

'Ghost of Marikana' to haunt mining sector wage talks

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THE "GHOST" of Marikana is still with us", according to Mike Schussler, the chief economist at Economists.co.za, who warns of potential strikes facing South Africa, particularly in the mining sector.

The "ghost" is the widespread perception among workers and others that the violent wildcat strike at Lonmin's Marikana operations in Rustenburg, which started in August last year, brought workers a 22 percent wage increase.

"The reality is that the [Lonmin] settlement provided for increases of up to 22 percent."

Schussler said. "The typical worker got about 13 percent."

But the figure of 22 percent has become a benchmark for bargaining and unions are competing against each other for the best deal, according to Schussler.

Last week, the National Union of Metalworkers of SA (Numsa) asked for a 20 percent wage increase in the auto assembly, tyre manufacturing, iron, steel, and base metals manufacturing sectors.

In the mining sector, where Numsa and the National Union of Mineworkers are both represented, rivalry between the two is likely to be fierce.

And both established unions face competition from the newly established Association of Mineworkers and Construction Union.

This sets the scene for militant wage bargaining, including violent strikes, which are seen by union members as a recipe for success.

A one-day illegal strike at Marikana last month brought fears of a repeat of last year's illegal strikes, which disrupted production and led to the deaths of 34 striking miners at the hands of the police.

Standard Bank economist Shireen Darmalingam said 3.5 million man days were lost

to strikes last year, of which 81 percent were due to strikes over wages on the mines.

She noted that the outcome of last year's strikes overall was an average 7.6 percent settlement level, with workers on mines averaging 10 percent.

She warned: "Should we see the mining sector down tools again this year, the impact on growth would be significant."

She said that although mining accounted for only 5 percent of gross domestic product (GDP), it provided about 50 percent of the country's total export revenue.

"A drop in production will limit exports, push the current

account further into the red and limit GDP growth," Darmalingam said.

The current account deficit, which ballooned last year to 6.3 percent of GDP from 3.4 percent in 2011, is the gap between earnings on exports of goods and services and the country's import bill.

Schussler said mining companies, facing falling commodity prices, would be unable to meet the demands. "Eighteen months ago the price of coal, for instance, was \$120 (R1 092) a ton and now it is \$80 to \$90."

According to Standard Bank, 6.2 million man days were lost to strikes in 2011,

NUM to demand double-digit hike

THE NATIONAL Union of Mineworkers (NUM) would ask for a double-digit increase in pay when negotiating with the Chamber of Mines next month, the union said yesterday.

"Demands to the Chamber of Mines will be delivered two weeks from now and the NUM will demand a double-digit pay increase, as well as significant improvement in conditions of service," the union said.

compared with 14.6 million days in 2010 and 2.9 million in 2009. Darmalingam noted that 2010 was "the outlier because

With wage talks looming, tension between labour groups is intensifying. The NUM is losing support to other organisations including the Association of Mineworkers and Construction Union.

"While the union appreciates the difficult economic conditions [firms] may be faced with, these should not be used as an excuse or bargaining chip," the NUM said. – Bloomberg

man days lost were attributed largely to the public sector strike which accounted for 12 million days lost".