toyi-toyi'ing and singing anti-Apartheid songs — to embark on well planned defiance campaigns. Fishers informed the department they were going to sea to practice their livelihoods — which they argued were protected by the constitution but not recognised by the fishing law — as an act of defiance. Upon landing their boats on the beaches with the catch of the day, they were

met by inspectors and police, but also shielded by circles of people from the communities who stood on their side and prevented any arrests. This incident, generating media headlines, also garnered broader public support.⁹⁶

With the government still unwilling to bend, Coastal Links, Artisanal Fishers Association of South Africa and Masifundise created alliance with the Legal Resources Centre and took the national Minister of Environmental Affairs to court. Two years later, in May 2007, the minister entered into an out-of-court agreement which obliged government to develop a new national policy specifically for the small-scale fishing sector.⁹⁷ In those years, book-ended by the Simonstown hearings and the day when an Equality Court judge signed the out-of-court agreement, a spirit of struggle and mass mobilisation erupted in fishing communities all along the coastline of South Africa. Over the following five years, the well organised Coastal Links leadership was the driving force in the process of developing the new Policy for the Small Scale Fisheries Sector in South Africa. This was eventually endorsed by the government in 2012. The support from activist academics, NGOs and the Legal Resources Centre was without a doubt fundamental for the historic victory of South African fisher people.

A less-recognised aspect of support came from international solidarity. In 2007, Coastal Links and Masifundise became part of the global fisher movement, the World

Forum of Fisher Peoples. This not only led to formation of new international alliances, but it also enabled the movement to exercise pressure on the South African government via the United Nations and, importantly, provided an opportunity and a space for engaging in another long struggle what should culminate in the UN Food and Agricultural Organisation endorsing the UN Guidelines on Securing Sustainable Small-scale Fisheries. This was the first ever instrument specifically addressing the human rights of small-scale fishers. The role of international NGOs who provided financial support was also important for the success of the struggle.⁹⁸

Though there is much more that could be said about the struggle for fishers' human rights, the point here is to recall some of the key strategies applied in the struggle for the national fishing policy. One strategy alone did not enable fisher communities to claim this historic political victory. Rather, it was a combination of mass mobilisation, defiance campaigns, alliance building, international solidarity and support, media outreach, advocacy, and litigation. The ability of fisher communities to build wider and broader alliances and solidarity across sectors and borders with other working people, trade unions, activist academics and NGOs, stands out.

The 'Xolobeni' struggle for mineral sands

Xolobeni is situated on a coastal strip rich in mineral sands in Mpondoland in the Eastern Cape Province. It was chosen by Mineral Commodities Ltd (MRC) as the name for a mining project spanning along the coast from the Mtentu River (near Mkambati) to the Mzamba River just south of Port Edward. MRC, which is registered at the Australian Securities Exchange and also owns the Tormin mine on the West Coast, was granted prospecting rights in Xolobeni in 2002. Yet, a continuous struggle waged by the Amadiba Crisis Committee (ACC) and its allies, has kept MRC and

its South African subsidiaries⁹⁹ from mining the rich sands until today. A significant sum of money has already been invested in the mining project and MRC seems not to have given up its plans to mine Xolobeni. Based on information provided to its shareholders in 2023, MRC lists Xolobeni as one of its mining sites in South Africa¹⁰⁰ and states that the project is subject to a moratorium and '[a]ny potential development timetable is unknown and subject to the outcome of this moratorium'.¹⁰¹ In short, the struggle over Xolobeni land and resources continues.



Photo: Xolobeni (<https://www.groundup.org.za/article/no-mining-xolobeni-demand-activists/>)

The Mpondo people have been involved in struggles over land and resources for many decades. The struggle against the forced removal policies of the Apartheid state and against local chiefs who collaborated with the state (in the 1950s) has been followed by resistance to other development projects such as agricultural projects (sugar and gum-tree plantations) and plans to build the N2 Highway right through their territories. As a result of these struggles some Mpondo people have developed resistance strategies and steadily built an ingrained spirit for protecting their own culture and territories.¹⁰² The Xolobeni struggle should be understood in the context of this longer struggle, as it builds on some of the same political strategies.

Following the granting of prospecting rights in 2002, MRC moved ahead searching for minerals and submitted an application for mining rights to the Department of Mineral Resources and Energy. That the application was approved on 14 July 2008 was only revealed to the public when the MRC South African subsidiary, Transworld Energy and Resources (TEM), was listed on the South African Stock Exchange. However, the aspirations of the mining corporations, their South African Black Economic Empowerment (BEE) partners¹⁰³ and several individuals from the state apparatus were soon to diminish. The Amadiba Crisis

Committee partnered up with the Legal Resources Centre and, since 2008, they have fought decisions by the DME to grant mining rights. The greatest victory made by ACC and Legal Resources Centre (LRC) was in 2018 when the judge of the Pretoria High Court ruled that the affected people in the mining areas have the right to refuse mining and that the Department of Mineral Resources and Energy is obliged to 'obtain full and formal community consent before the granting of mining rights on customary land.'¹⁰⁴ Litigation, however, was only one of the strategies applied by ACC. They have also fought the co-option of local community members through meetings, campaigns and mass mobilisation; interfered and protested at what has been presented as 'public participation' events; and prevented the mining corporations, and their consultants, from entering the Xolobeni area to convene meetings and conduct EIAs. Sadly, their consistent strategies of resistance have been met with severe violence for which no-one has yet been successfully prosecuted. According to numerous sources, harassment and beating of people seeking to oppose mining plans have been common. Some incidents are reported to police, but most goes unreported for fear of repercussions. The most distressing of all these cases of violence is the aforementioned assassination of Sikhosiphi 'Bazooka' Rhadebe.¹⁰⁵

The Treatment Action Campaign

The Treatment Action Campaign is recognised as one of the most successful and well documented mobilisations in recent South African history. Eduard Grebe, in his article 'The Treatment Action Campaign's Struggle for AIDS Treatment in South Africa: Coalition-building Through Networks', provides a most inspirational account of the long journey of the campaign from which political activists and movements can learn a great deal on how to navigate in political struggles. He concludes by pointing to the campaign's 'embeddedness in the political traditions of South African liberation politics and the important role of the "network of influence" that the organisation was able to

build' and that its 'strategy was not primarily to compel a change of course through direct pressure but, rather, to drive home its moral claims. Protest action is then but one component in a larger strategy aimed at building a moral consensus in society and thereby exerting both direct and indirect pressure'.¹⁰⁶

The task of taking on the mining industry might seem daunting, but so were the struggles of the fishing communities, the ongoing Xolobeni struggle, and the Treatment Action Campaign. Building on similar tactics and strategies will be important and maybe the Fisher People's Tribunals, which are in the pipeline, can become a turning point.¹⁰⁷

Conclusions

This brief analysis of the mining sector in South Africa, drawing generally on the history of early mining and more specifically on recent developments in the mineral sands sector, illustrates how corporations continue to apply familiar tactics to enhance competitiveness over rivals. By studying the corporations, looking into their financial reports and other corporate documents, it has been possible to show how they operate in the three circuits of capital simultaneously. The mining corporations continue to extensify (through expanded areas of mining) and intensify production (through investment in new technology). These are the key corporate strategies applied in the circuit of productive capital. In the two other circuits of capital, we see how corporations strategise to ensure products reach the markets as swiftly as possible (the *commodity capital* circuit) and how they strategise to secure funding for new mining projects (expanded production) through accessing finance (the *money capital* circuit). It is clear that mining corporations with better and cheaper access to markets and stronger ties with money capital have a competitive advantage over companies with less efficient and more expensive strategies for accessing markets who struggle to attract institutional investors. The cases brought to the fore also show how certain corporations — for example, De Beers around the turn of the twentieth century and Anglo America a few decades thereafter — have accumulated capital by taking over competitors through mergers and acquisitions. It confirms what Ben Fine refers to as the 'accumulate or die' ethos that alludes to the coercive force of competition in capitalism.¹⁰⁸

The cases of Tronox, as a major player, and the junior company Buchberg Resources show how these dynamics play out in the context of mineral sands mining. As expressed by the two co-CEOs in the 2021 annual report of Tronox, the 'vertically integrated portfolio enabled us to optimise our business quickly and efficiently, allowing us to successfully navigate through various raw material, shipping and other supply and inflationary challenges while achieving record production'.¹⁰⁹ Buchberg Resources, on the other hand, is merely a prospecting company with limited capacity to attract investors (*money capital*) and venture into exploitation and production (*productive capital*) and accessing markets (*commodity capital*). However, the three persons behind the company - Vincent Sebatly Madlela, Lambertus Martinius Cilliers and Jacobus Kotze Van Niekerk - seem well connected to numerous mining

corporations (as explained in section 3.1) which in all likelihood will be interested in acquiring mining rights should the three succeed in the Buchberg Mining endeavor.

The analysis also exposes the interest in and support for mining from the South African state. The government of South Africa eyes opportunities for generating more state revenues through taxes and royalties from the mining industry. As expressed by the President Cyril Ramaphosa, South Africa is 'determined to remove all impediments and create an environment that will drive sustained growth in mining'.¹¹⁰ While this can be perceived as a logical position for any state, the analysis also shows how mining magnates have mingled with politics since the rise of Kimberley in the 1870s, and that they continue to do so today. Cecil Rhodes ventured into politics while he was building his mining empire. As prime minister of the Cape Colony (1890-1896) he pushed through reforms that favored the business of mining magnates. Fast forward to the president of South Africa today, and we see a similar pattern. Considering the wealth President Ramaphosa has accumulated from his involvement in mining since South Africa became a democracy, it is reasonable to question the motives driving his pro-mining position.

The extraction of minerals in South Africa, and beyond, continues to produce major social and environmental destruction. The mining of mineral sands is no exception and continued extensification of mining on the West Coast will add to the existing social, environmental and climate crisis. Environmental Impact Assessment reports — prepared by consultants on behalf of mining companies applying for mining rights — shed light on the environmental risks associated with mining, but do so on a per case basis without assessing cumulative risks across a wider territorial scale. As explained in section three, empirical evidence based on observations of people from affected regions and scientific knowledge published by researchers in academic journals confirm the negative social and environmental consequences. However, this body of information seems insufficient to alter the course of mining along the West Coast. I therefore suggest to gather, document and publish more research through Participatory Action Research where scholar activists work with people from the affected communities.¹¹¹ It is imperative this research looks beyond the 'per case' approach applied in EIAs and captures information about cumulative impacts at a broader geographical scale.

It is my hope this report deepens the readers' understanding of the logic of capitalism from both the perspective of mining corporations and the state and, importantly, sparks thinking and discussion on political strategies that can be pursued in the struggle for social, economic and environmental justice. The analysis exposes the overwhelming political and economic power of mining corporations and certain politicians, and indicates that any struggle against these powers is a daunting task. However, South Africa has a rich history of struggle, including a fair number of victories. Common for these struggles is that they were embedded in the political traditions of the

anti-Apartheid movement and characterised by a convergence of political strategies. Mass-mobilisation, alliance building with other working class people and trade unions, international solidarity, resource mobilisation (locally and international donors) and litigation were among the key strategies applied in those cases. For the fisher communities, the Fisher People's Human Rights Hearing in Simonstown in 2003 was a turning point. Perhaps a People's Tribunal 20 years later could prove itself a turning point in a new struggle for justice in the context of mining.



Photo: Protect the West Coast (www.protectthewestcoast.org)

Endnotes

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