

Dear editor,

The proposed retrenchments in the mining industry raises a lot of questions around whether this is a justifiable action given the huge profits experienced by the mining companies through the years and whether mines are being socially responsible by resorting to short-term cost savings. John Capel, Executive Director for the Bench Marks Foundation argues that the loss of thousands of jobs can be avoided if these companies changed their mindset and prepared for leaner times.

Once again when things go bad, workers are amongst the first to suffer. For the past few weeks analysts and mining houses have been threatening jobs on the back of falling prices of platinum. They blame workers, worker productivity, industrial unrest, workplace safety stoppages and the global slump in demand.

The Media reports that the platinum market has a surplus of about 500 000oz in Europe. It is puzzling that there should be an overproduction of platinum given South Africa and Zimbabwe's monopoly over the mineral (80% of global resources), and that between Anglo Platinum and Implats they control as much as 60% of the market. This means that they are price-makers rather than price-takers. Given the industry's complaints about industrial action citing safety stoppages and low worker productivity as factors that slow down production, the claimed overproduction is at best puzzling or simple propaganda towards calls for radical transformation of the mines and the economy. Perhaps the ANC policy conference coming up is why retrenchments are taking place, as if to say, don't mess with us.

Analyst after analyst commends Aquarius and Royal Bafokeng Holdings, for wise market decisions, without even contemplating the social impact of thousands of jobs lost. Evidence suggests that South Africa is rated as the worst country in the world when it comes to workers layoffs. Cost saving measures here always target workers. A source at the CCMA tells me that when they investigate or use the SA Productivity Institute to determine whether or not there is cause for retrenchments, they find system problems and inept management to blame.

Evidently no other country in the world resorts to such short-term savings costs by laying people off. Why is it that in SA such practices take place? My source says there is ample evidence of layoff cost saving measures backfiring on the same companies affecting productivity and the future of these companies. To continually resort to cutting jobs as if people are throwaways that do not matter and that all that counts is shareholder returns, is dangerous thinking. In 2011, I was at the annual mining indaba in Cape Town when Cynthia Carroll boasted that in 2010 the Anglo American group of companies had contributed R6 billion to the fiscus when Anglo Platinum alone had made R46 billion profit that year. Did workers share in these record profits that were already impacted upon by the global slump in demand? Of course not! Why? Because in mining companies, workers aren't people and mining houses don't believe they have any responsibility other than maximising profits, no matter the social costs.

But what lies behind this spate of proposed retrenchments? Is it just the global slump or are their more sinister moves at play? What about the ANC nationalisation debate? Are mining houses being proactive and holding the country to ransom? Should we take these threats seriously? What are the likely consequences of mass layoffs in the mining industry? What role does business have in

safeguarding the social security in the country? Are these actions socially justifiable or are they irresponsible and are we prepared for the huge backlash that will most probably follow?

Business can do a lot if only they changed their mindset and instead of looking for easy solutions of cutting jobs, begin to look at the broader environment in which they operate. This includes their own business plans going forward, as well as the common good of mining communities and society as a whole. In good times when profits are exorbitant, why can't money be put away for rainy days, like now? Surely this is a responsibility all major corporations should be adhering to?

The organisation I work for conducts independent studies on mines and their social responsibility obligations, of which are wanting, no matter how much the company spends on its image building exercises.

Perhaps we have not changed the mindset of apartheid even if black managers are used or ownership structures show dominant black control and ownership. The closest analogy is like the police force in apartheid. Black policemen were often more ruthless than their white counterparts, having more to prove. This dominant mindset continues today, with even our media promoting an antagonistic attitude toward black workers. 'Gold is more important than the lives of people'.

What decisions are implemented now and how mining continues to operate with total disregard for the common good, is going to leave a legacy of anger and despair that is surely going to haunt this country now and in the coming years.

It is obvious that industrial relations at these companies is largely a management issue, an issue of not having due respect for the dignity of others. Well so be it and so let the legitimate debate on mine ownership and wealth distribution continue. Finally, the Bench Marks Foundation on the 29th and 30th October will be hosting a conference on this topic as all our research findings on mining show that there are serious social problems created by the industry. These will not go away, whether mines continue their assault on workers, and for that matter on mining communities, except to add ammunition to a serious challenge on mine ownership and wealth distribution. Let's not be fooled by ideological stances in the mining industry that take us back to Dickenson's times.

ENDS

Bench Marks Foundation is an independent non-governmental organisation mandated by the churches to monitor the practices of multinational corporations to ensure they respect human rights, protect the environment; that profit making is not done at the expense of other interest groups and that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporation. Archbishop Desmond Tutu launched the Foundation in 2001 and the Rt. Rev Dr Jo Seoka chairs the organisation