



-  Lonmin Company
-  South Africa
-  Platinum mine
-  IFC

Massacre of workers at the Marikana Mine

On August 10, 2012, thousands of miners went on strike at the Marikana platinum mine, just north of Johannesburg, South Africa. The workers were demanding fair wages and better working and living conditions. The strike was a wildcat strike, organized without the backing of the main union, the National Union of Mineworkers (NUM), which many workers believed was in league with the mine owner, British-based Lonmin Company.

Marching workers demanded an audience with Lonmin management, but Lonmin refused to negotiate outside of official bargaining structures.¹ The next day, as both Lonmin and NUM demanded workers return to work, tensions rose and strikers carrying traditional spears and sticks began intimidating workers to join the strike. Lonmin security guards fired several rounds of rubber bullets at strikers.² Deadly violence erupted from all sides lasting five harrowing days in which ten people were killed, including two policemen and two security guards.³ During that time, Lonmin could have closed the mine or agreed to negotiate to defuse tensions, but it refused.⁴ On August 16th, the South African police, determined to end the strike, employed a militaryesque operation involving ground forces, water cannons, helicopters, stun grenades, and snipers.⁵ Police opened

fire on the striking miners, shooting 112, and killing 34.⁶ What quickly became known as the Marikana Massacre was the bloodiest use of force by the South African government since apartheid's Sharpeville Massacre in 1960.⁷

During the fateful events of August 2012, IFC held US\$50 million of equity shares in Lonmin's platinum mines in Marikana.⁸ The initial investment, made in 2007, was the institution's largest to date in Sub-Saharan Africa and a showcase for community development.⁹ Fifteen million dollars was earmarked for *"the development of a comprehensive, large scale community and local economic development program."*¹⁰ IFC provided three years of advisory services to boost Lonmin's capacity in four key areas, including stakeholder dialogue and planning and implementation of community development projects.¹¹ The package also included a US\$100 million credit line, which Lonmin's CEO reportedly stated would be used in part for migrant worker housing.¹² Under South African law, Lonmin was required to implement a comprehensive social and labor development plan, and workers from around the country migrated to Marikana with the hope of well paid jobs and a better future for their families.

Marikana mine workers striking.



Thapelo-Morebudi

South African police and the bodies of striking mineworkers shot dead August 16, 2012.



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Women of Marikana protest outside Lonmin meeting.

However, the reality for the approximately 350,000 people living in and around Lonmin's operations was far different.¹³ The work at the mine was extremely dangerous, yet workers were not paid enough to meet their basic needs. Labor unrest and intimidation was well known.¹⁴ Families lived in one-room shacks, with no roads, no electricity, and no running water or basic sanitation.¹⁵ Lonmin leadership conceded that conditions were "truly appalling."¹⁶ While Lonmin had committed to building 5,500 houses for migrant workers, at the time of the strike only three "show" houses had been built.¹⁷

In a statement following the massacre, IFC said "*the issues are serious and IFC encourages all parties to resolve the dispute through constructive dialogue and negotiation.*"¹⁸ The statement, however, made no reference to IFC's environmental and social standards or its supervision of Lonmin's compliance.

On August 21, 2012, the IFC's independent accountability mechanism, the Compliance Advisor Ombudsman (CAO), initiated an appraisal of IFC's investment in Lonmin to examine IFC's role in relation to the conflict.¹⁹ The CAO found that while the project was determined to be high risk, IFC did not contractually require Lonmin to comply with its Performance Standards, significantly limiting IFC's ability to monitor Lonmin's environmental and social performance. CAO also found that IFC's supervision "did not engage in any detail with publicly reported worker security and industrial relations issues," including a strike in May 2011 and the subsequent dismissal of 9,000 employees.²⁰ The appraisal also raised questions regarding the verification of broad community support for the project. The CAO closed the case, however, without an actual investigation, citing the absence of a complaint directly from Lonmin workers.²¹

On September 20, 2012, after six weeks of mediated negotiations between Lonmin and the workers, the company agreed to raise wages. The living conditions for workers and surrounding communities, however, remain dire to this day.²²



Mineworker families live in informal settlements around the mine.

In December, IFC invested US\$5 million in additional Lonmin shares to strengthen the company's deteriorating financial situation even as the violence and Lonmin's role, was still under investigation by a commission of inquiry.²³ An IFC spokesman reportedly stated that IFC had "addressed issues" with Lonmin and "supported its funding requirements to maintain operations in the wake of tragic events in 2012," and that it encouraged Lonmin and other parties to cooperate with the investigation.²⁴

In the wake of the massacre, a group of women in Marikana -- including the wives and daughters of killed or injured miners -- formed an organization called 'Sikhala Sonke'.²⁵ They fought to get their voices heard at the commission of inquiry, and in 2014, submitted evidence of the dire living conditions for the women of Marikana.²⁶

In 2015, after years of trying to secure improvements through protests and marches, Sikhala Sonke submitted a complaint to the CAO. The complaint focuses on the failure of IFC to ensure Lonmin's compliance with social and labor commitments mandated by South African law, ongoing environmental and health impacts of the mine, as well as the failure of IFC to ensure broad community support for the project.²⁷

In early 2018, the CAO's Compliance Appraisal found that the IFC did not consider Lonmin's housing and other social and labor commitments mandated by South African law as compliance requirements and did not include them in its social and environmental action plan.²⁸

As the CAO noted, this lack of supervision of Lonmin's social commitments is of particular concern given that the Marikana Commission of Inquiry found that Lonmin's failure to comply with its housing obligations "created an environment which was conducive to the creation of tension, labour unrest, disunity among its employees."²⁹

While the IFC sold its stake in Lonmin in early 2016, the CAO compliance investigation is ongoing, as is the struggle for justice for the people of Marikana.³⁰

Endnotes

- 1 “Report on matters of public, national, and international concern arising out of the tragic incidents at the Lonmin Mine in Marikana, in the North West province,” submitted by I G Farlam, P D Hemraj SC & B R Tokota SC to the President, South African Human Rights Commission, March 31, 2015, <https://www.sahrc.org.za/home/21/files/marikana-report-1.pdf>.
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- 13 Lonmin, Project No. 24803, International Finance Corporation (IFC), Approved: December 19, 2006, <https://disclosures.ifc.org/#/projectDetail/SPI/24803>.
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