

Looming job cuts in South African platinum strike

Thabo Seseane Jr.
16 April 2014

Representatives of international finance capital threatened last week that drastic job cuts on South African platinum mines are inevitable, as a strike led by the Association of Mineworkers and Construction Union (AMCU) entered its 12th week. *Mining Weekly Online* reports that even if the strike ends, owners look increasingly likely to close or sell mines that have idled since some 70,000 AMCU workers downed tools on January 23.

In an attempt to pacify mining companies Amplats, Implats and Lonmin, the AMCU backed down from an initial demand for an immediate doubling of entry-level pay to R12,500 (US\$1,190) a month. The companies refused the union's revised demand that the R12,500 wage level be introduced in stages over the next three years.

Asked by Reuters if Rustenburg, the locus of the strike in North West province, faced a bigger risk of closure or potential sale than other Amplats mines, Anglo American CE Mark Cutifani said "absolutely." The closure of Anglo American-controlled Amplats' mines could cost some 22,000 jobs.

This prospect has excited financial parasites the world over. "The strike [could] have beneficial long-term consequences for the platinum industry as a whole," Credit Suisse analyst Tom Kendall said. "It is steadily resulting in a drawing down of refined inventories and [could] lead... to a more settled labour environment and a supply base... 'right-sized' to fit demand growth."

Unlike earlier on in the global financial crisis, the mine owners feel that with upwards of US\$1.2 billion in revenue already lost in the continuing strike, they now have nothing to lose. Previously, they "held back from tougher cuts in the face of rising energy and labour costs" and waning platinum demand "for fear of a political backlash that could have compromised their

wider interests," according to *Mining Weekly Online*.

The ruling class plan to use the AMCU strike, the longest and most damaging in decades, as the pretext for a sweeping "restructuring" of the industry. Major companies like Amplats expect that selling mines to new, smaller owners could give them the leeway to cut costs.

Mining capital is only able to contemplate such moves because of the time-honoured collusion of the labour unions, principally the National Union of Mineworkers. The political backlash identified by *Mining Weekly Online* has in fact been ongoing since 2012. It took the form of a rebellion by miners against the NUM, which has been instrumental in subverting resistance to the mine owners' attacks on wages and working conditions—particularly since the end of Apartheid.

The NUM has presided over the decline in gold mining from over 500,000 employed in 1987, to around 140,000 now. Following decades of such betrayals, its integration into the structures of corporate management became one of the most visible manifestations of the transformation of large sections of the bureaucracy leading the Congress of South African Trade Unions (COSATU) into bourgeois exploiters of the working class.

With miners leaving the NUM in droves and joining AMCU, things came to a head in August 2012 with the massacre of 34 striking platinum miners at Marikana with the active collusion of the NUM, Cyril Ramaphosa and the leadership of the African National Congress. Ramaphosa, the former leader of the NUM who held the Black Economic Empowerment non-executive director and shareholder position at Lonmin, attended meetings where he was reported "pressuring" Police Minister Nathi Mthethwa to clamp down on strikers.

His reward was to be made Deputy President of the ANC.

Frans Baleni, current NUM Secretary General, is a director of the Development Bank of Southern Africa (DBSA), who praised the police for the bloodletting at Marikana. In 2012, the *Mail & Guardian* disclosed that the DBSA paid Baleni R400,000 per year on top of his annual NUM earnings of R1.4 million.

Marikana provoked a strike wave throughout all South Africa's extraction industries, which also impacted on construction and other sectors that lasted for months. Primary responsibility for the ability of the mining corporations to bring things under control rests with COSATU and the ANC. The NUM is now seeking to organise scabs and workers breaking from the strike in desperation, with NUM President Senzeni Zokwana describing his union as "their only hope and home in the current confusion and state of hopelessness that has engulfed the mining sector."

But AMCU has no alternative to offer to workers, other than calling strikes that now face defeat, professing as it does to be non-political and non-communist. It has now spawned out of its ranks the Workers Association Union (WAU), which is competing with the NUM to organise strikebreaking—including providing transport for scabs. It plans an April 24 march to present a memorandum to Police Minister Nathi Mthethwa calling for "peace and stability." Its secretary, Eliphas Ngoepe, has pledged, "We are going to make sure that we bring all key stakeholders to the party and make sure that we solve the problem." They want nothing more than to be given the post of stakeholder by grateful corporations.

Striking miners are now facing not merely the mining bosses in a wage negotiation, but the full power of the ANC government. They require above all their own socialist party, independent of all factions of the union bureaucracy.

Zwelinzima Vavi's return to work as COSATU general secretary has exposed the "left" pretensions of the lot of them. Last week, the Johannesburg High Court set aside Vavi's suspension by a faction led by COSATU President S'dumo Dlamini on the grounds that it flouted the federation's constitution.

In one of his first appearances since beating his suspension, Vavi came out against his supposed allies in the National Union of Metalworkers of South Africa

(NUMSA)—which advances itself as a left alternative within COSATU.

At an April 10 conference, he said that COSATU should support and campaign for the ANC in the upcoming general election. NUMSA led eight other COSATU affiliates in the drive to nullify Vavi's August 2013 suspension and eject the pro-Zuma bureaucrats from the federation's central executive committee. At a special congress last December, NUMSA called for President Jacob Zuma to resign, for COSATU to leave the ruling three-way alliance with the ANC and the Stalinist South African Communist Party (SACP), as well as for workers not to campaign for the ANC heading into the elections.

Vavi's statement in favour of the ANC followed a meeting of COSATU top brass on April 9, which was addressed by Ramaphosa. Appearing in the company of ANC Deputy Secretary General Jessie Duarte, Ramaphosa extracted a promise from the contending sides not to try and remove Vavi and not to expel NUMSA for a month—that is, to wait until after the May 7 ballot.

Defending himself from detractors, Vavi said he could not as COSATU General Secretary, adopt positions counter to the federation's resolutions. NUMSA General Secretary Irvin Jim remarked that Vavi's endorsement of the ANC was "at his own peril." The *Mail & Guardian* reported Vavi as saying "the intervention by the ANC was a good thing."

This is the man who has been held up as a working class hero by NUMSA and its allies. He was even mooted as a potential leader of a new "socialist" party, whose formation the union has mooted. That did not stop the pseudo-leftist Workers and Socialist Party (WASP) from rushing to praise the verdict overturning Vavi's suspension as "a victory for the working class."



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact