

Papuan miners extend two-month strike

Mike Head

17 November 2011

Mineworkers at the giant Freeport McMoran gold and copper complex in the Indonesian province of Papua have extended their stoppage to at least December 15, defying a deadline set by the Indonesian government of President Susilo Yudhoyono.

The two-month strike is the longest in the four-decade history of the Freeport mine, and has become one of the most significant working class struggles in Indonesia since the 1965-66 military coup.

Despite a government-backed police ultimatum, the 8,000 striking miners—who are currently paid as little as \$US1.50 an hour—are continuing to man the blockades that have brought production increasingly to a halt since September 15.

The Chemical, Energy and Mining Labor Union (SKEP), which is affiliated to the former state-run All-Indonesian Workers Union (SPSI), this week announced that the strike would continue for a third month because no pay deal had been reached with the Arizona-based company.

Earlier, the union had drastically reduced the strikers' pay claim to \$4 an hour. This is less than a quarter the original claim of a \$17.50 base rate, which was intended to bring the Papuan miners into line with the company's next lowest-paid mine workers, in South America.

Freeport-McMoran, however, has refused to offer more than a 35 percent increase, to just over \$2 an hour, even though the Grasberg mine is the world's largest and most profitable combined gold and copper producer. Its reserves have an estimated value of some \$50 billion.

Freeport, which holds a 90 percent share, also operates the mine on behalf of the Indonesian government, which owns just over 9 percent, and the Anglo-Australian mining giant Rio Tinto, which is entitled to 40 percent of

the production from the mine's current expansion. Despite paying concessional royalty rates, Freeport is the government's largest single source of tax revenues, paying about \$1 billion a year.

The Yudhoyono government underscored its backing for Freeport this week when deputy mineral resources minister Widjajono Partwidagdo insisted that the strikers had to lower their claim. "They should not compare their salaries with those of workers in other countries," he told the *Jakarta Globe*. "They should compare them with other mining companies in Indonesia."

Widjajono's remarks underscore the role of the Indonesian government in enforcing low-wage conditions on behalf of transnational mining companies and their local partners. According to the government, the Freeport workers make about the same as miners at the Batu Hijau gold and copper mine on Indonesia's Sumbawa Island. That mine is jointly owned by Newmont Mining—another major United States company—Japan's Sumitomo and PT Pukaafu Indah, an Indonesian firm.

Late last month, after discussions with the US ambassador and the Obama administration, the Indonesian government declared it would break the Freeport strike, sending deputy minister Widjajono to Papua to "restore order". Indonesian police set a 48-hour deadline for workers to stop demonstrating or blocking access to mine facilities.

Strikers, however, backed by people from local tribes, refused to lift their blockade of the main road near Timika airport that links Freeport's port to the mountainous mine. A striking worker told Reuters on November 4: "People fought back. The police gave several warning shots but they have left now."

The stoppage has drawn support from local people, who have grievances with Freeport and the government over

land rights, the environmental damage caused by the mine and the lack of benefit for the region's residents from the mine's riches.

Two strikers interviewed by Agence France-Presse this week provided an insight into the conditions that the Freeport workers face. Nus Magay, a 35-year-old truck driver who had worked at the mine for more than a decade, said: "I'm angry. I work so hard but I never got a pay increase or a promotion in all these years. Aren't we working for a world-class mining company? Why are we paid so little—much less than Freeport workers in other countries?"

Magay complained of gout, a condition worsened by sitting in a truck all day in the low temperatures that prevail in the Papuan mountains. "After paying for food and other household expenses, I have nothing left. I can't afford to the hospital."

Etinus Tabuni, a forklift driver who lived with his wife and five children, said he could afford to send only one child to school. "I can't afford the fees. It costs around 2 million rupiahs (\$224) to register, and then it's around 100,000 rupiahs a month."

Such impoverishment is imposed with the assistance of the global mining trade unions, which collaborate with the major companies and oppose any bid to unify the struggles of mine workers internationally. Each national-based mining union seeks to boost the profitability of the companies operating in their country, so as to defend the revenues and privileges flowing to the union bureaucracy.

This role is typified by the intervention into the Freeport strike by the Australian Construction Forestry Mining and Energy Union (CFMEU). CFMEU national vice president Wayne McAndrew flew to Jakarta earlier this month for talks with the company and the Indonesian union, insisting that they had to strike a deal to bring the dispute back under control.

Speaking from the Indonesian capital, McAndrew told Radio Australia on November 3: "[W]e've impressed upon both the company and the workforce that both need to return to the bargaining table and try to resolve these issues and move forward."

McAndrew was asked if he would be advocating further

action involving unions, not just from Freeport and in Jakarta, but perhaps from Australia and elsewhere in the world, or some sort of boycott. He emphatically rejected the prospect: "We're still of the view that it's a local mine dispute and we don't see the need to, nor would we wish to, nor have we been requested to by the union."

McAndrew emphasised that in his discussions with the mine operators—who had given him a "long presentation" on the damaging impact of the strike—he had explained that it was "in their best interest" to resolve the dispute "as quickly as possible" with the union.

The fact that Freeport engaged in lengthy discussions with the CFMEU testifies to the value that the mining giants place on the services of the unions in imposing their corporate requirements on mineworkers around the world. Over the past three decades, the CFMEU has been pivotal to the slashing of jobs and conditions of miners in Australia, especially in the coal mines.

The isolation being imposed by the unions on the Freeport workers is highlighted by the fact that workers at the company's Sociedad Minera Cerro Verde copper mine in Peru have been on strike since September 29, demanding a pay rise of 11 percent over two years. It is the first strike in the 40-year history of the Cerro Verde operation.

The Peru strike was also still continuing this week, despite a Tuesday deadline set by the regional government of Arequipa for a settlement. In a sign of an impending union sellout, Arequipa's head of labour relations said negotiations between the company and the union were "advancing significantly." Union leaders said the company had offered annual rises of about 4 percent.

The author recommends:

Indonesian government orders police to break Papuan mine strike
[3 November 2011]



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact