



## Media statement by the Bench Marks Foundation

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### Mining: South Africa can learn a lot from Germany

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#### FOR IMMEDIATE RELEASE

The importance of mining has declined in Germany due to the high cost of production and the cutting of subventions by 2018 which is equivalent to the end of hard coal mining in Germany, said Gudrun Grosse-Wiesman, Deputy Director General: Sub Sahara Africa for the German Federal Ministry for Economic Cooperation and Development at the Bench Marks Foundation's conference on 17 November 2014.

Gross-Wiesman gave an account of how Germany is dealing with this process and other structural changes in the industry as well the role of unions, security and Corporate Social Responsibility to the delegates from mining houses, businesses, government, churches, NGOs and community members that attended Bench Marks' fifth annual conference held in Johannesburg.

She said that Germany has been proactive in respect of the imminent closure of the sector by already introducing a programme for 'socially acceptable' termination. It has also allotted a lot of money toward plans for the re-naturation of old mines.

In addition, she said the structure of the sector is one of unity. Germany's mining departments in the various provinces are responsible for the overall supervision of the sector and are either part of the ministries for economic, environmental or energy affairs.

The mining authorities work together with the Federal Ministry of Economic Affairs and Energy. They regularly review mining companies not only on technical operations, but also on the whole well-being of employees.

"This is in stark contrast to South Africa," says John Capel, Executive Director of the Bench Marks Foundation.

"Departments don't work together, laws don't complement one another and this leads to a lack of accountability and many loopholes that companies use to their advantage"

With regard to unions, Gross-Wiesman said that Germany's mining sector is represented by the IG Bergbau Chemie Energie which represents approximately 660,000 workers.

Workers have a pay scale that has been agreed on by the unions and the mining companies have worked on safety concerns within the mines. In 1980, 78.63 accidents occurred per 1 million working hours but in 2012, this dropped to 6.27 accidents per 1 million working hours.

She said that strikes for wages, higher security standards or the overall well-being of the workers no longer occur due to the willingness to work together and amend areas of concern by both the unions and mining companies.

“During our conference we are exploring whether things have changed since the horrific Marikana incident,” says Capel. “Unfortunately it seems that we are far from achieving this kind of cooperation between the unions and companies.

“It is clear that the dignity and needs of the workers and communities are still not a priority for these sectors as well as for the government. Very little has changed since August 2012”.

Gross-Wiesman also explained that the imminent energy transition from coal to renewable energies, the high standards in the German mining sector in terms of labour rights, security standards, wage levels and environmental issues are no longer restricted to the mining sector, but is an expression of social responsibility which is promoted throughout the Germany economy as a whole and is also translated to German foreign policy.

Within the framework of the German Development policy, Gross-Weisman said that the private sector plays an important role in several fields such as putting into practice the fundamental principles of the social and ecological market economy that aims to promote sustainable development.

She said that the commitment of private businesses is vitally important for economic, ecological, social and political progress but that the flipside is that the private sector also has a particular responsibility for the consequence of its actions. She said that corporate social responsibility cannot and must not replace political action and state legislation.

Gross-Wiesman conceded that unlike in Germany, in South Africa, this is particularly complicated as the country is struggling with regulatory and enforcement deficits which encourage market players to act in a way that is detrimental to the development prospects of the country as a whole.

She stressed that private sector commitment can only flourish within a stable nation regulatory framework which allows the positive social impacts of responsible businesses to develop as fully as possible, rather than providing incentives to less responsible competitors and free rider actions.

“Private companies must start to realise that their actions have a huge impact not only on the economy, but also on the communities and environment,” says Capel.

“Reporting must become transparent. They must adhere to legislation and they must start to realise that communities and workers are very important stakeholders and must therefore be included on all decisions regarding their land, air and environment.

“Germany’s commitment to changing the mining environment and to corporate social development is commendable. We heard today that it has stable frameworks which ensure that weaker sections of the population do not slide into absolute poverty”.

Says Capel: “It’s time we dissected our environment and our social safety nets. What can we learn from countries such as Germany? Why is it that companies operate ethically in one country and then refrain from doing so in ours?”

“Why haven’t we learnt that poor working and living conditions trigger frustrations and violence?”

“We need to follow Germany’s development policy where it promotes sustainable development and works with the private sector to address sustainability challenges which includes skills development, employment, water shortages, governance, health and supporting value chain development for poor communities.

“Not much will change in this sector until companies and the government foster the real meaning of corporate social responsibility, which is to assess and take responsibility for the company's (and government’s) effects on the environment and impact on social welfare. They need to go beyond what is expected or legislated”.

The Bench Marks Foundation’s conference began yesterday (17 November) and will end today (18 November 2014). The theme of the conference was ‘Enough is Enough: Change Now!’ Topics discussed included ‘Labour and community relations post Marikana: What has changed since and what are the plans for the future?’ and ‘Levelling the playing fields – recourse to justice for communities’.

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