

Platinum Mining: Protracted Strike by South African Workers

Mine Owners Say They Have a Tentative Agreement With Striking South African Platinum Workers

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Industrial action is in its fifth month causing negative growth in the economy

Spokespersons for the three major world producers of platinum announced on June 12 that firms had reached a tentative agreement to end a strike that has threatened the South African economy with a renewed recession.

Members of the Association of Mineworkers and Construction Union (AMCU) have led 70,000 of their members in a protracted strike which is credited in the negative growth ratings during the first quarter inside the country.

South Africa contains approximately 80 percent of the world's supply of platinum which is an essential mineral in the automotive and transport industries internationally. AMCU is demanding a minimum wage for miners of 12,500 Rand (\$US1,163) per month. It appears that the tentative agreement with the mine owners will be substantially less than this amount demanded.

AMCU President Joseph Mathunjwa on June 12 traveled into the Rustenburg area which is the center of mining activity. He was there to discuss the possible agreement with union leaders and rank-and-file workers.

Mine bosses are eager to have the situation in Rustenburg in the North West Province to return to some semblance of normalcy after two years of divisive and violent labor struggles. In August 2012 the situation erupted with a wildcat (unprotected) strike at Lonmin.

During the course of the work stoppage initially at least 10 people were killed due to actions by security forces and the rivalry between the AMCU organizers and the National Union of Mineworkers (NUM) which is affiliated with the Congress of South African Trade Union (COSATU), the largest labor federation in the country. Over the last two years AMCU has won the membership of a majority of miners in the platinum sector in the North West and NUM is now a minority union.

Later on August 16, 2012, North West Provincial police opened fire on striking miners killing 34 and wounding many others. Dozens of other workers were taken into custody but were later released after a national outcry.

Impact of the Strike on the National Economy

Reports from various economic publications indicate that the ongoing crisis within the platinum sector in South Africa has caused not only tremendous losses for the mining companies but also the economy overall which still relies heavily on the extractive industries for export. Owners of the platinum firms had threatened during 2013 to downsize the workforce by thousands in the upcoming period due to labor unrest and the purported decline in profits.

According to the London-based Financial Times, “The strike is the longest and costliest in more than 100 years in South Africa’s crucial mining sector. An end to the industrial action would bring huge relief to the industry, which was already struggling with rising costs and lower platinum prices.” (June 14)

The articles states that the ending of the strike “would also provide a much-needed boost to South Africa’s ailing economy, which contracted in the first three months of the year as mining output shrank by nearly 25 per cent – its worst performance in nearly 50 years.”

In recent months the West African state of Nigeria has been designated as the largest economy on the continent having ostensibly outperformed the Republic of South Africa, previously considered the powerhouse of the region. Nonetheless, both nations still suffer from large unemployment rates of 25 percent or more with stark class divisions that have prompted industrial actions and other forms of unrest.

The three leading firms Anglo American Platinum, Impala and Lonmin issued a joint statement saying that “in principle” agreements had been reached with the leadership of AMCU “in respect of wages and conditions of employment”. Although no details were released on the actual terms of a potential settlement, the South African government has been attempting to mediate an end to the strike.

Labor Relations and Post-Elections Politics

During the recent national elections on May 7 the ruling African National Congress (ANC) won an overall 62 percent majority of the vote maintaining its dominance in the post-apartheid government which came into being in 1994. The ANC, which led the national liberation movement against white minority settler-colonial rule since 1912 when it was founded, lost some support in the North West Provincial government.

The Economic Freedom Fighters (EFF) headed by former ousted ANC Youth League President Julius Malema became the main opposition party within the provincial government, although trailing far behind the ANC, in the North West. Malema immediately visited the Marikana area after the massacre in 2012.

When Malema was president of the ANCYL he openly advocated policies calling for the nationalization of the mining and agricultural industries in South Africa. In the recently-held elections campaign the EFF worked the province to obtain the votes of those who have become critical of the ANC government for not moving fast enough on the issues of nationalization and land redistribution.

Nonetheless, there are reports as well that most workers are ready to return to their jobs. Violence has escalated in the mining areas in the North West and workers are not able to carry out their family obligations.

Reuters reported that “Workers and shop-stewards from South Africa’s AMCU mining union begged leader Joseph Mathunjwa to sign a wage deal with three major platinum firms on Thursday (June 12) at a mass rally crowning five months of crippling protest. As the longest strike in the 130-year history of South Africa’s mines showed its first signs of breaking, thousands of stick-wielding miners cheered as a senior union official took the microphone to declare: “Sign, Mathunjwa, sign.”

It was also reported that another worker shouted out during a meeting with the labor leaders that “This union has worked. We want this money. We come from hardships. AMCU has worked. We can’t take kids to school. Sign, Mathunjwa.” (June 12)

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