Strike wave in South Africa

Chris Talbot
5 August 1999

In the biggest strike in South Africa since 1994, over 300,000 public sector workers went on a two-day strike last week in support of a 10 percent pay claim. Teachers, health workers and civil servants demonstrated on Saturday in all the major cities. This follows a one-day public sector strike and demonstrations the previous week.

Black and white public sector workers joined the demonstration. They were united in protesting the government's 6 percent pay offer, which amounts to a 4 percent pay cut when set against the rate of inflation.

Although the pay claim is part of the regular annual round of negotiations it has taken on a more significant character as the government attempts to cut public spending. The government admits that they intend to slash 35,000 jobs in the civil service alone. Economists estimate that the real figure is much higher. Some propose that the present level of public spending, at over 30 percent of GDP, needs to be cut to 10 percent.

This week more negotiations resulted in the government offering a derisory 0.15 percent increase on their original offer, which the unions were forced to reject, saying they would go back to their members for a further mandate.

Last month rail workers at Spoornet protested at a proposed restructuring plan that will destroy from 18,000 to 30,000 out of a total of 60,000 jobs. The state funded rail company is taking this drastic action because it has recorded heavy losses that the government will not underwrite. Strikes also took place in the private sector, including 85,000 textile workers and Volkswagen car workers.

At the beginning of July workers at the Oryx mine in the Free State went on strike when management announced 900 job cuts after the British government's gold sale caused the price of gold to slump. The East Rand Proprietary Mines (ERPM) had earlier announced that 5,000 jobs would go.

The mine has come close to liquidation twice in the last six years. The government has refused to bail it out. A spokesman said: "Government does not see its way clear to continually spend public funds propping up a mine which clearly cannot operate successfully in its present form."

In June South Africa's Chamber of Mines warned that with a gold price of below $265 an ounce half the mines it monitors, which account for 40 percent of total production, would be classified as marginal. This puts 80,000 jobs at risk. Within a month gold fell to $255 an ounce, which means that even more jobs are at risk in the industry.

Six mines have now notified the Gold Crisis Committee of their intention to sack 12,000 workers. At a time of collapsing prices South African gold has become the most expensive in the world. 100,000 jobs have been lost in gold mining over the last three years.

The impact of these redundancies on the former black homelands such as the Transkei, where 1,000 ERPM workers face the sack, is devastating. A government official said: "There are households where absolutely no one is working. Sometimes I go into a house and I don't like to ask when they last ate."

Neighbouring countries are also hit by the crisis. Seventy thousand miners are migratory workers from Mozambique. Lesotho's main source of income, after foreign aid, comes from the money sent home by miners in South Africa's gold mines.

The Gold Crisis Committee is made up of government, employer and union representatives and was set up to regulate the process of retrenchment in the mining industry and defuse its political impact. Mining remains the basis of the South African economy. Its prolonged decline, which dates back to the 1960s, is the main reason for the 50 percent unemployment among black workers.

When it first came to power the government expected to attract foreign direct investment and to develop the economy on the model of the so-called Asian tigers. Under the GEAR (Growth, Employment and Redistribution) strategy introduced in 1996 the government anticipated growth rates of 6 percent per annum and intended to create 400,000 new jobs each year. Even this high level of growth would only have absorbed the new entrants into the labour market and would not have reduced the present levels of unemployment.

But the Asian crisis exposed the growth and job creation targets set out in GEAR to be completely unrealistic. In fact South Africa lost more than 71,000 jobs in 1996 and 116,000 in 1997, and by late 1998 they were 700,000 jobs behind the GEAR estimates.

Since the African National Congress government won 65 percent of the vote in the June elections they have redoubled their commitment to restructuring the economy by privatising the public sector, allowing jobs to be destroyed in private industry and forcing through wage cuts whatever the cost to workers.

As the *South African Mail and Guardian* put it, "GEAR is the ANC's response to globalization, not to the needs and interests of the millions who voted for it twice. ANC's economic policy is much more in tune with the demands of globalization than those of millions of desperately poor black people who put their trust in the party."

It is not only the ANC and big business that is driving this policy ahead, but their partners in COSATU (Congress of South African Trade Unions). COSATU urged workers to vote for the ANC and mobilised their local bureaucrats to bring out the vote, even though the government had said that GEAR was non-negotiable. They have been forced to call these strikes because of the enormous pent-up anger in the working class.

A recent article in the *Sowetan*, a paper with 1.5 million readers predominantly among black workers, reflected the growing alienation of workers from the trade unions. A reporter asked: "Is the planned mass action by COSATU against job losses in the public sector and various parastatals [wholly or partially government-owned companies] not a belated damage-control exercise aimed at massaging the workers' fears and creating false hope?"

A spokesman for COSATU, Mukoni Ratshitanga, replied in the *Sowetan* by suggesting that the content of GEAR was still negotiable: "We have never thought that GEAR must result in a parting of the ways with the ANC." Trying to absolve the ANC of blame, he went on, "No one except the bosses knew of impending retrenchments until they were announced in the media."

But the decline of the gold industry was hardly unexpected and the government have been discussing for some time the need to cut back the public sector. All that the ANC have to offer is the palliative of "business development agencies" like Shomishanang ("Let's work together"), which advises workers how to use their redundancy money to start up small enterprises. At most this offers a tiny number of insecure low paid jobs with no solution for the vast majority who are being sacked, let alone the millions who will receive no severance pay.

This summer's strikes foreshadow major political and social upheavals to come as workers' anger grows. A rift will open up between the ANC and the broad masses that voted it into power. What is lacking, however, is a socialist perspective on which the working class can be mobilised to defend its interests.