

Mining unrest: All parties must tread with care to solve strife

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By John Capel

We have to be wary of complicating an already very complicated situation by taking actions like sending in the army to the platinum belt.

This will not lead to lasting peace. As a country we are quick to forget the causes of the present strife in the mining industry – a history of ongoing inequalities and also Lonmin's refusal to talk to the striking rock drillers.

What we must remember is that the platinum belt is one of the richest areas with some of the highest poverty levels in the country. The opulence of the mining houses versus the stark and growing inequalities in surrounding communities, the abject conditions that workers live under, and the tough working conditions of mineworkers, coupled with growing tension between the National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (Amcu), need an impartial government response.

The mining industry's aim to conduct a study into the socio-economic conditions in Rustenburg and the Bojanala district is a step in the right direction, even if all this information is already available.

The Treasury has all the figures and there are many studies that could inform the industry on what needs to be done. They don't have to wait, they need to act and act jointly.

One death in the mines is one too many and is unacceptable. We have a constitution with a Bill of Rights and a labour relations framework, and as much as cabinet ministers call for sanity to prevail, the government and the big mining houses need to be held to account.

At the start of the year Anglo American Platinum (Amplats) and Harmony Gold threatened workers with lock-outs and mass dismissals complicating a volatile situation. The government exacerbated the problems with ministers taking sides.

A class war

The national democratic revolution was about democratising the country. It was not about protecting self-interests, but was about promoting diversity and democratic decision processes. Now that workers choose freely to deregister from NUM and join Amcu, they come under attack.

The government needs to be impartial not only to the inter-union rivalry, but also when it comes to the role of the big mining houses, which by not hastening the process of recognising Amcu, have contributed to the ongoing unrest. Perhaps their relationship with NUM has become cosy; perhaps they do not want to offend the ruling party by giving proper

recognition to Amcu and dealing fairly with this under the guidance of the Labour Relations Act.

The mining houses too must be held to account, in particular Lonmin, but also Amplats, which speaks loudly about what a good company it is and how it has South Africa's best interests at heart. The shafts it wants to mothball operate on an 8 percent profit margin, below Amplats' benchmark profit ratio of 14 percent per shaft.

The average profit margin for the three biggest platinum producers taken together has been close to 30 percent over 20 years. This means that for every R100 of refined platinum sold, R30 can be pocketed, which is a world-leading figure. The International Monetary Fund commented in its 2012 country report that South Africa's non-financial firms were "highly profitable".

So, if they are not really retrenching because of unprofitable shafts, then why? It could be to drive up the platinum price and to teach workers a lesson. As Harmony Gold's chief executive said in January: "We are going to decide the agenda", while the company locked out workers.

This is a class war of two distinct interest groups. Capital and its shareholders versus workers and their unions. Corporations want increasing returns and workers want better wages and living conditions.

This is what needs to be addressed, and the government cannot take sides even if one of the parties is an alliance member.

NUM needs to accept humbly that it has lessons to learn and compete fairly without resorting to government interference. It needs to re-strategise and gain workers' confidence. The ANC and the government need to realise that the best protection they can give is to stand by their founding principles and remember the hard fought battles to democratise South Africa.

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