

## South African Mineworkers Union Demands 60 Percent Pay Increase

National Union of Mineworkers (NUM) demand increases in all categories of employment

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South Africa's main industry, mining, is facing tremendous uncertainty with workers threatening strikes over the recent announcement that thousands of employees would be laid-off. The industry has been the scene of protracted struggles since mid-2012 when a series of wildcat and protected work stoppages crippled production throughout the country.

In a recent move by the National Union of Mineworkers (NUM), an affiliate of the Congress of South African Trade Unions (COSATU), a wage demand was put forward on May 17 to the Chamber of Mines calling for a 60 percent pay increase. The bosses have reacted with shock over this demand and financial consultants have claimed that this escalating tension between the mining unions and the owners has deepened the already unstable situation involving the South African economy.

The escalating conflict between labor and management in South Africa is making the system vulnerable, said George Glynos, who is the managing director at financial consultancy ETM Analytics. "Commodity prices are retreating, you have wage negotiations which look like they are turning pear-shaped even before they have begun, and all that on top of a fragile economy," he said. (Reuters, May 17)

In a press release issued by NUM it states that "The union demands that surface workers should receive a minimum amount of R7000 (\$750) and underground and opencast workers minimum should be set at R8000 (\$850) per month. For all other categories, the NUM has put a demand of 15%. Furthermore, the union demands that Rockdrill Operators job categories be rolled up to category 8 whilst other categories are rolled up to category 7. (NUM Press Release, May 17)

"These demands are informed by many studies which have revealed that cash wages received over time has indeed been growing but, the disposable wage has been under severe strain due to the effects of inflation and other expense incurred to maintain a worker's modest lifestyle" says Frans Baleni, the NUM General Secretary.

Also NUM has placed other demands involving housing, transportation and insurance before the mine owners. They are currently awaiting a response prior to the beginning of negotiations in June.

As of May 20, these demands are being attributed as a cause for the decline in the value of the South African rand which dropped to a four-year low of 9.5 percent against the United

States dollar. Share prices for gold producers AngloGold Ashanti and the rival Gold Fields have also fallen over the last eight seasons. (Reuters, May 20)

### **Lonmin Unrest Continues**

In the platinum industry where at least 50 workers were killed last year both at the Marikana massacre where 34 died at the hands of provincial police and in other incidents before and after the massacre, unrest is continuing. The African National Congress (ANC) government established the Farlam Commission to investigate the circumstances surrounding the police killings on August 16.

There has been a major challenge to the NUM dominance in the platinum mines in the area. The Association of Mineworkers and Construction Union (AMCU) is seeking recognition as the principal bargaining unit for the Lonmin Mines at Marikana. At present NUM is still the official representative of the workers.

AMCU is claiming that it has more workers than NUM at the Marikana mines. The NUM is saying even if this is true it should still be allowed to represent its supporters within the mines as a minority unit.

A policy of 50 percent support plus one has guided official representation in the mines. AMCU is saying that NUM should leave the Lonmin mines around Marikana and allow them to lead.

“We admit that for many years on the issue of threshold, it was 50 plus one,” said NUM spokesperson Lesiba Seshoka.

“As a union we have lost the majority at Lonmin,” he said. “We are prepared to give Amcu the opportunity to lead. But they must give us the space to exist, as we did when they were a minority.”

This situation is complicated due to the fact that NUM through COSATU maintains its alliance with the ruling ANC government. National elections are scheduled for 2014 and traditionally the ANC has relied on its majority support from the trade unions in order to secure large margins of victory.

With problems continuing in the mining industry, the ruling party is concerned that the loss of control of the workers in the platinum industry around Rustenburg could place a serious dent in its base of political support. A recent call for a two day strike at Marikana was attributed to an unofficial show of strength by AMCU even though it did not publically organize the work stoppage.

There were mixed evaluations of the outcome of the recent wildcat strike. Some sources say that the stay-at-home was not successful while others claim that it was.

With the overall decline in prices and earnings within the gold and platinum sectors in South Africa, the bosses will continue to pressure the workers through threats of downsizing and the closing of production facilities. Until the mining industry is taken over by the workers through a process of nationalization under employee control, the bosses will remain obstinate in their responses to the demands for higher wages and better living conditions.

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