

Mine-Line worker occupation

Model for factory take-overs?

In August last year management applied for the liquidation of Mine-Line on the West Rand after an accident killing three workers. **Miriam di Paola** and **Mametlwe Sebei** explain how this prompted workers to occupy the factory with a view to running it as a democratically controlled co-operative and hopefully providing a model for other factory closures. The *Labour Bulletin* will watch this experiment with interest.

Since the onset of the economic crisis, it has become clear that capitalists will take advantage of it to increase the exploitation of labour despite the crisis being caused by their neo-liberal policies. Job losses, wage cuts, short-time and escalating casualisation and flexibilisation of labour markets have been severe in South Africa.

According to Statistics South Africa, employment contracted by 3.6% or 497 000 jobs in 2009 alone. Manufacturing was particularly hard hit by the crisis as employment in the sector contracted by 7.6%. In 2010 the rate of unemployment rose steadily and although there was a slight upward trend at the end of 2010, the official rate of unemployment remains high at 24.3%.

Organised labour, in spite of high levels of organisation, consciousness and militancy has suffered from a paralysis in addressing blows to workers and the poor and has failed to put forward an inclusive and coherent strategy to fight back.

The decision of Mine-Line workers to occupy their factory takes place against this background and,

for this reason, has become the focus of widespread political and intellectual interest for workers and left-wing activists grappling with the challenges of the economic crisis.

THE OCCUPATION

Mine-Line is a factory in an industrial area close to a mine on the West Rand of Gauteng. It produces valves and other mining equipment. The relationship between the workers and the owner, Wynand Mulder, was always tense from when he inherited the factory from his father in the late 1990s, but on 4 August 2010 a tragic incident set a point of no return.

The boiling machine already signalled by the workers as obsolete and unsafe, exploded throwing a large lid 200 metres and hitting four workers, fatally wounding three and leaving the fourth severely injured.

Immediately after the incident Mine-Line ordered employees back to work even as their comrades were still lying on the ground. Workers refused and instead demanded that work be stopped until enquiries into the cause of the explosion were complete and the factory certified safe. After threats of

dismissal and temporary closure the workers agreed to return to work to prevent being dismissed.

However, things did not return to normal both in terms of relations between workers and the company, and with regard to the company's operations. It is not clear whether the decision of the union to campaign for a full investigation and litigation against the owner was a decisive factor, but soon after the accident the owner decided to liquidate the company.

Mulder's intention to defraud the workers was clear as he resolved during the liquidation, according to a former marketing manager's report to the workers' union, Mewusa (Metal and Electrical Workers Union of South Africa), to open a similar factory in another area.

Mulder refused to settle outstanding payments on the workers' provident fund and stopped paying workers for weeks before applying for liquidation. Workers are still owed more than a million rands in provident fund deductions not paid since 2007.

The huge debt owed to workers is however a fraction of the money



Some of the determined Mine-Line workers.

Mulder stole from the company, which includes the R34-million loan obtained from ABSA in the name of Mine-Line, to fund his lavish lifestyle and other business adventures, which condemned the factory to collapse. South African Revenue Services is owed R15-million in outstanding taxes, and so are other creditors.

Mulder applied for liquidation of Mine-Line and of his other company situated in the same area, Tap Engineering, on 19 August as the sole director of both entities. His interests go beyond this though. He is the director of many companies operating in Doornkop in the same production chain, which belong to Harmony Gold.

A liquidator was appointed to sell the factory but it became evident to workers that instead of protecting creditors' interests, in the first place those of workers, the liquidator collaborated with Mulder to strip the factory of key assets that he intended to use to operate a similar entity elsewhere. Also the liquidator did not pursue Mulder to recover the R15-million he withdrew from the company account the day before, the liquidation.

After a series of meetings and discussions, the workers decided on 17 October 2010 to occupy the factory with the objective of protecting the assets from theft and of demonstrating their willingness to re-start the factory. The occupation started on 20 October and was immediately supported by Mewsua and the Democratic Socialist Movement, which started Mewusa.

POLITICAL LABORATORY?

Since the 17 October meeting, which included the Conference of the Democratic Left (now the Democratic Left Front) and its affiliated organisations, the workers decided to issue calls for solidarity from fellow workers, communities, students, activists and other progressive forces. They gathered support from several organisations including the Landless Peoples Movement, the National Union of Metalworkers of South Africa (Numsa) and the leadership of Nactu (National Council of Trade Unions), the federation to which Mewusa is affiliated.

Since then workers, together with community activists, have occupied the factories changing the locks and

also taking control of the company offices. They have taken turns to guard the factories day and night and have transformed them into democratically managed spaces for worker assemblies, political classes, solidarity meetings and mass rallies.

Workers are experiencing in practice, the principles of democratic workers' control and management as they seek to govern the factory as a co-operative and are providing an empirical alternative to exploitative and oppressive management practices under neo-liberal capitalism.

The struggle caught the attention of the media and there are ongoing talks with the Department of Trade and Industry and the Industrial Development Corporation of South Africa to recapitalise the factory. However, threats of evictions have been recently raised by Harmony Gold. The battle is far from won and it is for this reason that there is a call for solidarity with Mine-Line workers to sustain the media and government's attention.

STRUGGLE RAGES ON

Neither the workers nor the union are idealising the occupation, and at the moment they still consider it

Worker factory under state control

Contradiction in terms?

The previous article tells how workers are taking over the Mine-Line factory on the West Rand and requesting the state to nationalise it. **Shawn Hattingh** however, although in favour of democratic worker take-overs, questions the concept, and the wisdom, of nationalising under workers' control.

to be a purely defensive strategy. There are no illusions about an overthrow of capitalism through a knock-on effect of factory occupations although workers see an urgent task in creating a mass political organisation based on a class programme with a socialist perspective.

However, the greater significance of this factory occupation lies in the immediate alternative it suggests to many workers fighting against mass redundancies and liquidations, which make workers and the poor pay for the economic crisis.

In the political paralysis of organised labour, the Mine-Line factory occupation offers a refreshing lesson in the struggle for militant working class alternatives. The working-class is demoralised by policies of class compromise and by the fatalism of its leadership, which is epitomised by the failure to mobilise for a single general strike in spite of millions of job losses, thousands of factory closures and widespread wage cuts.

Although this occupation cannot be a panacea for all the struggles facing the working class, it demonstrates to workers that alternatives can be explored in responding to job losses and precarious employment in the current crisis and beyond. **LS**

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The economic crisis in South Africa has seen inequalities, and the forced misery of the working class, grow. While the rich and politicians continue to flaunt their ill-gotten wealth, over a million people have been retrenched.

In this context, most major trade unions have been hamstrung in social dialogue that has failed to end the job losses. On 20 October 2010, however, a few workers and their union boldly mapped out an innovative way of fighting retrenchments when they took over their factory, Mine-Line/TAP Engineering on Johannesburg's West Rand.

Wynand Mulder liquidated the company in August 2010 in order to escape responsibly for the deaths of three workers killed in an accident at the factory. Before declaring insolvency, Mulder looted the company. Workers, along with their families, were left with nothing - not even their final salaries.

It was this, and examples of factory occupations in other regions of the world, that led the workers who are members of the Metal and Electrical Workers Union of South Africa (Mewusa) to begin an occupation. They were determined not to be retrenched. Workers are determined to take over permanently, to restart production and to run the factory under workers' control. As part of doing this, they have demanded that the state provide resources to restart the factory.

A solidarity committee was established to offer support to these workers. Organisations like the Anti-Privatisation Forum, Zabalaza Anarchist Communist Front, Conference of the Democratic Left (now the Democratic Left Front), Co-operative and Policy Alternative Centre and the Democratic Socialist Movement (DSM) got involved. This was vital to muster resources and to provide information and materials to the workers.