

# South African mineral resources minister seeks end to 18-week platinum miners strike

Thabo Seseane Jr.  
31 May 2014

Newly appointed Minister of Mineral Resources, Ngoako Ramatlhodi, has set up a team composed of personnel from his department, the Department of Labour and the Treasury to try to break the 18-week strike in platinum mining.

The team set up meetings with officials from Anglo American Platinum (Amplats), Impala Platinum (Implats) and Lonmin, as well as with representatives of the Association of Mineworkers and Construction Union (AMCU). This followed talks with the Chamber of Mines and the union on May 27 and 28.

The news came amid reports of a 0.6 percent contraction in economic output for the first quarter of 2014 that commentators have quickly attributed to the strike. Statistics South Africa (Stats SA) reported that the decline followed a 3.8 percent increase in gross domestic product in the last quarter of 2013.

The African National Congress (ANC) government of President Jacob Zuma has repeatedly made noises meant to reassure investors. However, certain sections of global and international capital are dissatisfied with the commitment of the ANC government to the defense of their interests. According to economics consultancy Econometrix, there are doubts about the ability of the new cabinet, announced by Zuma on May 25, to implement the neoliberal National Development Plan (NDP). Zuma replaced Pravin Gordhan with his deputy Nhlanhla Nene as minister of finance, while Trevor Manuel, the former finance minister who chaired the National Development Commission, has resigned.

Ramatlhodi is now attempting to ease the nerves of global investors. He follows in the footsteps of Johannesburg Labour Court judge, Hilary Rabkin-Naicker, who restarted negotiations between the union and the mine owners after a three-week standoff. Referring to these talks, the minister told Talk Radio

702, “It appears like the mediation came to a stop [on May 27].”

On May 20 the parties were in court over an AMCU application to interdict mine owners from bypassing the union and communicating directly with striking workers, including via texting. AMCU maintained that the companies’ messages fuelled tensions and violence among workers around platinum-mining operations near Rustenburg. In a desperate bid to break the strike, the companies resorted to texting employees after they rejected the employers’ wage offer in April.

Judge Rabkin-Naicker won widespread praise in the mainstream press for her mediation. AMCU executives declared themselves “optimistic about giving this opportunity a chance.” Union treasurer Jimmy Gama stressed that AMCU would not pursue the interdict so long as this latest round of talks lasted.

The offer of mediation was also eagerly seized on by the companies.

According to chief executive Ben Magara, Lonmin has spent US\$60 million a month over the period of the stoppage. Lonmin dismissed 235 essential services employees when, the company says, they ignored a May 12 court order to return to work. Magara has said that wider retrenchments are certain when the strike ends.

Amplats CEO Chris Griffith earlier in May irritated many, even in bourgeois circles, with his boorish remarks over his pay and the company’s broader executive and management bonus-share scheme. *Business Day* reported, “Griffith, his 11 executives and top management have been awarded R25.3m [US\$2.41m] in a bonus-share scheme... A further R51.8m would be awarded to the team...if a number of...criteria were met.”

According to the 2013 Amplats annual report,

Griffith personally received a total of R17.6 million (US\$1,651,000) in remuneration, of which R6.7 million (US\$633,000) was basic salary.

AMCU recently observed that top management at the three companies where the union's members have struck are paid 209 times what the lowest-paid employees receive. As during the August 2012 bloodbath at Marikana, striking workers are fighting for a raise in minimum basic pay from R4,500 to R12,500 a month.

Against criticism of the Amplats bonus-share scheme, Griffith blustered, "Am I getting paid on a fair basis for what I'm having to deal with in this company? Must I run this company and deal with all this nonsense for nothing? I'm at work. I'm not on strike. I'm not demanding to be paid what I'm not worth."

Two days later he ate his words. In a letter sent to several publications, Griffith stated, "I wish to apologise to the employees of Anglo American Platinum and the readership for comments I made in a *Business Day* article... My choice of words was inappropriate and a poor way to describe the extremely challenging situation... I care deeply about the impact of this strike on the lives of our employees."

The apology came as Amplats chair and Mbeki-era cabinet minister, Valli Moosa, declared that the furore over executive pay had "not fallen on deaf ears". About Griffith, Moosa affirmed that he had "always known him to be genuinely attuned to and sensitive to...stakeholders and...staff..."

In the same week, assayer and precious metals dealer Johnson Matthey gauged that 2014 platinum demand will exceed supply by 1.22 million ounces, the biggest shortage since 1975. The deficit for palladium, a byproduct of platinum refining, would be 1.61 million ounces, the biggest shortfall since 1980. Johnson Matthey calculated the figures on the assumption that the AMCU strike would have ended by late April.

In the latest Stats SA figures, the mining and quarrying sector showed a 24.7 percent slump, the biggest quarterly drop since the second quarter of 1967.

Any anxiety in global financial circles would have been exacerbated by AMCU's threat to extend the strike. "Next month, colleagues in the gold fields are expected to down tools demanding R12,500 too, and this strike in the platinum sector will be strengthened," said Siphamandla Makhanya, AMCU chairman at

Amplats' Khuseleka shaft in Rustenburg.

"The Chamber [of Mines'] gold [mining] members will oppose the [new] strike," said Elize Strydom, the employer body's chief negotiator. Gold producers received a Labour Court interim order in January prohibiting an AMCU gold mining strike until June 5 because a binding wage agreement has already been reached with three other unions representing the majority of unionised workers in the sector.

The ANC government and local big capital are being pressurised by their imperialist masters to step up repression against striking miners and workers in general. However, the government is apprehensive about provoking further militancy following the ongoing blowback from the Marikana killings. This tension points to the unravelling of the post-apartheid pact ratified by the country's financial and political elites.

Under conditions of the global capitalist breakdown, the dominant sections of capital will not rest in pushing the ANC government to use the 62.2 percent "mandate" it won in the most recent elections to carry out the anti-working class measures of the NDP. This is the significance of Cyril Ramaphosa—NDP co-drafter, Lonmin shareholder and the butcher of Marikana—being elevated to deputy president.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**