

JOB LOSSES – S

The South African mining is shrinking at an alarming rate. Over a century of exploitation of the mineral wealth of the country is being felt as mines are closing down and others cutting down operations as their lifespan becomes shorter by the day. This process of down-scaling has already cost 166 000 workers their jobs since 1987. Gold mining industry has been hardest hit with 30% of its workers declared redundant. Coal has lost 20% of its workforce in the same period.

Over 4 000 diamond miners are to lose their jobs, leaving the industry to operate with half the total labour force.

With the world economy under recession, the situation does not look promising for the mining industry. However, mining remains the backbone of the South African economy. The current crisis faced by this sector of the economy has already cost job losses to other industries which supply mining with goods and services. With unemployment amongst blacks estimated at 40%, adding the victims of mine retrenchments, one has a real gloomy picture. About a million dependants of retrenched mineworkers are faced with a stark reality of slow death by starvation in remote rural areas of Transkei, Ciskei, Lesotho, Sekhukhuneland and Mozambique. NUM has been at the forefront of the struggle to alleviate the plight of victims of down-scaling of the mines. A campaign for an industry-wide retrenchment agreement has been on for some years with the Chamber of Mines failing to budge. This was an immediate response to the crisis with short term gains in mind. The reality of the situation is that of a national crisis facing South Africa.

MAXIMISATION OF PROFITS AT ALL COST

The reaction of the mine bosses to this national crisis has been that of cutting costs to maxi, maximise their profits.

The bosses have embarked on a systematic campaign to realise huge profits by resorting to brutal cut-backs in expenditure while increasing productivity. A vicious assault has been launched against

workers wages paying well below the rate of inflation while on the other hand massive retrenchments are conducted. The welfare of those declared redundant is hardly considered as meagre redundancy packages are given after fierce battles waged by NUM. Down-scaling and rationalisation of the mines is done unilaterally with profits maximisation being central to the bosses.

STATE INTERVENTION

State intervention remains the only realistic option if catastrophe is to be avoided. Development of a national plan and policy on the process of down-scaling should be a matter of state priority. The state should co-ordinate and develop a subsidy programme to the crisis ridden mines without participation of trade unions and bosses. Legislation should be passed to regulate all adjustments in mine size with people and communities affected being given rights in this regard.

SUBSIDISATION SHOULD AIM AT:

- Maintenance of employment levels with controlled retrenchments when such a step is inevitable.
 - Raising productivity to lengthen the life of mine by changing underground working methods.
 - Retraining of mineworkers in other job skills, so that they might find alternative employment on retrenchment.
 - Finding alternative use of mining assets.
 - Assisting in developing rural areas where mineworkers originate.
- In an attempt to find a national solution to this crisis a Mining Summit was convened in June last year. The Summit groups had to address key issues identified as follows:
- a) Co-ordination of mine closures and down-scaling.
 - b) Prolonging lives of the mines.
 - c) Protection of agreed conditions of work.
 - d) Training and retraining of retrenchees.
- One year and five months have passed

without any concrete proposals coming out of the working groups.

As the crisis deepens NUM approached the state for assistance to be given to Harmony gold mine but the request was turned down under the pretext of waiting the final outcome of the proposals from the Summit groups. While the process is dragging to intervene in any meaningful way, figures of redundancies keep rocketing. In the year to end June mining and quarrying sector retrenched 49 733 workers leaving the total labour force at 603 401.

Training – to allow people to move into other jobs smoothly

Training for black workers on the mines has been very closely tied to the performance of a narrow range of functions under semi-military discipline. Most workers are educationally deprived, up to 80% cannot read and write properly. Few mines have bothered to teach workers English or maths, which are a necessary platform for training in higher skills. This appalling situation was less serious when the industry could at least continue to employ the people it had recruited – but that is no longer the case. Many mineworkers do not have skills that are transferable into other jobs or industries. Where the skills are transferable, they are often not recognised by new employers. The Chamber of Mines has only sought to give proper certification to workers in categories above semi-skilled Category 8.

We want the state to force the mining industry to accept a major part of the responsibility for re-training mineworkers for other jobs.

As an interim measure, the state should establish the Mining Industry Retrenchment Training Trust. The mining industry should have to contribute to a central fund which will be used for retraining.

The aim is:

1. To provide a full retraining and upgrading for sufficient black mineworkers to alleviate the "chronic shortage of skilled labour in the gold

mining sector" referred to by the Marais Committee.

2. To provide a guaranteed six months of paid retraining for unskilled workers to improve their chances of finding jobs outside the mining industry or to equip them for other, more skilled, jobs in the mining industry itself.
3. To establish a register of retrenched mineworkers who have completed retraining courses so that they can be offered any suitable jobs that open up in industry.

A training fund, makes sense in an industry that is in long term decline or in an industry that is prone to long cycles. It is particularly appropriate in such an industry which also has the skills shortages so prevalent in the mining industry. Not only do people get paid after they are retrenched, they get trained to do another, much-needed job in the industry.

Financing

1. All mines should contribute a sum equivalent to 10% of the dividends they pay out to shareholders to the trust fund. There should also be a levy of 5% of the administration fees received by the mining houses in respect of their work for mines that will be paid into the fund. The burden of financing the fund should be on the shareholders [and the government] – it should not be a levy on the wage bill, which will simply make labour more expensive – and impact heavily on the marginal-profit mines. This proposal means that the wealthy mines contribute most to the retraining fund. They stand to benefit most – as they will be able to absorb some of the re-trained workers into their operations.
2. The retraining scheme and the retraining fund should be controlled jointly by the Chamber of Mines and the National Union of Mineworkers. (Other unions can be included, on a strictly proportional basis, to the extent that their members are rendered unemployed.)
3. The government should legislate that all mines, not only gold mines or

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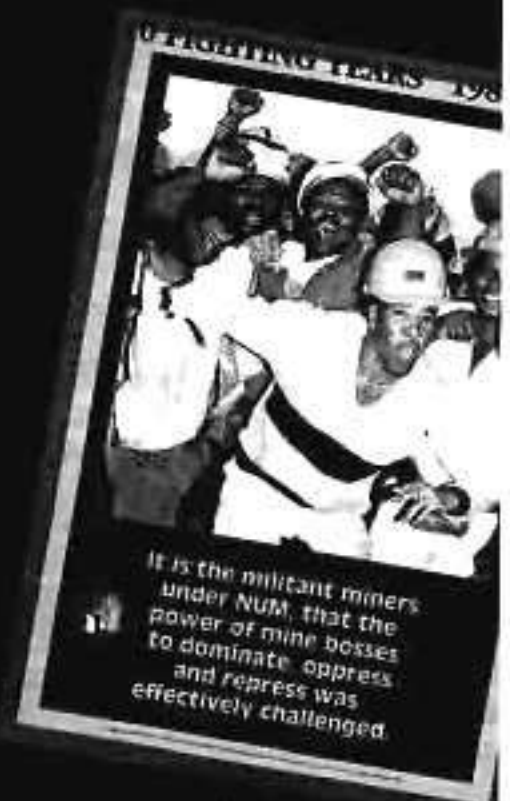
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STATE MUST ACT

Chamber members, should have to contribute to the trust fund from 1993. This may mean that some non-Chamber mines become entitled to representation on the trust.

In the long term, training and re-training would be part of the "Social Plan", described below, that all mines would have to provide for on an annual basis. The defects on the present training system on the mines also need to be addressed at an industry level to guarantee long term improvement.

Relocation – assistance to workers who have to relocate or commute further than before to find another job.

This could take the form of a one-off grant to move the household or a regular payment to pay commuting expenses.

Unemployment relief – to assist those who don't get jobs.

- Job creation could be promoted by regional development policies.
- Job creation could be linked to the alternative use of mining assets. The mines say that any other uses of these assets are the prerogative of the mine's owners, not of the state. But mines have no experience with any other business except mining. These valuable assets and the resources of water, labour and electricity that come with them need to be put in the hands of enterprises which have wider experience – or who have an incentive to develop this experience. In Sweden, down-scaling mines have been taken over by state corporations which have, over a period of years, closed the mine, rehabilitated the area and adapted the mine buildings for other businesses. This slowed down the rate of job-loss at the mine and allowed a proportion of the workforce to remain in jobs in the area.
- Public works schemes could be targeted in particular rural areas affected by mine retrenchments.

- Improvements in the "social wage" in rural communities (eg: water, schools, health workers etc) by the state could reduce the impact of lower incomes on disease and poverty.
- The law needs to be changed to allow regions, communities and other businesses affected by mine down-scaling to apply for state aid for an adjustment period. This should require the achievement of measurable goals in a specific period. At present, only mines can apply for assistance.
- The state should legislate a standard minimum retrenchment package for mines that threaten down-scaling. This should be based on half a month's pay per year of service, rising gradually to a full month's pay per year of service from 1999. It should also provide for a reasonable notice period before a worker is retrenched.

A LONG TERM VISION TO COVER THE LIFE AND DEATH OF MINES

In the long term, the NUM would like to see laws in place that regulate all adjustments in mine size and give rights to people and communities affected by down-scaling.

These rights should include:

1. Information disclosure – Timely information on the scope of the down-scaling and all financial plans surrounding the process.
2. Severance packages – Mines must provide for negotiated severance packages, subject to a legislated minimum standard, that is related to the presence or absence of a social security network for unemployed mineworkers.
3. Retraining for alternative employment.
4. The payment of re-location or commuting expenses.
5. These rights should form part of a "social plan" for winding down the mine or for any adjustment of its size, that seeks to attend to the needs of each worker to find a new job. Workers



Despite all hardship workers mood is that of defiance.

should have access to skilled retrenchment counselling – retrenchment is psychologically stressful – this should assist people to apply for new jobs well in advance and provide advice on the investment of severance pay and provident fund payouts.

6. To finance these requirements a protected "stabilisation fund" must be accumulated by mines prior to down-scaling or closure and the size of the fund must be reviewed each year in

terms of legislated guidelines.

7. The mining industry as a whole should contribute to a national trust fund that can pay these expenses for mines that have no reserves.

The social plan needs to be part of a vision for the mining industry and for mines as special enterprises with a life-cycle that ends when the ore is mined out – how mining fits into the economy, how mineworkers ought to be housed, training, as a life-long process etc.

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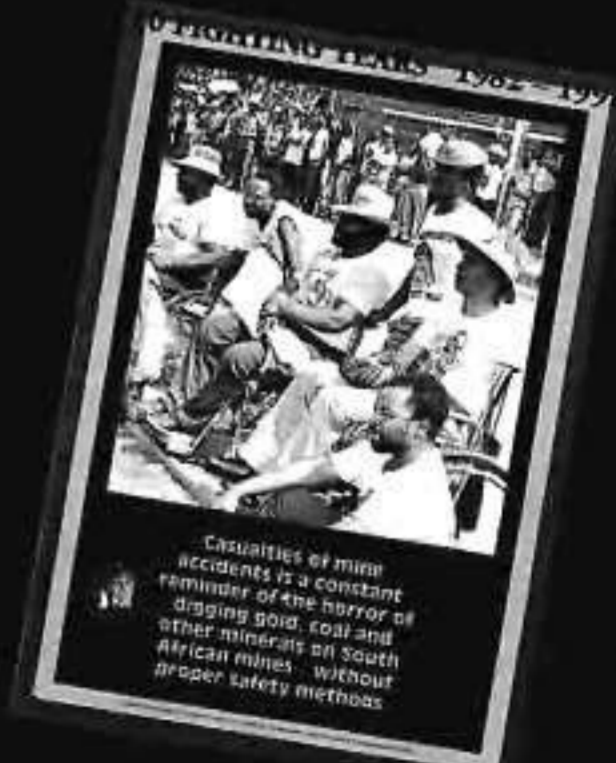
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