

Anglo American Platinum to Eliminate Thousands of Jobs in South Africa

Downsizing comes amid rising strikes by workers

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South African workers are continuing their struggle against the bosses with strike actions spreading from the mines, automobile plants, air transport technology stations to construction sites. On September 3, thousands of members of the National Union of Metalworkers Union (NUMSA) were scheduled to march through Pretoria to the headquarters of the National Association of Automobile Manufacturers of South Africa to deliver a memorandum demanding that the trade group pressure car production firms to settle a strike that was in its third week.

In the most significant industry, platinum mining, the largest owner Anglo American Platinum (Amplats), has announced that up to 7,000 jobs could be eliminated in a restructuring program. The company had earlier threatened to fire twice as many workers but revised its plan to wipe out only 50 percent in the initial proposal.

These developments are taking place throughout the mining industry inside the country. Anglo American, which is also involved in other extractive markets such as gold, has reported a 10 percent decline in value since the beginning of 2013.

Amplats produces 40 percent of the platinum sales internationally. The most profitable region for the firm is located in Rustenberg where during 2012 police shot dead 34 miners at the Lonmin corporation facility at Marikana on August 16.

Several leading firms in mining have faced mounting difficulties since the beginning of the year. According to Business Tech in South Africa, "Other mining companies saw even bigger declines: Kumba Iron Ore shrank 17.4% to R148.5 billion (2012: R179.7 billion); Impala Platinum cut off 24.6% to R74.8 billion (2012: R99.1 billion); and Goldfields dropped off the top 25 entirely, having nearly halved its market cap, dropping 45.6% to R42.8 billion (2012: R78.6 billion)." (August 28)

Corporate media reports have indicated that the widespread wild cat and protected strikes are at the root of the job elimination. Workers in the mines are represented by two rival unions the National Union of Mineworkers (NUM) and the newer Association of Mineworkers and Construction Union (AMCU).

NUM representatives claim that negotiations between the union and Amplats owners resulted in a compromise of 3,000 job losses and not the 6,900 officially announced by company executives. NUM has threatened to strike in response to the layoffs but AMCU has said it will not support a strike until the job cuts are final.

A spokesman for Amplats noted “A month’s notice period for affected employees will commence on 1 September,” said Amplats CEO Chris Griffith, concluding plans to trim 6,000 mining and 900 white-collar jobs to supposedly save approximately \$400 million a year.

Griffith went on to point out that other saving would come from “voluntary severance packages, early retirement, redeployments and the filling of internal vacancies.” (AFP)

Meanwhile, in the gold sector, a war of words took place between unions and bosses on September 2 when workers threatened to strike the following day demanding between 60 to 150 percent wage increases and better conditions of employment. The firms where workers were prepared to walk off the job are AngloGold Ashanti, Gold Fields, Harmony Gold and Sibanye Gold.

The mining executives are responding to the labor unrest by blaming the workers for the crisis. Mark Cutifani, the CEO for the Anglo American said, “Promoting expectations above the capacity of the industry to pay is a dangerous road that may have tragic consequences for employees who do not understand how close we are to economic devastation in certain sectors.”

“If we lose each other in the present discussions, we will count the costs in mines closed and tens of thousands of jobs lost,” Cutifani was quoted as saying in a commentary in the Business Day newspaper.

Mine owners were considering a pre-emptive lockout of the 120,000 workers who were threatening to strike. Around 67 percent of the miners belong to NUM and others are affiliated with AMCU.

AMCU leader Joseph Mathunjwa, whose union is not striking, warned that if the mine owners proceeded with a lockout tension would rise sharply in the country. The decline in the value of the South African rand and uncertainty in the labor market has led to bleak forecast of the overall economic situation in the continent’s largest economy.

“I have informed the minister of police that the manner in which the gold CEOs want to approach this wage negotiation, through an offensive lockout, will result in violence,” Mathunjwa said. “A strike is not what we are after, we are being pushed into a corner,” the AMCU leader said.

Within the gold sector of mining, large-scale cuts have taken place over the last two decades since the ANC came to power. South African gold which previously dominated 80 percent of the global market now only constitute 6 percent.

Tripartite Alliance Holds Economic Summit

With these mounting labor struggles taking place, the three main pillars of the current South African dominant political force, the Tripartite Alliance, held an economic conference in Johannesburg during August 30-September 1. This alliance consists of the ruling African National Congress (ANC) and its two main allies, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP).

Also the South African National Civic Organizations (SANCO), which is a coalition of community organization in alliance with the ANC, participated in the gathering. These allies

have proved essential in the ANC's electoral and governing strategy and the loss of support or lack of coordination between the Alliance would be to the disadvantage of the ruling party.

At the conclusion of the summit a joint statement was issued reaffirming the long term partnership between the organizations while differences were downplayed over the future direction of the country.

All of the organizations involved pledged to carry out the second phase of the National Democratic Revolution initiated when the apartheid system collapsed after decades of mass and armed struggle in 1994. Nonetheless, the summit recognized that if this transition was not carried out the Revolution would be destroyed.

COSATU wrote of the meeting that "Our Summit takes place in the context of the gravest global economic crisis since the 1930s. From 2007 its original epicenter was in the developed economies, notably the US and Europe." (September 1)

This same statement continues "The Alliance Summit agreed that we must correctly understand this global context, and rebut attempts from some quarters to shift the blame for the impact of this crisis on the South African government, or the labor movement. Instead, we must remain steadfast in our commitment to place our economy onto a new growth path that, amongst other things, lessens our exposure to currency and other market volatilities."

Jeremy Cronin of the South African Communist Party (SACP) said in a press conference "As we go to the elections, [we need] to communicate among ourselves and [with] South Africans. We need to deepen the relationship and effectiveness of the alliance...working together."(Times Live, South Africa, September 2)

Nonetheless, in acknowledging the current economic crisis of capitalism is worldwide, the Tripartite Alliance must move the South African working class out of the system of exploitation through direct policies that will lead to the implementation of socialist planning. Outside of such a transformation, the ANC and its allies will not be able to provide job security, land redistribution, the eradication of poverty and the elimination of all vestiges of institutional racism and gender oppression inherited from the apartheid system of settler-colonialism.

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