

What did Amplats workers expect after striking?

 By [Paddy Hartdegen](#)

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There is something completely absurd about the knee-jerk reaction that followed Anglo American Platinum's announcement that it planned to cut 14,000 jobs, put three mines onto a care and maintenance programme and close a fourth mine. The outburst from the workers, the unions and even the Minister of Mines, Susan Shabangu defies all our sensibilities.

But let's step back for a minute and consider the circumstances:

- In August last year workers in Rustenburg embarked on an illegal strike at the Lonmin mine that lasted for more than a month and resulted in 34 deaths at Marikana;
- In October, a strike at the Amplats mine saw 12,000 workers refusing to work and resulted in two people losing their lives. At the time Amplats warned that if the wage demands by workers were met, workers would lose their jobs. It also warned that any halt in the mines' production would result in further losses for the company that were not only unsustainable but would have serious consequences for the company's longer-term survival at a time when the platinum sector was in trouble because of lower volumes and prices;
- The workers not only maintained the strike (which lasted until the middle of November) but allowed it to spread to other mines in the gold and platinum sectors, amid warnings that the net result would be job losses and significant cut-backs from all mining companies.

But the workers stuck to their guns, seeking short-term rewards at the cost of long-term survival and ignored the warnings from all the mining companies. Meanwhile, investors in other parts of the world were looking at South Africa as an investment destination with jaded eyes while the politicians did little or nothing to resolve the predicament in the light of the Mangaung elective conference that was demanding all their attention.

Meanwhile the mining companies, in their own quiet way, were looking at the rather bleak economic scenario and breaking it down into small chunks so that could define exactly what was needed to remain in business. Sure, if any big business looks only at the big picture they may see overall profits for the final bottom line. Then the picture might not look bleak but once they look at the profitability on a mine-by-mine basis, the picture is different.

What big businesses do

And that's what big businesses do: breaks each business into small individual units and then take the units one by one and say: "This one is profitable, this one is losing money and this one, frankly, has little hope as it's just too marginal."

The warnings were there.

Warnings which workers and unions ignored as they insisted that their wage demands were met, even though the business units indicated quite clearly it was impossible to do so.

Then, having done all the sums and worked out all the details - on a cost-by-cost, unit-by-unit, mine-by-mine basis - Anglo American Platinum announced that three mines would go onto care and maintenance programme, one would be closed and 14,000 workers would be out of work.

Why?

Because in the current market, with the current economy and with the poor performance of the mines that was their only realistic choice.

It seems to me that unions, workers and even government officials do not look at the detail - as is so often the case - and look only at the biggest possible picture that shows Anglo American Platinum, (or any other multinational company for that matter) with a whole group of diversified interests, made a profit last year and so that company must maintain the *status quo* because it made a profit somewhere else.

The whole house comes tumbling down

When will workers, unions and government officials start to understand that unless you take the approach that Anglo American Platinum has then, in the most simple terms, you end up robbing Peter (the profitable divisions) to pay Paul (the care and maintenance mines in Rustenburg).

Rob Peter for long enough and eventually, Peter too runs out of money and the whole house comes tumbling down.

When the workers were warned about job losses (and the unions were warned about them too) did they think that the mining companies were 'joking with them' or 'threatening them'?

What was clearly lacking - while the protracted negotiations and absurd demands were placed on the table - was an understanding of the business fundamentals and the longer-term implications of those demands.

What also appeared to be lacking was an understanding of the business itself or an understanding of the divisional basis that big companies use to monitor profitability in detail.

Instead workers looked at the 'big picture' and forgot about the minutiae. And when you forget about the details then expect what you get - particularly if it's a swift kick-in-the-pants telling you you're out of a job.

That's the reality of the workplace - a reality that striking workers, unions and administrators need to get to grips with.

ABOUT PADDY HARTDEGEN

Paddy Hartdegen has been working as a journalist and writer for the past 40 years since his first article was published in the *Sunday Tribune* when he was just 16-years-old. He has written 13 books, edited a plethora of business-to-business publications and written for most of the major newspapers in South Africa.

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