

# Growing Labor Unrest in South Africa's Mining Industry: Anglo American Threatens to Cut 14,000 Jobs

By [Abayomi Azikiwe](#)

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## Growing labor unrest in the mining industry prompts retaliation from capital

A major struggle is unfolding in the Republic of South Africa with the recent announcement that the Anglo American Platinum Corporation (Amplats) will lay-off thousands of its workers. Amplats is the world's largest producer of platinum where in South Africa the country has deposits of 80 percent of world's known reserves of this strategic mineral.

After opposition to these plans from the African National Congress (ANC) government and the Congress of South African Trade Unions (COSATU), the largest trade union federation in the country, Amplats reduced the number of proposed job cuts to 6,000. The planned downsizing could very easily trigger a new round of labor unrest which could potentially shut down production throughout the entire industry.

Amplats claims that wildcat and official strikes during 2012 caused 70 percent of all mines to operate at a loss. In August of 2012, strikes and other violence in the Rustenburg area at the Lonmin facilities resulted in the deaths of 44 people, including 34 miners gunned down by the police at Marikana.

Militant actions by workers in 2012 prompted salary increases and pledges by the mining bosses to improve conditions of employment. Many within South Africa believe that these pronouncements by the mine owners are designed to discourage demands for higher wages and for the companies to re-invest in approving the communities surrounding the facilities.

According to the Globe and Mail, "The decision is expected to cut production by about 250,000 ounces at the Amplats mines next year - about 11 per cent of its total production - and it will be followed by further cuts of 100,000 ounces in following years. Three mine shafts in the Rustenburg area will be idled. The restructuring of its mining operations will cost the company about \$250-million (U.S.)." (May 10)

The COSATU leadership has declared that it will not take these threats by Amplats without a response. Another rival union which has made headway in the industry, the Association of Mineworkers and Construction Union (AMCU), is also pledging to take industrial action in response to the proposed job losses.

"It is a spit in the face to the workers and people of South Africa," said Patrick Craven, spokesman for the Congress of South African Trade Unions. "Thousands of families face

losing their only breadwinner, and communities around the mines and in far-flung rural areas will be devastated.” (COSATU Statement, May 10)

Most of the mines in South Africa are owned by capitalists inside the country as well as firms based in Britain and Canada. Since the abolition of the apartheid system some smaller African investors have taken control of shares in the industrial giants.

However, the ever-increasing thirst for profits has resulted in very little improvements in wages for the workers. The high rate of unemployment and underemployment in the country is also a factor in maintaining the intransigence of the bosses related to demands for better salaries and conditions of employment.

### **Calls for Nationalization Resurface**

In response to the planned job cuts, leaders of COSATU and its largest affiliate, the National Union of Mineworkers (NUM) have not only threatened strike actions but are reemphasizing previous calls for nationalization of the mines. The trade union federation has a longtime alliance with the ruling African National Congress party as well as the South African Communist Party (SACP).

COSATU spokesperson Patrick Craven expressed the frustration of workers noting that the policies of Amplats will increase the class divisions within South African society and render even more employees to abject poverty. “This illustrates why COSATU has consistently called for the nationalization of the mining industry, so that it can be run for the benefit of the workers... and not for the profit of shareholders.” (COSATU Statement)

NUM in a statement released on May 10 said that “The union is highly perturbed by Anglo’s decision to bypass the stakeholder meetings scheduled for next week and go ahead with such an announcement. This is an indication that the Chief Executive Officer and his team are simply interested in pursuing their narrow career interests at all costs even at the cost of jobs” says Frans Baleni, the NUM General Secretary.

This same statement goes on to stress that “The company must hand over the mining licenses for the operations that it wants to mothball so that the state can put them to public auction. It is tantamount to holding the state and the workers to ransom to allow Anglo to simply mothball some of its operations” says Baleni.

Over the last two decades inside the gold industry large-scale downsizing resulted in the closing of mines. Tens of thousands of gold miners lost their jobs when owners relocated their operations to other countries in Africa and Latin America in order to ensure the increase in profits.

South Africa is scheduled to hold national elections in 2014 where the ruling ANC will be challenged to put forward a program aimed at improving conditions for the industrial and rural working class, the youth and the poor. A provincial ANC Conference in the Free State during mid-May was addressed by the Deputy President of the party Cyril Ramaphosa, the former General Secretary of COSATU, who urged the party to remain united and to seriously address the concrete conditions facing people inside the country.

**Abayomi Azikiwe** Editor, *Pan-African News Wire*

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