

4 struggles

Bosses' jobs bloodbath or

Ruling class gathers forces to take on the mineworkers - workers need to prepare for battle



Over 20 000 workers and residents in a disciplined march to compel Karee 4-shaft to join the Lonmin strike, Marikana September 2, 2012

Having opened 2013 by testing the waters with closure threats at Kusasalethu and Amplats, the mining bosses at the end of January appeared to adjust their tack, with Amplats agreeing to a two-month moratorium on the retrenchment of 14 000 workers, Harmony Gold hinting towards reopening Kusasalethu and Lonmin announcing plans for an employee-share scheme. The waters may have been found too rough, for now – immediate strike action and protestations even from the industry's most loyal servants, the ANC government, alerted the bosses to the need to smooth their approach. They are however only biding their time, in the hope that the mineworkers' combativeness will ebb and allow them a safe return to workplace dictatorship and dream profitability. Having overplayed their hand at first, the bosses will try to play the rest of the unfolding game all the more cleverly, applying both carrot and stick. The working class' response to this resumption of hostilities will decide the outcome.

by Liv Shange

The last skirmishes of the 2012 mineworkers' struggle took place at Harmony Gold's Kusasalethu mine outside Carletonville, with the last of a series of underground sit-ins defused by a combination of bloody police repression and a promise of talks. It was also Harmony Gold which opened up the mine bosses' offensive on New Year's Day, 2013, by throwing workers out of their hostels and locking them out of the mine. The government was silent. The workers had to focus on securing shelter and food before any serious fightback could begin. Emboldened, the mining bosses opened up a second front at Amplats centred on the Rustenburg shafts which had been at the forefront of last year's strike. Amplats threat to retrench 14 000 workers is an open challenge to the entire working class. It would be the largest retrenchment by a single company in the history of South Africa.

Battle for control of the mines

The significance of the capitulation of the Lonmin bosses last year went far beyond the wage increases. They were compelled to condone the collapse of the authority of their bass boy union, the National Union of Mineworkers (NUM), to sign an agreement outside of the provision of the collective bargaining system for the first time, and to recognise the strike committees set up by the workers independently of all the unions. This is why Lonmin was condemned by big business as well as the NUM.

The real motive of the mining bosses, all behind Harmony and Amplats, is to recover from this political setback and restore the balance of power in the mining industry. This is revealed by the vengeful but premature comment of Harmony Gold CEO Graham Briggs: 'The tables have turned. It is us the company, which has demands on the table now' (Business Day, 13/01/15). Management's position, Briggs states further, is to disregard past grievances and to demand that workers return to work on their terms. The terms stipulated by Harmony – e.g. a prohibition of workers' mass meetings – are in effect aimed at frustrating workers' exercise of their collective power (and democratic rights).

This is an orchestrated strategy to break the defiance of the workers, re-establish the authority of the NUM as a collaborator in maintaining 'discipline' over the workers, or (second-best) to co-opt the Association of Mineworkers and Construction Union (AMCU) into that position and break the back of the independent strike committees – in short, to restore the pre-Marikana dictatorship of the mines.

Negotiating illusions

The NUM leadership's initial reaction to the threat of retrenchment was to echo management's threats. They continue to swallow the argument that the retrenchments are being forced on management due to a combination of circumstances out of their control and the 'unreasonable' demands

of the workers. Instead of exposing management's hypocrisy and mobilising for mass action to defend jobs, they are using the moratorium to peddle the illusion that the differences between the bosses and workers can be resolved by negotiations. In fact they are disarming the workers. It is ruled out that any alternative jobs created through management's proposals would absorb 14 000 workers.

Bosses: profits for us, losses for you

While the shut-down of the mining industry last year meant lost production, such amounts remain small change to these multinational companies compared to the political cost – the overthrow of the very framework which capitalists have relied upon since the early 1990s: the NUM's containment of workers. Lost production also pushed up the price of ore, while the level of wage increases pale in comparison with other cost increases such as electricity.

Despite the decline in demand for platinum since the global economic crisis hit in 2008, fabulous profits are still made across the mining industry. According to the Labour Research Service, in 2011, the nine largest mining houses made a combined profit of R39 billion. This could have enabled these companies to pay each of their about 350 000 workers R88 000 a month and still make a profit. They did not denounce the workers' demand for R12 500 because it was 'unaffordable', but because

it threatened the balance of power.

Harmony made a profit of R2.5bn for the year ended March 31, 2012. Harmony was the Johannesburg Stock Exchange's best performer of last year. Year-on-year, it increased net operating profit by 80% from R3.3bn to R5.9bn for the period 2011/2012! Nor did the strike and its outcome make a serious dent on profits – in the December quarter, operating profit increased by 16%, to R1.6bn, despite lower output due to the continued protest action at Kusasalethu. In contrast, lost production resulting from the strike, October 2-29, 2012, amounted to R325m. Increased wages will cost the company a mere R10m a month. While refusing its workers shelter, the company is confident enough to pay out a 50c per share dividend to its owners. Graham Briggs earns R7.3m a year even after being forced to forego a bonus of 50% of his salary (because the company failed to prevent fatal accidents). The wage gap in the mining industry is 390 to 1, with the average CEO earning R55 000 per day!

In 2011, Amplats made a profit of R7.96bn but still retrenched workers. The company now attempts firstly to blame the workers' struggle for 2012's turn to a loss of R6.34bn, and secondly to make them pay for it with jobs and organised strength. While Amplats undoubtedly faces real problems from the capitalists' view, and is not paying out a dividend, the company is reassuring capital that it still has plenty of room to manoeuvre. According to Amplats' own figures, the four Rustenburg shafts earmarked for closure increased labour productivity and output of 20% and 30% respectively in the first half of 2012. The strategic aims of the restructuring (cutting production) are both to offload the burden of the worldwide economic downturn on the workers, and most importantly to break their fighting capacity.

SA's mines – platinum in particular – have been making beyond-fabulous profits in the past decades. By mid-2012 however, five years into the worst crisis of the capitalist world economy in a century, with an overcapacity in car production equal to the size of the entire United States' market, the forecast over-supply of platinum was 210 000 ounces for the year. Overproduction and waste alongside massive unfulfilled needs are no accidents, but problems built into the very nature of the capitalist system. The vast majority of the world's population is being exploited to such an extent that there simply aren't enough buyers for the products of this exploitation – how many mineworkers own cars or jewellery, for example? The mining giants compete by churning out ore in bulk, blasting several times a day; pressing down the prices further, depleting the

mineral resources and leaving only environmental and social degradation to show for it, instead of industrial and social development.

Already at the onset of 2012, it was clear the mining capitalists were contemplating how to get out of the corner they had put themselves in, tiptoeing around an offensive to cut production, correctly fearing the workers' response. Several platinum shafts, e.g. Aquarius' K4 and Everest mine, were closed; others were in the pipe-line. The bosses' hand was only stayed by the workers' revolt, which was partly informed by the recognition that this was a time to either move forward or be thrown way back. As most mining strikes were drawing to a close in November 2012, the mining magnates renewed, with ever-more urgency, their plans to unleash the cost-cutting and in the process crush the key gain of the strike movement – the workers' regained class independence. While they may be forced to smoothen out their tactics, there is clearly no going back on their strategic targets. As one analyst explained at the onset of the Lonmin strike, the clash between workers' demands for decent wages and living conditions and the bosses' drive for profitability is one of 'immovable object and unstoppable movement'.

ANC will not defend workers

Minister of Minerals and Energy, Susan Shabangu's, condemnation of the Amplats retrenchment announcement is sheer hypocrisy. She was at the forefront of the entire economic and political elite's hostility towards the Lonmin workers' strike which was most clearly expressed in the Marikana massacre. What Shabangu and the ANC really reacted to is the fact that the mining bosses' action exposes the contempt in which the capitalists hold the ANC government. After 19 years of bending the knee to big business, the mining bosses rightly see them as their stooges. If you lie on your belly in front of the bosses, they will kick you in the teeth!

The 'arrogance' of the bosses' counter-offensive was directly invited by the ANC – the Mangang rejection of nationalisation and rewarding of the butchers of Marikana was sweet comfort to the likes of Amplats CEO Chris Griffith (see p. 5 for more). Despite its noises about withdrawal of licences, the ANC government is incapable of taking any decisive action in defence of the mineworkers. Its real attitude is reflected most clearly in NUM's blanket acceptance of the capitalist logic that leaves only a question of exactly how the working class will be made to pay for the crisis.

Socialism or barbarism

The threat to withdraw Anglo American's mining licences, however, points to the potential for the struggle ahead. Neither government hand-outs of mining