

Summit on the mining crisis

A 'new era' of 'co-determination' in the mining industry?

An unprecedented summit took place in Johannesburg on 3 June between mine-owners, miners unions and the government in response to the crisis facing the gold mining industry in South Africa. Hailed in the press as the opening of a "new era" and the beginning of "co-determination" in the mining sector, this "ground-breaking" process is analysed by a Labour Bulletin correspondent. *

Nearly one hundred participants met at the Mining Summit, on 3 June 1991: from the Chamber of Mines representing many of the mine owners, the National Union of Mineworkers (NUM), the white Council of Mining Unions (CMU) and officials' associations and, for the government, the Department of Mineral & Energy Affairs.

They were gathered together, on the initiative of the NUM and the Chamber of Mines, in response to a major crisis facing the gold

mining industry in South Africa. With international gold prices declining, more than 100 000 black miners have been laid off in the past three years. Possibly 200 000 more face retrenchments, as some 14 'marginal mines' face closure.

Immediate defensive measures

The immediate measures the NUM proposes include protecting gains achieved by its members, so that the threat of unemployment is not used to erode wages and working conditions. As another defensive measure, the NUM is calling for retrenchments "with a human face". This includes a national guaranteed - tax free - basic severance package, assistance with job-seeking for retrenched miners, and/or income-generating projects, especially in affected rural communities.

Medium-term closures strategy

In order to manage impending mine closures "in the best possible manner for

mine owners, government and mineworkers", the NUM proposes temporary state subsidies, - mainly in the form of 'tax pay-backs' and a new tax formula - to prolong the lives of marginal mines. This would provide for an "adjustment period" of five years during which each mining house should produce a detailed down-scaling programme "with a view to finding alternatives".

A coordinated programme of mine closures should also include an industry-wide training and retraining scheme. This will enable ex-miners to carry useful skills with them, rather than simply being dumped on the scrap-heap of unemployment by the mines once they are no longer needed.

Such a training programme would also help to make the remaining miners and mines part of a more productive modern mining industry, with wages, hours and conditions comparable to the developed world. Thus, these proposals for the immediate crisis also carry

* Unless indicated otherwise, all quotes are from Mining Summit documents

implications for the longer term future and development of a viable mining industry in South Africa.

Longer-term restructuring

It is, in fact, in its longer-term perspectives on the mining industry that the NUM makes its more far-reaching proposals. It insists that gold is facing not just a 'cyclical downturn' but a fundamental shift in the world economy that poses a threat to our national economy.

The decline in South Africa's gold earnings will reduce its foreign exchange income, as well as government revenues. Decline in mining will also have knock-on effects on many other sectors of the economy: energy and water, construction, engineering, iron and steel, timber, transport etc.. Unemployment will be aggravated all round.

Thus, the NUM argues, the mining sector must be sustained, but it adds that it must also be restructured. The basic problem with mining - and for the communities and social structures that grow up around the mines - is that mines have a finite existence. When the minerals run out or become too difficult to extract, the crudely profiteering mine-owners simply withdraw, leaving entire communities devastated, housing and other infra-structure abandoned or dismantled, and valuable human and material resources wasted.

National mining policy

A mine is always a 'wasting asset' but a rational - and humane - national mining policy, is based on planning coordination and investment with these perspectives in mind. *Social responsibility* demands broader investment in the mining communities. *Other sustainable economic* activities, that will survive any eventual mine closure, have to be set up on, and around, mines. Regional planning for mining towns is essential.

A nationally responsible programme of restructuring of the entire mining industry in South Africa demands expansion and diversification through the development of mineral processing and manufacturing industries (so-called beneficiation) both for export earnings and for internal use to stimulate other sectors. It would also include planning, research, new technology and training for higher productivity, and better work organisation and management methods benefitting from the miners' knowledge and experience.

Urgent joint response

The NUM argues that an urgent "joint response" is needed by all involved in mining, and proposed the setting up of a Permanent Mining Commission "with powers to intervene in the national interest."

The response of those present at the summit was to agree to set up a "Steering Committee" to create

working groups to "give ongoing attention to a variety of issues" (including the lifting of sanctions). Whether these will be more than the "talk shops" that the NUM does *not* want, will be measured by their practical results. This process may a "promising beginning," but it *also carries challenges and dangers* for the NUM.

CHALLENGES FACING THE NUM

The miners union calls for a "process of consensus" amongst all involved in mining. The prospects of an easy consensus are not good. The President of the Chamber of Mines made sonorous declarations, in his address to the summit, on the mine owners' "willingness to talk about the future..share views. and reach under- standing." But he also made it clear that a co-ordinated programme of mine closures "could not but be rejected by mining industry management", because it clashes with private enterprise competition.

"Co-management of the crisis"

The "mechanisms to work jointly", welcomed in the communique at the end of the summit, refer to the working groups set up. These are not "co-management" bodies. If there is to be "progress towards co-management of the crisis" (Weekly Mail), the mine-owners still have a long way to go in changing their

attitudes. They make reasonable statements that "management is prepared to talk about the future share of each participant in the industry.. (but) ..consistent with the appropriate exercise of managerial authority". This is not co-management.

Phrases such as "shared concern...shared views... discussion ...participation" are liberally scattered around the Chamber of Mine's President's speech. Such terms are used loosely and interchangeably, and associated terms interspersed to give the impression that more is being discussed or promised than is actually the case. In fact, he explicitly rejected coordination of mine closures as "a form of command structure."

"Co-determination of the mining industry"

By a similar process of association, suggestions are made (Business Day) of a "new era" opening up of "co-determination of the mining industry", but this implies a sharing of power between mine owners and mineworkers, and there is little evidence that the mine-owners are ready for that.

What mine management is ready for is its own 'restructuring' plans involving cost-cutting, increased productivity, mine 'rationalisation' and down-scaling. This is to be based on a new industrial relations system employing a "new leadership style..new supervisory structures...new workplace

order." In this new order, explained the Chamber President, "discussions have to be entered into between employees and their representatives...on cutting employment levels or employment costs...choices have to be made." This type of intermediary role for union representatives is the "foundation on which a new partnership in our relationship with labour can be laid." This is co-option, not co-determination.

Tripartite restructuring

There are clear dangers of co-option of this kind for unions entering into 'social contacts' with management. But it seems that the partnership the NUM is arguing for is not a bilateral relationship with mine-owners, but a joint effort between mine-owners, trade unions and the government.

The Chamber of Mine's response to a tripartite plan, is to reject state assistance which "leads to ruin", preferring "partnership with labour rather than patronage by government." It may well be that the mine-owners prefer "discussions entered into between management and employees" because the latter are easier to deal with than "obligations imposed from national command" by government.

They need not fear such "national command" because the government does not recognise its responsibility in the crisis or in the economy. It refuses to grant tax relief or

subsidise a mines closure programme. Its experts hardly recognise that there is a crisis, arguing that the closure of 13 more marginal mines will cause 'only' 77 000 job losses (when retrenchments already exceed 100 000!). The government accepts continuing South African dependence on fluctuating international gold and other mineral prices.

"Restructuring for a democratic South Africa?"

The theme for the NUM's 7th National Congress this year was "Restructuring the Mining Industry for a Democratic South Africa." Neither the present government nor the mine-owners are showing the national responsibility or social consciousness necessary to the kind of national mining strategy needed for the new South Africa. This suggests that a different government, and different forms of ownership of the mines will be necessary to develop a modern mining industry integrated into a national economic development strategy.

The NUM may feel that it has to continue with interim "consensus" discussions to deal with the immediate crisis in mining and the livelihoods of its members. But it would seem that it is a democratic South Africa willing to take on the mine-owners that is the fundamental condition for the restructuring of the mining industry, not the other way round. ☆