

Platinum deal shows maturity

24 July 2014

Source: www.timeslive.co.za

There was a ground-breaking wage agreement reached between the National Union of Mineworkers and one of the important platinum mining companies last week

But unless you are a regular reader of the business section of mainstream newspapers, or an ardent listener to business news on radio, you probably would have not heard of the deal.

Yet in the context of what has happened in recent months - workers embarking on a five-month-long strike on the platinum belt demanding a R12500 minimum wage - the agreement between the NUM and Royal Bafokeng Platinum should have been of huge public interest.

In terms of the deal, the lowest-paid worker at Royal Bafokeng Platinum will now receive no less than R12000 a month. This is guaranteed to rise to R14594 plus bonus and overtime pay by 2017.

Among the other benefits accruing from this deal for workers is the fact that the company would now pay 100% medical aid for the lowest-paid employees and up to 70% for those at supervisory levels.

Perhaps most importantly, given the history of the industry and its apartheid-era preference for below-standard men-only hostels that were used to accommodate migrant labourers, Royal Bafokeng Platinum has also agreed to build proper houses for its employees.

The houses, being built in Rustenburg, are valued at R600000 each, and the average bond repayment for employees is about R3000 a month.

According to the NUM, "the company will pay a R2600 housing subsidy for the lowest-paid employee in the first year and R3900 for the third year". This means an average worker would be contributing R400 a month towards their bond.

All of this was achieved without a crippling strike or violence.

In many ways, the NUM-Royal Bafokeng Platinum deal is typical of how most wage agreements in the country are concluded - without labour unrest and employers exercising their right to lock out workers.

Yet the collective bargaining process, labour laws and particularly labour unions often receive bad press, with critics claiming they chase away potential foreign investors.

Generally not much public attention is paid to labour relations and wage negotiations in the country. If a wage dispute is settled around the negotiating table without a disruptive strike or violent protests by workers, it hardly ever makes the news. If it does, such a resolution would be confined to the business pages, where much of the focus would be on how an increased wage bill threatens the profitability of the business.

But, as the events in the platinum belt have shown us - especially immediately before and after the August 16 2012 Marikana killings - labour relations in this country are as political as they are about economic stability.

Deals such as the one reached between Royal Bafokeng Platinum and the NUM last week are important because they show the bargaining system does work - as long as all parties involved negotiate in good faith with the objective of finding a solution that improve workers' lives while not destroying companies' profitability.

Over the five months of the platinum belt strike led by the NUM's rival union - the Joseph Mathunjwa-led Association

of Mineworkers and Construction Union - much public attention was paid to the state of underpaid workers in this sector.

For the first time in many years, the public discourse seemed to shift from the usual complaint that "excessive wage demands" by unions threatens the economy to tough questions over why our mining companies continued to pay meagre wages to workers while paying obscene amounts in salaries and bonuses to their executives.

Amcu's demand for R12500 as a minimum wage for its members became a rallying cry for sympathisers far beyond the working class.

Yet even the most vocal of these new friends of workers said little about last week's groundbreaking deal.

This is largely because their support was less about the welfare of exploited workers and more about political positioning in the post-Marikana context, where the governing ANC-led alliance seems to no longer enjoy an unassailable hegemony over organised labour and workers.

But if our democracy is to be sustainable, we need to see a genuine improvement in the lives of workers and the poor as well as relative stability in mining and other industries.

However, this cannot be achieved if the impression is created that our bargaining system has broken down so badly that wage disputes are now only through strike actions and lock-out.

Let us trumpet successes such as the NUM-Royal Bafokeng Platinum as evidence that the system does work most of the time.