



This article is the first – the opening salvo, if you like – in what we hope will become an interesting and informative exchange of views on the platinum strike, and labour issues more generally. In this vein, *Leadership* invites other stakeholders, including mine owners and government, to respond. We will gladly publish these responses in future issues.

Striking for dignity

The protracted strike in the platinum sector has turned monstrous, polarising society and casting a long shadow across the economic landscape, with smokescreens of rhetoric hanging over the land and harsh aspersions cast like javelins at all and sundry – but what is really driving this unprecedented labour dispute?

So much, yet so little, has been said about the ongoing strike involving 70 000 platinum workers. We hear how much the companies are losing in lost production, and how much workers are losing in lost wages. Anglo Platinum is threatening closure of mines and Impala is talking about mechanisation, and so the story goes.

Workers are demanding a phased-in increase over four years, to R12 500 a month. The platinum producers have now made a move to meet the workers' expectations. This is positive,

but will it bring lasting peace and does it go far enough?

President Jacob Zuma recently said, “we have a good story to tell” – but not for mineworkers or, for that matter, any worker in South Africa.

Government spokespersons talk of political instigators. Other commentators blame the labour relations framework. None of this tells us much about why 70 000 workers returning after the Christmas break, penniless, would embark on such a long strike.

Is it possible for agent provocateurs to incite workers to go hungry, so that their families suffer? No doubt the government, and to some



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extent the industry, would like to believe this. Indeed, it seems the government uses this argument to distance itself from any blame or responsibility.

Stuck in an old mindset

The government convenes meetings around the mining peace accord, in order to be ‘seen to be doing something’. One of the major unions, the Association of Mineworkers and Construction Union (Amcu), is not present, even though the National Union of Mineworkers (Num) and Chamber of Mines are. They are stuck in an old mindset and talk only about the labour relations framework and centralised bargaining.

Marikana witnessed a changing point in our country. It said we no longer accept the status quo – we want a better life and are prepared to die for this ideal. This broader message is being lost amid all the fallout of the strike, and while the Farlam Commission of Inquiry deliberates, the country burns. We need to learn the lessons from Marikana – now.

Are workers unrealistic in what they want, in what they feel is fair and just remuneration? Is it true that the industry cannot afford it? Stockpiles of platinum continue to supply the markets, and profits keep coming in, but it seems now they are drying up. We hear cries that the strike is affecting investment and Amplats says it is reviewing its platinum operations and implies it will disinvest. Is this possible? No! It is difficult to sell operations mired in strike action. It’s too risky. And many of their shafts are nearing the end of their lives anyway.

The longer the strike goes on, the harder it is to get these shafts operational again. So perhaps Amplats wants to sell, but it knows that firstly it has to settle the risk issues. Let’s hope not, as the social and environmental remediation needed if sold to a junior player will leave the area devastated. Just look at the greater Johannesburg legacy of acid mine water and the billions it’s going to cost to remediate.

The other threat is to mechanise. Johan de Lange of Miningmx does not believe the future of mining lies with fewer workers. He says: “Mechanisation is another old ‘solution’ that is now gaining ground again.

Exposed to wind and weather

“This is a false way of distracting attention if ever there was one. In the junkyards at virtually every one of the country’s most famous

gold shafts, and platinum shafts nowadays too, there are thousands of tonnes of steel exposed to the wind and the weather – machines bought for billions for ‘mechanisation’, but removed a year or two later and dumped as scrap because mechanisation causes a shaft’s production to drop drastically. Two of the latest examples of these expensive experiments are Hossy and Saffy, Lonmin’s two largest shafts just a stone’s throw from Marikana. This is an expensive way of learning”.

Let us turn to the industry. While the government is failing to regulate the industry effectively, the predominant culture within mining in South Africa remains essentially

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unchanged from what it was under apartheid, and the industry seeks to blame everyone else except itself for the challenges it faces. The labour unrest is merely symptomatic of a deeper malaise underpinning mining in South Africa.

Cosmetic changes in ownership and black economic empowerment (BEE) participation have not translated into anything meaningful for workers and communities. While communities contest the way companies have gone about empowering an elite, at their expense, workers want a bigger share in the wealth they produce. Is it out of greed, or sheer desperation?

The Bench Marks Foundation’s studies clearly show the appalling living conditions and long hours of work, including travel to and from work, which mineworkers must endure.

Mineworkers essentially sacrifice their lives at the altar of profits they do not share in. Coupled with this is the direct impact mines have on the health and welfare of communities and their livelihoods. Land contestation and land disputes and dispute over royalties further fuel this volatile situation, and communities have little redress. This second frontier cannot be ignored.

At the same time, these mining houses all talk of sustainability, yet ignore wages as a sustainability issue. Even workers receiving the living allowance cannot afford decent accommodation.

But all we hear about are investor expectations. This is based on short-termism, and quick and high returns. During the good years, at least over a 20-year period up to 2008, the industry’s average operating margin for the three biggest platinum producers returned close to 30%. The long-term cost on equity in South Africa is 14%.

Complete overhaul needed

New thinking is now needed which encompasses workers and impacts communities so that they are better off and benefit from mining. This requires a complete overhaul of the BEE framework. Instead of focusing on the development of the elite and high-profile, politically

connected people, the focus should be on workers and impacted communities.

In 2012, when striking rock drillers from Lonmin wanted management to negotiate with them, Lonmin refused because the recognised collective bargaining route was through the union, the NUM.

Now, workers under the umbrella of the Amcu, their union of choice, are being undermined. The three big platinum producers, unable or unwilling to negotiate effectively, now believe they can go to workers directly – offering them what they have already rejected.

What do they think they will achieve going this route? Undermining the recognised union, questioning whether or not Amcu is truly representative of workers’ demands, says a lot about their ability – or lack thereof – to negotiate in good faith.

Good faith bargaining requires the companies not to undermine the collective representative of workers.

Otherwise, why have unions? It seems, when it suits them, they don’t engage workers – as with the 2012 Lonmin strike. And when the collective agent of workers refuses, with a mandate not to accept the latest wage offer, they go to the workers directly!

It's unwise, and beset with problems. Right now, Amcu is the agent that the companies have to go through.

Breaking down social cohesion

Do they actually believe they can break the union this way? And if they do, what do they achieve? All that can be achieved is mistrust and the breaking down of social cohesion. Workers seem resolute to continue in their struggle for a living wage.

As one of the workers commented: "Nelson Mandela suffered for 27 years, and we are prepared to go on for another six months."

Offering a package between 75% and 10% is not much different from their original stance of between 7% and 9%. What Amcu should be talking about is separating the living-out allowance from wages.

Is it actually part of wages? No. Historically, workers have been accommodated in hostels. Central recruitment is done through Teba, the recruiting arm for the industry. In effect this means migrant workers have been brought into Rustenburg.

With the limitations of the mining charter, conversions to family and single-sex quarters, more workers are pushed out into the surrounding areas, without accommodation.

In the case of Lonmin, which employs roughly 30 000 workers, the conversion process has displaced between 9 000 and 15 000 workers. Fifteen years ago, the hostels accommodated between 12 000 and 18 000 workers. But the Lonmin workforce, like those of other producers, has grown, so 27 000 workers live in backyard shacks.

But workers living in the hostels of the three producers while on strike continue to receive accommodation, albeit subsidised. This privilege has not been withdrawn, while the living-out allowance has not been paid for during the strike. Surely this is a double standard? Amcu should be demanding the living-out allowance, back-paid from January 23.

What really is at stake is a principle. It's not about how much in wages workers have already lost, but about receiving fair compensation for their labour.

Unfortunately for the companies, they are going to have to face this head-on and deal with it. These same companies talk about stakeholder capitalism where all stakeholders must benefit, not just shareholders. Yet that is all it is, talk.

Practically, this means addressing socio-economic development in a holistic way, which addresses the dire socio-economic issues along the platinum belt. It does not mean business as usual and high shareholder returns at the expense of workers and the broader environment in which they operate.

Mediators needed

A team of experienced mediators is needed. What is on offer needs to be unpacked, broken down and examined. The government needs to stop talking in generalities, calling mainly on the union to be responsible.

It's time the companies acted responsibly and, perhaps, they now have finished their study on the dire socio-economic issues affecting the platinum belt. Their findings, I am sure, will be the same as the National Treasury's, and several studies by the Bench Marks Foundation.

They need to respond – and respond appropriately. Going to workers directly is not going to change the stance of workers demanding a living wage. If anything, it is going to harden attitudes and, eventually, they will have to face this new problem that they have brought upon themselves. Remember Marikana, the 34 deaths and the resolve of workers to continue striking in the face of police brutality, and ponder whether undermining the union will lead anywhere.

A mining Codesa – as called for by Bishop Jo Seoka – is urgently needed.

It must address the historical issues, current issues and the returns on investment to gain a true picture of the industry and the externality cost passed onto workers, communities and the environment.

In doing so, we must have a picture of the industry and explore concretely what can be done to address the dire conditions of workers and surrounding communities. After all, this is not just a labour dispute; it's about lack of transformation.

All the pressure is on the workers' union, AMCU, to 'be reasonable' and call off the strike, one of the longest drawn-out strikes in our history. The question is: is the workers' demand of R12 500 per month, to be implemented incrementally over four years, unreasonable?

Crippling conditions

The three big platinum producers say it is, but workers' daily lived experience, the nature of

the arduous work they do, coupled with crippling living conditions favours their demand for a living wage.

What is surprising is that after workers gave AMCU a mandate to phase in the R12 500 over four years, the industry has not shifted. Why?

The announcement by Amplats that it intends selling off its Rustenburg mines doesn't come as a surprise to Bench Marks. We predicted in 2007 that its Rustenburg shafts were nearing the end of their lives. Three years ago, we heard such ramblings by Amplats about closing three shafts.

What an opportunity to blame the workers and, at the same time, by selling, avoid their social and environmental liabilities.

Already the old gold mines ditched their responsibility on the gold reef to remediate and now the taxpayer is burdened with a bill running into billions to clean up contaminated water. Is this the legacy Amplats wants to leave behind?

But, more to the point, can Amplats afford not to be moving toward sustainable wages? The platinum belt, once a citrus farming area where people lived off the land, is now irrevocably destroyed, and now Amplats threatens to sell!

Amplats wants to blame everyone else, except its own practices of paying apartheid wage rates. Over 20 years, the big three platinum producers made returns on investment just below 30% and on average had a benchmark of 14% returns on investments.

Now, of course, they argue that a sustainable wage is not reasonable. Workers, of course, know how the industry has been performing over the past 20 years. They also know they have not shared in the wealth on an equitable basis.

Expertise available

Of course, all three of these companies, especially Amplats, know how to settle the strike. They have expertise available. They can table an incremental offer even if it does not match entirely what workers are asking for.

But they have chosen to sit the strike out, close their operations, and Amplats has said it would expand its open-cast platinum mining in Limpopo. Looking in from the outside, while having an understanding of workers and their working and living conditions, whereas in the case of Lonmin, 27 000 of its total workforce

live in squatter like communities, we can estimate that close to 100 000 workers live like this. Utter despair spurs these workers on. They are prepared to sit it out, even if they all lose their jobs. What does this say about workers' sacrifice of their income?

Perhaps it says they feel they are already poverty-stricken, so what else do they have to lose? Their dignity is already impaired by low wages and bad living conditions.

But Amplats has a chance to show it can be a good corporate citizen, only if it accepts that workers' demands are legitimate, which they are. So why not show South Africa and the world that it is prepared to be reasonable and make some movement?

No significant move on wages

What can we expect if the attitude of the company is to play this out in the media, yet on the ground threaten workers and the whole of Rustenburg's future without making any significant move on wages? Well, good for Amplats and its shareholders if it can manage the new risks it is creating.

Imagine a move by just one of the companies toward at least recognising that workers' demands are legitimate and to use this as the starting point.

Imagine the confidence and morale of workers who begin to share in the ANC's 'a better life for all' motto. But the response is to continually treat workers as the enemy, and this only spells trouble for anyone wanting to buy their operations.

My sources tell me that workers' resolve is high. The strikers are aware that 34 workers died, they say, so that they could have a living wage. A common refrain among workers is, "What would the ancestors say if we returned to work?"

It can be argued that this is not a normal strike. It is more than a normal strike. We face a moral and ethical dilemma in our democracy. The strike has its roots in the Marikana massacre.

How this strike is dealt with will be a reflection of the state of our democracy. Workers have a constitutional right to strike and to choose a union they believe can represent their interests.

The strike arises from huge anger, resentment and frustration of workers not benefiting from the fruits of democracy. Wages and living conditions are central themes.



Mark Munroe, executive vice president for mining at Lonmin, the world's third-largest platinum mining company, speaks during a press conference

But so is human dignity, hope for a better life, and the desire to be treated in a humane and respectful manner. So why is it that this strike seems to go on endlessly? In whose interest is it to sow conflict?

If there are vested interests preventing the settlement of the strike, we have a problem. The tripartite alliance has interests, and so do the mine bosses.

Many of the Rustenburg mine shafts are coming to the end of their lives and it's a good time for the industry to restructure.

No political will

It seems as if there is no political will to resolve the strike. What is transpiring – the killing of workers, the potential for xenophobic reactions and the lack of will on the part of the companies and the government to end this strike peacefully – spells absolute disaster. We have a crisis of epic proportions, and this needs to be addressed. The government needs to remain impartial.

Worst of all is the way Amplats, Implats and Lonmin use the media to convey an impression

of workers wanting to return to work. There is no evidence that workers at large want to do so. On the contrary, they believe they are fighting for their human dignity, like Nelson Mandela.

The companies need to reassess how they are dealing with the strike. They need to engage the representative union in good faith and not take advice to the contrary. The concern of Bench Marks is the welfare of people and their dignity, and to ensure this strike is peacefully resolved.

If not, our democracy is weakened, social unrest will be the norm, and the losers will be all of us.

Now we can only pray and ask the country as a whole to support the recent intervention by South African church leaders. ▲

John Capel is the executive director of the Bench Marks Foundation. He is frequently approached for comment and analysis on labour issues in South Africa by international media. This article has been distilled from separate pieces previously published in The Star Business Report, The Sunday Independent and Business Day.