



## **Inclusive development and building a people-centred vision of a modernised coal industry**

**Alex Khumalo**  
**Social Performance**

**21 October 2020**



# Economy in the Coalfields

## In a nutshell:

- Largely an **energy economy** made up of coal mines and coal-burning Eskom power stations
- Service industry (e.g., engineering services and logistics) that largely supports, if not wholly depend, on the **energy economy**
- A consumerist retail economy, also dependent on a thriving **energy economy**)
- A dying heavy industry (e.g., Highveld Steel and Columbus Steel) that could do with support from the **energy economy**
- **Petrochemicals**, also largely related to the energy economy
- Agriculture (with **limited exploitation** of the agri-business value chain)
- A weak “township economy”
- Largely untapped / **underdeveloped tourism** economy

# Some elements of modernisation

## The human factor

- Modernisation has significant implications on the nature and structure of employment in the mining industry, especially the quality and quantum of skills required
- Requirements for all processes that are closely associated with modernisation need to be understood
  - Identification and nurturing of skills, and
  - Accelerated and collaborative development of appropriate curricula, and
- Creation of opportunities for local communities to acquire those skills
- Careful re-balancing of the socio-economic playing field in host communities

## The efficiency and safety factors

- To increase the efficiency of extraction and improvement in occupational health and safety and reduction of costs

# What is needed...

- (Re)development and transformation of the energy economy that is prevalent in coalfields to a dynamic, diversified and inclusive economy
  - Development of manufacturing capabilities to support local modernisation efforts
  - Failure would lead to:
    - Higher cost of mining
    - Lower economic growth and diversification
    - Reduced employment
    - Fewer local portable skills
- Exploration of South Africa's potential to export locally manufactured mining inputs to other mining economies (including hardware and know-how)

## What is needed... (Cont.)

- (Re)development and transformation of the energy economy that is prevalent in coalfields to a dynamic and diversified economy
  - Because the sun also shines in the coalfields, take advantage of the electricity transmission infrastructure and develop solar farms to replace ageing Eskom power stations....
  - .... Solar farms can be built on depleted mines
    - Previously owned by Anglo American, Drayton open cut coal mine in NSW will soon become a solar farm
    - Such solar farms would not displace agricultural activities
    - Can be partly owned by mine host communities
  - Deeper open cut mines can be repositioned as pumped hydro storage facilities
  - Turning partially and fully rehabilitated mine land and water into viable agri-business assets

# What is needed...

- Radical shift from the current focus in terms of mine community development
  - We must encourage government to carry out its constitutional mandate in terms of social development and requisite infrastructure
  - Create value propositions that encourage the mining industry to participate in both upstream and downstream mining and industrial activities that have the capacity to absorb some of the unemployed graduates in the coalfields
  - Adopt an asset-based model of community development that allows people to express their creativity and aspirations in a diversified economy
  - A social contract that brings all socio-economic actors together under a common vision



# The art of the possible.... Imagine



**Massive floating  
solar farm on top  
of an abandoned  
coal mine**

**Anhui Province,  
China**

# The art of the possible.... Imagine



**Intercontinental Wonderland,  
Songjiang, China**  
Built on the site of an abandoned stone  
quarry







# THANK YOU

T +27 11 498 7100

E [info@mineralscouncil.org.za](mailto:info@mineralscouncil.org.za)

W [www.mineralscouncil.org.za](http://www.mineralscouncil.org.za)

5 Hollard Street, Johannesburg, 2001, PO Box 61809, Marshalltown 2107

