

South African Platinum Strike Continues Amid Threats to Lay-off Workers

40 percent of world production impacted as national elections loom

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A government mediation team is seeking to resolve the ongoing strike in the platinum industry in the Northwest region of South Africa. Talks were suspended until February 4 as the world's leading platinum mine producers remained stifled by more than a week of strike activity beginning on January 23.

This strike involves production at the world's three largest platinum producers—Anglo American Platinum, Impala Platinum Holdings Ltd. (IMP.JO) and Lonmin PLC (LONMY). The labor action is reported to be costing the owners \$18 million per day.

Mine owners have threatened to lay-off workers if the strike does not come to an end based on the terms of the bosses. Since 2012 there has been a series of strikes and incidents of violence in the platinum mines around Rustenburg, the center of the industry.

The Commission for Conciliation, Mediation and Arbitration (CCMA) has put forward a plan to end the strike but details of the proposal have not been made public. "The mediated proposal or a variation thereof could form the basis of a final settlement in this dispute," said Nerine Kahn, the director of CCMA in an official statement. (Reuters, February 2)

This work stoppage was called by the Association of Mineworkers and Construction Union (AMCU) which is a breakaway group from the National Mineworkers Union (NUM), an affiliate of the Congress of South African Trade Unions (COSATU). AMCU has taken away tens of thousands of workers from the NUM particularly in the so-called platinum belt in the Northwest Province.

Nonetheless, the overall politics of AMCU is not at all clear. Some have suggested their opposition to NUM, COSATU and the ruling African National Congress (ANC) stemmed from their anti-communist impulses.

As a result of the continuing turmoil in the Northwest mining region the company executives are escalating their previous threats to downsize the work force. The strike has spread with the intervention of the National Union of Metalworkers of South Africa (NUMSA), the largest union within COSATU which downed its tools on February 3.

NUMSA has generated controversy in recent months through its criticism of the current leadership of COSATU, going as far as to say that they will not support the ANC in the upcoming elections scheduled to take place in April or May of this year. NUMSA is striking against the Anglo American Platinum (Amplats) whose headquarters is now listed in Britain.

According to Bloomberg, “Anglo American Platinum Ltd. (AMS) will cut as many as 1,400 jobs as a strike that has shrunk output at the biggest producer of the metal by half headed for a third week. The cuts planned for this year follow a loss of 7,438 jobs in 2013 as the Anglo American Plc (AAL) unit known as Amplats merged five mines at its Rustenburg complex into three.” (February 3)

Anglo American CEO Chris Griffith has said that between 1,200-1,400 workers will be downsized during 2014. “By the end of this year we expect that job will be complete. If there are vacancies across the group, we will be able to redeploy those people,” Griffith told reporters. (Bloomberg, February 3)

AMCU is demanding the doubling of monthly wages for their workers to R12, 500 (approximately \$US1, 100). The company says that it cannot afford the salaries and offered the workers a raise of 9 percent which was rejected by AMCU.

Despite the bosses’ claims of potential financial ruin in light of persistent labor actions, Bloomberg reports that “Amplats today (February 3) posted a return to full-year profit helped by rising sales and a slide in the value of the South African rand. It’s on course to achieve a targeted 3.8 billion rand of savings within three years through the Rustenburg restructuring after achieving 1.9 billion rand of savings last year, Griffith said.”

Labor Actions and the Upcoming National Elections

Presidential and parliamentary elections will be taking place within a matter of three months in South Africa as the ANC and opposition parties seek to build their campaigns aimed at winning over voters. The ANC Manifesto for 2014 is calling for the creation of six million jobs and to move faster on land reform geared towards redistribution to the indigenous African population which remains disproportionately impoverished and landless after two decades of national independence from apartheid.

The ANC Manifesto launchings have drawn tens of thousands of people to rallies across the country. A special appeal is being made to the youth, the so-called “born frees”, who came on the scene after the 1994 overwhelming electoral victory by the ruling party in the first non-racial democratic elections in the history of the country.

Opposition parties are scrambling to develop an electoral strategy to challenge the ANC. The largest opposition party, the Democratic Alliance (DA), which is a white-dominated organization with a minority presence in parliament, maintains control of local and provincial governmental structures in the Western Cape Province.

The DA attempted to recruit Dr. Mamphela Ramphele, a former comrade of the late Black Consciousness Movement leader Steve Biko who was assassinated while in detention by the white-minority regime in September 1977, as its presidential candidate. Ramphele, who never joined the ANC even during the height of the anti-apartheid struggle during the 1980s and early 1990s, formed her own political party, Agang, during 2013 saying that she would run for the presidency against President Jacob Zuma.

However, on February 3 at a press conference, Ramphele reported that the purported merger between Agang and the DA was off and that she would not be running for president on the slate. These developments have strengthened the position of the ANC who had labeled Ramphele as a “rent-a-black-face” candidate for the DA.

Ramphele said during the press conference that “You may have by now seen ‘joint’ statements issued by the Democratic Alliance in which it is claimed that I will be accepting DA membership on Monday. This is not true. Nor did I agree to any such statement.” (Mail & Guardian, February 3)

“I don’t want this to become a ‘he said, she said. But suffice to say the statement I saw was different to the statement that was later released.”

Helen Zille, a former journalist and past mayor of Cape Town, nevertheless presented a different version of events related to the merger of Agang and the DA and the presidential candidacy of Ramphele. Zille said that Ramphele announcement on February 3 illustrated that “By going back on the deal, again, just five days after it was announced, Dr. Ramphele has demonstrated – once and for all – that she cannot be trusted to see any project through to its conclusion.” (Mail & Guardian, February 3)

The outcome of the national elections will depend upon the voting patterns of the youth, workers and people within the rural areas. With turmoil in the mining sector it remains to be seen how the rank-and-file members of the trade unions will vote.

Even though NUMSA has made statements critical of the ANC and its economic policy and the role of the trade union movement in the Tripartite Alliance of the ANC, COSATU and the South African Communist Party (SACP), this may not translate into a broad defection from the ruling party by rank-and-file union members and people within the cities, the countryside and outlying townships. Whatever the outcome of the elections are the people of South Africa will still face the burgeoning crisis of the world capitalist system and can only hope to reverse the deteriorating social conditions with a sharp move to the left that addresses the wide disparities between African workers and the owners of capital.

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