Marikana –
What can companies learn from the tragedy
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THE MARIKANA CONFLICT – A TENTATIVE ANALYSIS

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manifestations

DISREGARD FOR THE LAW

Courtesy: Greg Marinovich
manifestations

HOSTILITY

DISREGARD FOR THE LAW
manifestations

VIOLENCE

HOSTILITY

DISREGARD FOR THE LAW
manifestations

VIOLENCE

NEW PLAYERS

DISREGARD FOR THE LAW

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FARLAM

DISREGARD FOR THE LAW

GRIEF
CONSEQUENCES

- 45 deaths
- Hundreds injured
- Lonmin workers did not get a 22% increase as a result of the strike
CONSEQUENCES

- The maximum actual increase to rock drillers at Lonmin was 3%
  - 10% 2011 agreement increment
  - R750 drill allowance previously agreed
  - 3% settlement increment
- Lonmin workers lost ±12% of annual wages in the strike due to no work no pay
- ±9000 Lonmin contract workers got nothing
CONSEQUENCES

- All lost more in lost wages than they got in wage increases
- The Lonmin contagion
- Direct losses in gold and platinum amounted to R10.1 billion
- Coal losses R180 million
- Gold output fell 12% to 167 tonnes – lowest since 1905
- Gold industry loses R349 million per day of strike action
CONSEQUENCES

- R15.3 billion lost across all mining sectors
- There was a R12.5 billion reduction in export revenues in 2012
- GDP growth forecast down from 3% to 2.5
- The 2014 Platinum strike
trigger
THE MONETARY WAGE?

causes
R10 000
Rock drillers earn ±R10 000 per month

R3 000
The average South African worker earns ±R3 000 per month
Of the average South African worker:

- 59% have pension
- 40% have medical aid
- 77% have UIF

few workers have all 3
rock drillers have all 3
Earnings per worker per month
Source: Statistics SA Labour Market Dynamics 2010/2011
WAS A POVERTY WAGE A CAUSE?
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“THE SOCIAL WAGE”
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Security
Sewerage
Education
Health
Transport
Water
Roads

“THE SOCIAL WAGE”
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THE SOCIAL WAGE

Source: Austin Andrews http://www.sequential-one.com
“THE SOCIAL WAGE”
"THE SOCIAL WAGE"
WORKING CONDITIONS

“THE SOCIAL WAGE”

causes
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BARGAINING STRUCTURES

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causes
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BARGAINING SKILLS

causes
causes

BARGAINING
SKILLS
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"THE SOCIAL WAGE"

BARGAINING SKILLS NUM

causes
WORKING CONDITIONS

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POLITICIANS  “THE SOCIAL WAGE”

BARGAINING SKILLS  NUM

causes
POLITICIANS
Poor service delivery

Corruption
R25 billion
lost to corruption in government procurement

Courtesy: Greg Marinovich
WORKING CONDITIONS
LACK OF TRI-PARTITE DIALOGUE
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INNUMERACY ★
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... CHURCH
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... PAST UNRESOLVED CONFLICT
... MISTRUST
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... MISREPRESENTATION
... POOR COMMUNICATION
... THE MEDIA
... POLITICS
... POLITICAL OPPORTUNISTS
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... POOR POLICING
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trigger

POLITICIANS
BARGAINING STRUCTURES
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NUM
BARGAINING SKILLS
“THE SOCIAL WAGE”

causes
Lessons
LESSONS

- Address the social wage deficit
- Address
  - Illiteracy
  - Innumeracy
  - Financial illiteracy
  - Economic illiteracy
LESSONS

- Address negotiation and conflict handling skills deficit
- Bring employee relations to the “coal face”
- Reform collective bargaining and bring it closer to home
- Work on relationship building
- Address working condition aggravators
Special thanks and acknowledgement to Greg Marinovich for use of his photographs
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