

Botswana: Diamonds are not forever

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GABORONE: "The situation is now very bad, very bad for workers. It is no longer about the workers alone, it is about the government, the companies, everyone. We need to talk. Dialogue is the only solution." This was a response from Jack Tlhagale, secretary general of the Botswana Mine Workers Union (BMWU), when asked about the ongoing mine retrenchments and closures.

"We anticipate more people will be sent out of their jobs. The situation is very bad for the workers. We all understand the circumstances leading to this are beyond our control but all the interested parties need to dialogue and come up with a better way forward," Tlhagale told IPS.

Tlhagale and other BMWU leaders met on Monday, 23 February with the leadership of the Botswana Federation of Trade Unions (BFTU), the umbrella body of all trade unions in the country.

The labour leaders' meeting came as hundreds have already been retrenched from such mining companies as Debswana, Moolman Mining and BCL. Tlhagale described the situation as "very complex" as they had to make sure the companies and government protected workers while at the same time remaining viable.

On 29 January, Moolman informed 177 workers that their positions had "become redundant", leaving the company with no option but immediate retrenchments. The BMWU challenged the move in the courts. Officials from the Labour Department were called in to mediate. The mediators ruled in favour of Moolman, saying the retrenchment packages offered to employees were sufficient.

While the BMWU argued that the workers were unfairly treated, Moolman Mining insists their actions were in accordance with the provisions of the law, particularly Section 25 of the Employment Act and International Labour Organisation standards. This then forced BMWU to push for consultation between the government and the miners as the only way to protect workers.

A government source said the government was "very much against retrenchment, for the obvious effects this might have on the ruling party's performance in the elections".

"It is a catch 22 situation," said the source, a top government official who spoke on condition of anonymity because of the sensitivity of the issue. "We know very well at the moment mining companies are struggling, and will not be able to sustain current wage bills. There is no hope of the situation being resolved any time soon."

"The government can however not just give the green light to retrenchment, as this would appear as that we are betraying the workers. This will have dire consequences in the elections later this year."

The government has publicly admitted the situation is dire. Presenting the 2009/2010 national budget speech on 2 February, Minister of Finance and Development Planning Baledzi Gaolathe said, "The current global financial crisis has evolved into a widespread economic crisis which has resulted in a sharp decline in private demand, especially in major industrial economies.

"This crisis continues to affect Botswana, mainly through lower mineral exports and hence reduction in government revenues. It is going to be crucial for us to find innovative ways of addressing our development needs within the expected revenue limits. There is a need for all to exercise even more financial restraint and discipline to smooth the adjustment process necessitated by the decline in mineral revenues," Gaolathe cautioned.

Despite starting last year on a high note, mineral returns took a nosedive in November. Gaolathe pointed to the "weakening and exceptionally uncertain economic prospects" indicating a further decline.

Leading mining companies have already suspended operations in a number of their mines, throwing into uncertainty the plight of hundreds of their employees. The government has, over the past few months, tried in vain to stop mining companies from retrenching workers.

Opposition parties believe the effects of the financial crisis have been worsened by the government's lack of a fallback position. They believe the only way out would be for the government to diversify the economy and increase revenue from the non-mining sector.

"The government seems to have run out of innovations to arrest the current economic situation. They thought diamonds were forever," Otsweletse Moupo, president of the official opposition Botswana National Front (BNF) told reporters.

He said workers were suffering because of the government's lack of foresight.

The crisis could also spread to the provision of social services. On 19 February, an official with the national AIDS co-ordinating agency (NACA) told a meeting in Gaborone that the government is already operating on a tight budget and would cut down on its funding for the country's national response to HIV and AIDS.

"Just last week, we were shown a presentation that revealed that by 2020 there will be nothing coming from the diamonds," said Robson Dimbungu, the chief programme and planning officer for NACA.

Although Debswana did not respond officially to questions from IPS, a source within the company said divisions had emerged between the two shareholders, the government of Botswana and the De Beers group. De Beers, said our source, are aiming for retrenchment while the government has opted for the "populist" route and wants all workers retained.

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