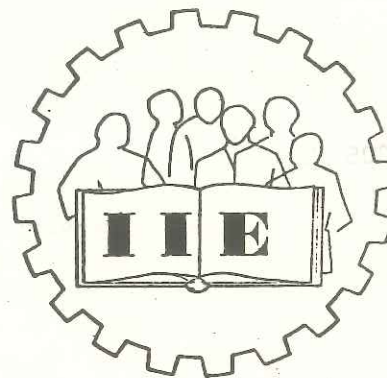




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THE WORKERS' NEGOTIATION  
HANDBOOK.

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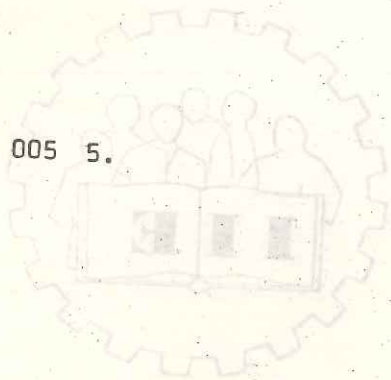
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INTRODUCTION.

WHAT IS NEGOTIATION?

Who decides what happens in a factory?  
Who decides what work will be done, when it will be done and how it will be done? Who decides what wages will be paid? Who decides what hours will be worked? Who decides what safety measures will be taken? Who decides what the working conditions will be?

There is always conflict between owners and workers about these questions. Owners want the workers to work more. Workers want better conditions and more pay for the work that they do. SO WHO DECIDES?

Factory owners, and the managers whom they appoint, often claim that they have the right to decide all these things by themselves. They say that if the workers do not like the wages and the conditions, then they can always go and work somewhere else.

More "enlightened" employers say that they are willing to listen to workers' complaints. They realise that it is in their own interests to listen to what their workers have to say. But they are still not prepared to do much to solve the workers' real problems.

What they do instead is to improve "communication" between workers and management. In this way they hope to gain the trust of the workers. They don't want workers to make *demands*. They want workers to believe that employers can sort out their problems for them. Their reasoning is that the interests of the employers and the workers are the same.

This is why the majority of "enlightened" employers are eager to have liaison or works committees in their

factories. The workers' "representatives" on the liaison or works committees are very good channels for providing management with information about what the workers are thinking and feeling. With this information management is able to control the workers better. They will know when to act in order to prevent workers from making demands and trying to solve the problems themselves.

If the liaison and works committees are to serve their function of continuing to provide management with information, then it is important that these committees are not seen by the majority of the workers to be utterly useless. They must be able to solve some of the problems of the workers or else the members of the committees will be totally distrusted by the workers.

So management will solve some of the smaller problems. But neither the members of the works nor of the liaison committees have any way of insisting or demanding that certain things and not others are done in the factory. They do not take part in the decision-making process in any meaningful way. They do not have any real power. Instead they are dependent on management's goodwill in order to have their problems solved. Management have all the power, and it is they who finally decide amongst themselves what is to be done and what problems are to be solved.

Today workers are no longer satisfied with this. Workers know that without them the factory is nothing. They know that everything that happens in the factory affects them and affects their lives. It does not really help them if the employers listen politely to their complaints, but then make their own decisions.

Workers want to take part in deciding what happens to them at work. **THEY WANT TO PARTICIPATE IN DECISION MAKING.**

The only way in which workers can take part in decision-making is through real NEGOTIATION.

"Communication" is a talking relationship, in which decisions are still left to the employers.

Negotiation is a POWER relationship, in which both sides have some power, and which leads to an agreement which takes the power and the interests of both sides into account. Employers try their best to turn negotiation into a purely talking relationship. They want to be able to say at the end: "Well, we have listened to all your grievances. You cannot complain that we never even listen to you. Now go away and we will decide what is best for you". Workers have to stop employers from using negotiation as a smokescreen in this way.

Negotiation can be used as a smokescreen only when workers are being merely *represented* and not being organised by their committee. In this case both the workers and their committee are powerless to get management to change its decision once it has refused the appeals of the committee. The committee has no negotiating power because the workers do not stand together to make the committee their voice and to put the power that they can have as organised workers behind their committee. Organised and united workers have the power to stand against bad management decisions.

The aim of the workers is to have every decision in the factory made by negotiation. But the owners and their managers always fight to make all the decisions themselves. In most countries today it is accepted that wages and hours of work should be settled by negotiation, although in South Africa many employers still refuse to recognise this right.

In some other countries much more than just wages and

hours are beginning to be decided by negotiation. This includes:

increased job security  
improved health and safety  
more interesting work  
company investment policy.

In South Africa, workers, and especially African workers, are still struggling for the basic right to negotiate wages, hours and conditions. In this book we will deal mainly with negotiations for trade union recognition and with negotiations for better wages and conditions. Even if you are not involved in formal negotiations with management, the information given here is useful to you in the informal negotiating that goes on all the time in the departments.

Successful negotiation depends on two things:

1. It depends on knowing all the facts and using the facts to present strong arguments.
2. It depends on POWER. Employers will only accept a good agreement once they understand that they are dealing with strong, united and well-organised workers.

To negotiate successfully you must have a good case and you must put your case well. You must be able to show the employers that their arguments are wrong and that your arguments are right.

But however good your arguments are, you will not get a good agreement unless you are strong. The employers must see that the workers are well organised, and that

you really are speaking for all the workers. ORGANISATION MUST ALWAYS COME BEFORE NEGOTIATION.

But it is no use building up an organised work-force and then going off to talk with the employers by yourself. The factory committee or the union should never negotiate by themselves.

They must meet with all the workers to draw up their demands.

They must consult with the workers during the negotiations.

When they have reached an agreement by negotiating with the employers, they must first take that agreement back to the workers to get the approval of all the workers.

The employers must understand that they have to reach an agreement which will satisfy all the workers, and not just the negotiating committee.

The IIE has published a book called "THE WORKERS ORGANISATION" which talks about how to build up a strong workers' organisation. In "THE WORKERS NEGOTIATION HANDBOOK" we shall deal mainly with the question of arguments. We shall explain what you need to know in order to present a good case; how to get the facts; and how to use those facts in the best way. But throughout you must always remember that these facts and arguments will be of little help unless the workers are organised, and unless the workers are with you.

In chapter 1 we talk about the question of negotiation and organisation. What you negotiate about, and with

whom you negotiate will depend on the level of organisation which workers' organisation has reached. Chapter 1 also gives a description of the way in which an organisation develops, and of the problems of negotiation at each stage.

All negotiations involve careful preparation. You must know what you are negotiating about, who is going to do the actual negotiation, and how you are going to conduct the meetings with the employers. Chapter 2 explains how to prepare for negotiations.

The first demand that workers make is for recognition of their union. Chapter 3 talks about the arguments which employers use against trade unions, and explains what is wrong with those arguments.

Once recognition has been achieved, the main problem is the negotiation of wage agreements. In order to prepare your case well, you have to:

KNOW THE WORK AND THE WORKERS  
KNOW THE FIRM  
KNOW THE INDUSTRY  
KNOW THE ECONOMY.

The IIE has published two books dealing with these questions more fully:

"THE WORKER IN THE FACTORY"  
"THE WORKER IN SOCIETY".

In chapters 4, 5, 6, and 7 we tell you the main things that you need to know, and we explain how to use the other two books to help you in negotiations.

You may want to negotiate an agreement covering one factory, or you may be involved in negotiations

dealing with all the factories in an industry. In South Africa there are a number of different laws which deal with the setting of wages and conditions for a whole industry. In chapter 8 we explain the different laws and the different kinds of negotiations connected with the different laws.

Arguments mean very little unless they are supported by power. One of the main tools of worker power is the STRIKE. In South Africa there are very strict laws about strikes. In the last chapter we explain what these laws are, and we explain how a legal strike can be organised if it becomes necessary to do so.

## CHAPTER 1.

NEGOTIATION AND ORGANISATION.*(i) ORGANISATION FIRST!*

Arguments are important. It is important to be able to explain fully what the workers need. It is important to be able to show the employers that you know that they can pay more. But in the end arguments are not the most important thing. After all, the employers know what profits they are earning. They know that they could pay higher wages before you tell them.

THE MOST IMPORTANT THING IS ORGANISATION.

The employers will really only listen to you if they believe that the workers are well-organised and strong.

The negotiation team cannot work by themselves. They have to prepare the demands together with all the workers. They have to keep the workers informed throughout the negotiations. They have to make sure that the employers realise that they are dealing with all workers, not just one or two "agitators".

For this to happen, it is important that the union be well organised, both in the industry and in the factory. It is no use starting a union today, and negotiating with the employers tomorrow.

This means that before you begin to negotiate you must always ask "Are we well enough organised to negotiate for this?"

What stage has your union reached? What can it hope to negotiate for at this stage of its development? In this chapter we shall look at the relation between

organisation and negotiation.

*(ii) THE DEPARTMENT.*

The DEPARTMENT is the place where most worker problems, have to be faced.

Workers have to start a Union by organising themselves in the Department. And the struggle for recognition of the Union begins in the Department. It is the struggle to make management and their foremen and supervisors recognise the unity of the workers and deal with representatives that the workers have chosen for themselves.

This need not necessarily happen in a formal way, with employers saying "We agree to recognise your Union, and we promise not to do anything without negotiating with your representatives first". The important thing is not so much the formal recognition of the Union. The important thing is to bring about a situation in which the employers realise in practice that they must negotiate with the workers as a united body if they want anything done. This may be brought about without a formal recognition of the Union, and perhaps without the employers knowing that they are dealing with a "union". And, without this strength in the department, formal recognition of the trade union does not help much anyway.

The shop steward in the department has two duties towards the workers. The first is to help individual workers with their individual complaints.

But the second and more important duty is to unite the workers in such a way that they can deal with COLLECTIVE GRIEVANCES that affect them all. He or she must therefore help the workers to see what things affect them all.



For example, a weaver who is told to make a new kind of blanket at a bad piece-rate must be able to see that a new piece-rate in fact affects all the workers, and is therefore a subject for a collective decision.

The shop steward must keep in close contact with the workers, through meetings and discussions. It is a good idea to have subcommittee of leading workers from the different parts of the department, who meet regularly, and whose job is to keep in touch with the workers in that section, and to mobilise them for meetings or for action when that is necessary.

It is always best to have as many workers as possible engaged in any action. It is better for all the workers, rather than just the shop steward, to talk to the foreman about an important issue.

In dealing with management, whether in the department or at any other level, it is important to understand who has power and who doesn't have power. In the department, the foreman has considerable power, and is able to settle many disputes. It is therefore important to try to have a good negotiating position in relation to the foreman.

The Personnel Manager, on the other hand, has no direct power in the department, and usually not much power in the factory as a whole. The Personnel Manager cannot act against the decisions of a department manager, he can only try to *persuade* the department manager to change his mind.

Whatever action is taken in connection with a particular grievance, all the workers must understand and approve of it. And all the workers must understand the consequences. They must try to think how the employers will respond, and what they will do to meet that response. What will they do if the employers

ignore them? What will they do if the employers take repressive action, by transferring or firing the shop steward? Questions such as these must be asked before any action is taken. It is no use beginning something unless you know where you are going and how to deal with the problems on the way.

The issues on which you negotiate, and the way in which you try to deal with those issues, will depend on the level of organisation that you have reached.

### (iii) THE GROWTH OF THE UNION.

If you belong to an old established union, with a shop steward system and recognition from management then you will not have so many problems.

You will have:

An experienced negotiation team who will negotiate wage agreements for the whole industry.

A shop steward system in all factories, which will make it much easier for the negotiators to keep in touch with the workers.

Good contact with management, and customary negotiation procedures.

But most of the workers do not belong to such unions. Those that are unionised belong to young unions which are still not fully organised. In most factories the union is not recognised by management. There may be a union shop steward system, but most of the shop stewards are still being trained. And often management does not even recognise the shop steward.

So the main problem for these unions is not good arguments for higher wages.

It is building up workers' organisation before

negotiations begin. The kind of negotiations that you engage in will depend on how far you have got with the basic job of organising the union.

(iv) HOW A UNION GROWS.

Workers in one or two factories will start organising a union. Their first aim will be to get at least half the workers in the factory to join the union.

Once they have got 50% membership they will have an election for shop stewards. The new shop stewards will be given a first training course, where they will learn about their factory, and about the most important facts about what a union is for and how it works.

There will usually be no attempt at negotiation with management until the union has 50% membership and a basic shop steward system.

The first formal negotiations will deal with the question of union recognition. The first step will be to get management to agree to recognise the shop stewards, and to let the full time union organisers enter the factory to talk to the workers.

The second step is to get management to agree to negotiate a full agreement covering wages and conditions. Of course the workers will make it clear from the beginning that this is what they want. They should not let the employers waste too much time talking about recognition. They should be ready to move straight from the question of recognition to the question of an agreement.

NEGOTIATING THE FIRST AGREEMENT.

While these first discussions with management are going on, the shop stewards should receive further training. This training will go together with discussions with all the workers to prepare the first demands for the negotiations for an agreement.

Negotiations for an agreement will be the first big test of the organisation in the factory. First, you will have to keep all the members informed. The employers will soon find out if the workers do not know what is happening and are no longer interested in the negotiations. Secondly the workers will have to be prepared to take action if employers do not negotiate properly. For example, they may have to ban overtime, or to stop working the incentive bonus system.

The agreement should include a clause saying that shop stewards should have time off from work to attend further shop steward training programmes. There should be a special programme lasting two or three days during which the shop stewards will study everything in the agreement. This will prepare them to administer the agreement in the factory. The workers cannot sit back once an agreement has been signed. It is only the strength of the workers' organisation in the factory which will make sure that the employers actually keep to the agreement. The shop stewards must understand everything in the agreement, so that they can make sure that the employers do keep to it.

TOWARDS AN INDUSTRIAL AGREEMENT.

As soon as the workers in the first few factories are strongly organised, and have trained shop stewards, the union will begin to extend to other factories.

But it will not try to organise too many factories at once. It is no use recruiting a few members from each of many different factories. It is not only membership that counts. What counts is how well organised the members are. So the union organisers will try to make sure that the union is well organised in each factory before they move on to the next.

As the union expands, it will have more and more officials and members who are trained in how to organise, and who know about the laws. So it will be easier for the union to expand even further. But still the union will be busy with negotiating factory agreements with individual employers.

Even before the union has organised the whole industry it will give evidence to wage boards, make contact with other unions in the industry, and make contact with the industrial council. It will be able to speak for the workers who belong to it. But it will not be strong enough to force the employers to give better wages for the whole industry when they do not want to.

Only when the workers in all or nearly all the factories in the industry are organised into the union will the union be strong enough to negotiate a proper agreement for all the factories in the industry.

## CHAPTER 2.

### PREPARING TO NEGOTIATE.

Whether you are negotiating at an Industrial Council or in a factory, and whether you are negotiating for increased wages or for a new toilet, the first rule is BE PREPARED. You must know beforehand what you want, and how you intend to go about getting it. In this chapter we shall talk about what you must do before negotiating, and about what you must expect in the negotiating situation.

In writing this Handbook we are assuming that the employers and their managers are at least willing to listen to workers and to hear what they have to say. But not all employers are willing to listen to the workers. It would seem as if for these employers, workers are not supposed to have ideas, questions or arguments about their work and working conditions. They are simply supposed to do as they are told. So if your employer and his managers feel this way about workers, it is very likely that you will not be able to make much use of the Negotiation Handbook, for a while at least.

However, even in South Africa, a large number of employers are at least willing to hear what the workers have to say. They are at last beginning to understand that the guarantee of their firms' stability is communication and negotiation with their work-force.

In either case, whether, the employer is willing to listen to the workers or not, the only effective way to make sure that the points being made by the workers are listened to by the employers, is to make sure that the workers are very well organised.

(i) HOW TO NEGOTIATE.

First you have to decide what demands you are going to make.

You must also decide which of the demands are the most important. When you negotiate an agreement you do not usually get everything you want. So you must decide which things you will be prepared to give up in the course of the negotiation. Sometimes people ask for more than they really want, so that they have something to give up during negotiations. Remember that management will probably do this. They will probably begin by offering less than they are actually prepared to give.

So you begin by deciding what demands you are going to make, and how important to you the different demands are.

Then you have to work out the strongest arguments in favour of those demands. To do this you will need a lot of information. So you must decide what information you need, and then you must find that information.

You will certainly need to know everything about conditions in your factory. So you must make sure that the workers on your negotiating team know all about the factory, and not only about what happens in their workshops.

You will also need to know about conditions in other factories in your industry.

If you are arguing about a wage increase, you will have to know about things like increases in the cost of living.

And you will also have to know about the laws which affect what you are demanding. If you are demanding trade union recognition, then you must know the laws about trade unions. If you are demanding increased wages, then you must know about the agreements which affect your industry.

(ii) NEGOTIATING TACTICS.

Once you have prepared your demands, and worked out your arguments, you must then get ready for the actual meeting with management.

A workers' representative should never meet alone with management. So there will always be more than one workers' representative at the negotiations. It is best not to have too many people, because then there will be too much talking. But it is also better to have more than two, especially if you have many different demands. Then you can have a different person to look after the arguments for each demand.

So your negotiating team must meet before the negotiations. They must decide:

How to put forward the demands,  
Which demand must be put forward first,  
Who will put each demand.

Then it is very important to think about how management will reply to your demands. What arguments will they give against them?

How can you best answer their arguments?

You must also decide which of you is going to answer which argument. It is no good if you keep interrupting or contradicting one another.

Finally, you must decide what you will do if management refuses to accept your demands. Will you agree to accept less? Will you ask to have the meeting stopped so that you can meet privately?

Will you say that you will have to report back to all the workers before you can continue the negotiations? You must make sure that all members of the team understand what you have agreed to, and that each knows what he or she has to do.

(iii) THE NEGOTIATIONS.

The actual negotiations will usually last for several meetings. At the first meeting each side states its position. First you look for any points which you both agree upon. Then you deal with the points of disagreement. The most difficult things get left for later meetings.

There are two important rules for negotiating. The first is KEEP UNITY. The workers' negotiating committee must not argue among themselves during the negotiations. This is why it is so important to decide beforehand who will speak about which demand. The negotiating committee should elect a chairman before the negotiations. It should be the chairman's job to lead the negotiations, to make sure that each member of the committee speaks in the right place, and also to call for a break in the meeting if necessary. If any member of the negotiating team disagrees with what the others are saying, he or she should not say so. Instead, he or she should write a note to the chairman, asking the chairman to call for the meeting to be adjourned. Then the negotiating committee must meet privately to reach agreement again.

The second rule is LISTEN CAREFULLY. It is very important to listen to the employers' arguments. They may be wrong, but it is important to listen to them so that you can show how they are wrong. It is important to remember that employers and their managers are human beings too. They like to be listened to. And they will listen to you better if you can show that you have listened to their arguments. But although you must listen to them, you must never believe them unless they can really prove what they are saying.

(iv) COMPROMISE.

Negotiation nearly always ends in a compromise. A compromise is an agreement which gives something to each party. We have said that the workers' negotiating committee must decide beforehand which of their demands are most important.

One of the reasons for listening carefully to the employers is to try to find out which of the demands are most important to them, and on which demands they are most likely to accept the workers' position. After several negotiation meetings you will be in a better position to decide what kind of compromise management is likely to accept. You may decide to drop some of your demands altogether in return for the satisfaction of other demands. You can do this especially if you see that there are certain demands which management objects to very strongly. You might decide to drop these demands in return for the satisfaction of other demands.

You have to decide what compromise management is likely to accept. You also have to decide when to offer a compromise. If you offer a compromise too early, management might decide that this means that you are weak.

One other reason for listening very carefully to what management have to say during negotiations is that you may find that different people are saying different things. If you can show this, then it will make the case of management much weaker.

(v) ACTING IT OUT.

The best way to prepare for negotiations is to act out the negotiations first. Some of the workers should act the part of the employers, and negotiate with the

negotiating team while the others watch. In this way you can practice your own arguments and think carefully about the kind of things which the employers will say. Acting it out like this also helps to get other workers involved in the negotiations, and shows them the problems of negotiating.

## CHAPTER 3.

### NEGOTIATING FOR RECOGNITION.

#### (i) UNION RECOGNITION.

The first problem for workers is to get union recognition from management. (See "The Workers' Organisation", Chapter 4). So for the rest of this chapter we shall talk about the problem of getting union recognition in the factory.

Remember, before negotiating about anything you must work out:

- What the demands are
- What the best arguments for these demands are
- What arguments management will use against you.

So you must begin by deciding exactly how you want management to recognise the union.

There are four basic principles of union recognition.

1. Management should agree to negotiate with the Union for a wage agreements.
2. Union representatives (the organiser and the secretary) should have access to the workers in the factory. They should be able to hold meetings with the workers during lunchbreaks.
3. Management should recognise the Shop Stewards, and give them the necessary facilities to carry out their work.
4. There should be an agreed disputes' procedure for handling all workers' grievances. This should include a dismissal procedure. There should also be special protection against dismissal for any Union

member, so as to prevent victimisation for union activities.

In addition to these four basic principles, you may decide that you want the employers to co-operate in the collection of union subscriptions through a stop-order system.

(ii) ARGUING ABOUT UNIONS.

The workers know why they want a Union. But employers are often very frightened of workers having a union. The Union is a workers' organisation. It is not there to look after the interests of the employers. But it is still important to try to make the employers less frightened of the union.

From the employers point of view, what arguments are there in favour of having a Union?

After all, the Union is going to make the employer pay higher wages and treat the workers better. How is that going to help the employer?

The answer is that although the Union might make trouble for the employer, he will have even more trouble without a union.

Workers who are dissatisfied never work properly. They do as little work as possible. They don't care if the machines get spoilt or if the things that they are making are faulty.

Dissatisfied workers without a union can do nothing except work badly. But if they have a union they can use the strength of the union to improve their conditions. And this can help the employer. They no longer have to show their dissatisfaction by not working properly. Instead they negotiate.

SO, FOR THE EMPLOYER, THE STRONGEST ARGUMENT FOR A UNION IS THAT WITHOUT A UNION HE WILL HAVE INEFFICIENT AND UNCO-OPERATIVE WORKERS.

The purpose of the union is to resolve conflict between employers and workers. Without a union this conflict will take many forms. It will not be resolved, and both employers and workers will suffer. You must explain to the employers that WITHOUT UNIONS THERE CAN BE NO INCREASED PRODUCTIVITY.

(iii) THE EMPLOYERS ARGUMENTS.

But the employers will still have many arguments against trade unions. They will try to persuade the workers that it is not in the workers' interests to have trade unions. They will say that they, the employers, are only interested in the workers, good, and that the union will not help them.

They will say:

- \* That it is illegal for African workers to have a trade union.
- \* That it is illegal for employers to recognise African trade unions.
- \* That the Unions only want the workers' money.
- \* That the Union is run by outside people who will always be telling the workers what to do.
- \* That if the Union comes, then there will be strikes, which are bad for everybody.
- \* That the company is like a family, and disputes within a family cannot be settled by outsiders. The employers want to look after the best interests of the workers, and they are always ready to listen to the workers' complaints.

Of course these arguments are silly. But remember,

you must always listen to and answer the arguments which employers put forward.

A. "TRADE UNIONS FOR AFRICAN ARE ILLEGAL".

This is absolutely untrue. It is sad that there are so many employers who are so ignorant of the law that they produce this argument.

In fact AFRICANS MAY LEGALLY FORM TRADE UNIONS. These unions cannot be registered in terms of the Industrial Conciliation Act, but this does not mean that they are illegal.

THERE IS NO LAW WHICH SAYS THAT EMPLOYERS MAY NOT NEGOTIATE WITH AFRICAN TRADE UNIONS. The law has set up a certain negotiation procedure, the Works Committee system. But the law does not say that no other system must be used. If workers are not satisfied with the works committee system, there is no law which says that they may not use another system. Government Ministers have said that they do not like African trade unions. But that is not the same as a law.

The difference between registered and unregistered unions is this. In terms of the Industrial Conciliation Act a registered union which has 50% membership at a factory can force the employer by law to recognise it. But an unregistered union has no legal power to force the employer to recognise it. This means that it is the employer, and the employer alone, who must decide whether or not to recognise the union.

An employer who says that it is against the law to recognise the union is either ignorant or a liar. ASK THE EMPLOYER TO SHOW YOU THE LAW.

B. "THE UNION ONLY WANTS THE WORKERS' MONEY".

You know from chapter 12 of "The Workers' Organisation" why the union needs money. It cannot be of service to the workers if it does not have organisers and an office. So you must explain to the employer:

- (a) Exactly what the union subscriptions are used for.
- (b) How the money is kept, and what control the members of the union have over the spending of the money. (In chapter 12 of the Workers' Organisation, we explain all this). Each union will have its own particular way of looking after finances, so find out exactly how your union does it. Find out especially how the members can check up to make sure that the money is being spent properly.

C. "THE UNION IS RUN BY OUTSIDERS".

In fact, the union is a democratic organisation which is run by all its members. As members of the union the workers in your factory will have an equal say with all the workers in the other factories about matters which affect the whole industry.

About matters which affect your factory only, the union will never act without the agreement of all the union members in your factory. Remember, THE UNION IS THE WORKERS.

The fulltime union officials are people who are employed by the workers to carry out their instructions. To explain this to the employer, you must explain how your union is organised. (See The Workers' Organisation, chapters 5 and 9).

Again, each union has a special Constitution which sets out the rights of the members. Study your constitution carefully, and give the employer a copy



so that he can see how the union works.

#### D. "THE UNION BRINGS STRIKES"

In fact, unions always try to stop strikes. The union wants to negotiate an agreement before it is necessary for the workers to go on strike. The only thing that causes strikes is employers who will not listen.

#### E. "THE COMPANY IS A FAMILY".

The difference between a company and a family is this. The aim of a family is to bring up healthy and happy children.

The aim of a company is to make money for the owners. To say that a company is a family is to say that the workers are children. The workers are not children, and the employers certainly do not treat the workers like they treat their children.

Within a company there is a conflict of interest between employers and workers. This conflict can only be resolved through negotiation. It is no use the employers just listening to the workers' complaints. Their complaints must also be solved, and this can only be done if there is an accepted disputes' procedure which does not depend just on the good will of the employer.

The workers in the factory sometimes need help from a union organiser or negotiator from outside because the union negotiator may have special knowledge that the workers do not have. And also because the union organiser or negotiator can speak to the employers without any fear of being victimised. The employer has no power over the union official, so the official has no reason to fear him.

It must be the workers, not the employer, who decide whether the workers need any outside help.

#### (iv) A CONTRACT BETWEEN UNION AND EMPLOYER.

When you have convinced the employers that they should recognise the trade union, it is very important to get a written agreement.

THIS AGREEMENT CAN TAKE THE FORM OF A LEGAL CONTRACT.

If the employers sign a legal contract recognising the union; guaranteeing grievance procedures; and setting minimum wages agreed with the unions, then if they break the agreement the workers can take them to Court.

Such a contract is a CIVIL CONTRACT. This means that it has nothing to do with the police or the Department of Labour. If the employers break the contract the police or the Department of Labour will not take them to court and prosecute them.

But the workers themselves can get a lawyer to bring a civil case, and then the judge will have to read the contract and enforce it.

Of course, if the workers break the contract then the employers can also take them to court. It is not a good idea to sign a contract for a long period about wages. If you sign a 5 year contract of wages, you may find that inflation reduces your real wages very much, but you cannot demand more wages without breaking your contract.

BEFORE YOU SIGN ANY CONTRACT YOU SHOULD DISCUSS IT CAREFULLY WITH YOUR UNION'S LAWYER.

## CHAPTER 4.

WAGE NEGOTIATIONS.

The most important single job of the workers' organisation is to negotiate an agreement about wages and conditions of work.

As we said in chapter 1, the best guarantee of a good agreement is that the workers should be well organised and strong.

But it is also important to prepare your case well and to answer all the arguments which the employers will put forward to justify paying low wages.

To negotiate a good agreement you must have a full understanding of your factory. The whole of "The Worker in the Factory" is a preparation for negotiating an agreement. If you have read that book well, then you should already understand the main things about a wage agreement. You should also understand what you need to know about your factory in order to argue for higher wages.

In this chapter and the following 3 chapters we shall show you how to use what you have already learnt. If you are not sure that you understood or that you remember everything in "The Worker in the Factory", now is the time to read it again to remind yourself about it.

(i) PREPARING TO NEGOTIATE.

Remember, before negotiating you must think:

What are your demands?

What are the best arguments for your demands?

What arguments will management make against your

demands?

Your first demand will be for an increase in your basic wage. But a good agreement will cover more than just your basic wage. If you only get an increase in your basic wage, you may find that the employers will make you work longer hours, or decrease your bonus rate, or increase the speed of work. Then at the end you will not be improving your position.

(ii) THE MAIN THINGS IN AN AGREEMENT.

The main things which an agreement should cover are:

- A. The Basic Rate for each kind of job.  
The description and the grading for each kind of job  
The differentials between each grade  
The basic working time  
Piece Rates.
- B. The Overtime Rates  
Night Shift Rates  
Attendance Bonus and Production Bonus  
Cost of Living Allowances.
- C. Contributions to:  
Benefit Funds  
Trade Union  
Pension Fund  
Medical Aid Schemes.
- D. Annual Holiday and Paid Public Holidays.
- E. JOB PROTECTION. This should deal with
  - \* Dismissal Procedure
  - \* Promotion
  - \* Training
  - \* Notice Pay and terms of Notice.

F. COMPLAINTS PROCEDURE. This should deal with how complaints can be handled within the firm, and how complaints are to be taken to arbitration when agreement cannot be reached within the firm.

(iii) PREPARING THE DEMANDS.

The demands to be put forward in the negotiations must be prepared in consultation with all the workers. You must begin by finding out the main grievances of the workers.

What are these grievances?

How can they be resolved?

Discussing the demands with the workers is one of the most important ways of building up your organisational strength. It also help to educate the workers. They have to think about what their grievances are, and about which of these grievances are the most important. They have to compare their own grievances with the grievances of the other workers. In this way all the workers learn to stand together.

It is also important that the employers should know that the demands are coming from all the workers, and not just from a few "troublemakers".

Once all the demands have been drawn up, the workers should elect a negotiating committee. It is important that there should be a worker from each main department and from each main kind of job on this committee. Then all the workers can be sure that there is one person who knows their special problems on the committee.

REMEMBER, THE NEGOTIATING COMMITTEE MUST REPORT BACK TO THE WORKERS AS OFTEN AS POSSIBLE DURING THE NEGOTIATIONS.

(iv) JOB DESCRIPTIONS AND DIFFERENTIALS.

One of the most difficult things to do is to decide what wage demands you are going to make for each job.

You may start by making a demand for an increase in all wages.

You can either ask for, say, a 20% increase for everybody.

Or you might ask for, say, R5 per week extra for everybody. (Remember, if you ask for a 20% increase, this means that the people who are already earning the most get the biggest increases, 20% of R10 is R2. 20% of R20 is R4).

But it is also important to look at the difference between the wages being paid for each job. There are two reasons for this. The first reason is that some employers try to get round wage increases by re-grading certain jobs. It does not help you if the wage for every grade is increased, but at the same time your job is put into a lower grade.

The second reason is that the existing grading system may be unfair. Some jobs deserve to be in a higher grade than they are getting. In a modern factory machines and production methods are always being changed. So it is very important for the workers to watch the job grades very carefully, to make sure that each new job is fairly graded.

Of course, the workers must also decide whether they think that the differentials between the job grades are too big or too small. They might decide to ask for a higher increase for the lowest paid workers who need the money most.

They should also see whether women workers get equal pay for equal work.

(v) PREPARING YOUR CASE.

Once you have drawn up your demands, you must then work out how best to present the demands to the employers. In order to do this well you will have to know about:

1. THE NEEDS OF THE WORKERS. It is not enough just to know that they need more money. You must be able to say what they need the money for, what things they want to buy and cannot buy unless they have more money. The negotiating team will be able to say some of this from their own experience, but it will help if they also have facts about the Cost of Living and Subsistence Measures.
2. THE JOBS THE WORKERS DO. You should know about the productivity of the workers, whether there has been any improvement in productivity, and what further improvements could be made. (See p. 40 ).
3. THE FIRM. You must find out everything you can about the profitability of the firm, and about how it is run and what happens to the money. You must also compare your factory with other factories in the same industry. (See Chapter 6).
4. THE INDUSTRY. You need to know about employment and profitability in your industry. You need to know whether the industry is expanding, or whether it is dying because nobody wants its products any more. (See chapter 7).
5. THE ECONOMY. You need to know about the present growth of the economy, and about employment and inflation. (See chapter 8).

(vi) THE WORKERS' NEEDS.

When the Directors decide what dividends to pay themselves they do not first work out how much money they need to be able to keep healthy. Workers also do not want only the minimum amount of money to stay alive. They want to be able to live full and comfortable lives. In one way it is none of the employers' business what the workers want to spend their money on.

But when the workers cannot even live decently on their wages, then it is important for them to tell the employers this. If the workers cannot afford hospital bills and school bills for their children, and if they have to choose between paying bus fares and buying food, then they should use this as an argument for higher wages.

It is a good idea for the workers in the factory to work out their budgets, showing what they have to buy with their wages, and also showing what important things they cannot buy with their wages. This should be done very carefully, without leaving anything out, because the employers will probably try to show that it is wrong.

You should also find out the figures for the subsistence measures for your area. The subsistence measures are worked out by economists. They include the amount of money which a family with an average number of children need:

1. To buy the minimum amount of the proper food which they need to stay healthy.
2. To buy enough clothes to keep them warm in the winter and cool in summer.
3. To buy fuel for cooking and soap for cleaning.

4. To pay rent for a proper home.
5. To pay the fares they need to travel to work or to school.

(vii) SUBSISTENCE MEASURES.

Economists working in this field do not all agree about the level at which a family can be said to be living in poverty. So there are conflicting arguments about the amount of money a family needs in order to pay for its basic needs.

OLD MEASURES.

Until recently, economists in South Africa talked in terms of the Poverty Datum Line (PDL) and the Effective Minimum Level (EML), as measures of poverty. The PDL was defined as the smallest amount of money which an average family needed in order to stay alive and healthy in the short term, if the family spent its money wisely.

The PDL did not make any allowance for:

- \* Wedding and funeral ceremonies
- \* Furniture for the home, pots for the kitchen
- \* Hospital bills and medicine
- \* School-fees, school uniforms and school books
- \* Amusements like going to the cinema; smoking a cigarette or drinking a beer; sweets for the children or presents for birthdays.

Since nearly everybody spends some money on items not

included in the PDL calculation, this means that even people who were earning the PDL usually did not in fact eat properly and keep healthy. In order to make up for this, some economists added a second measure called the Effective Minimum Level (EML). The EML was 50% more than the PDL. So in this way the family would have sufficient money to pay for the basic necessities as well as having a little left over to pay for other essentials and the occasional luxury.

Economists who disagreed with each other worked out their own PDL. There were many different PDLs for different parts of South Africa, and in Durban in 1973/4 there were at least 4 different PDLs being put forward. So there was much confusion and argument about which PDL was the correct one.

NEW MEASURES.

There are two basic poverty measures being used in South Africa at the moment: the Minimum Living Level (MLL) and the Household Subsistence Level (HSL). The MLL is worked out by economists working for the Bureau of Market Research, and the HSL by the Institute for Planning Research.

They differ about the number of people that make up an average household, and about the items they include.

The MLL includes the following items:

- \* Food
- \* Clothing
- \* Compulsory payments to local authorities for rent, water, electricity, etc.
- \* Fuel and light
- \* Working and cleaning materials

- \*Transport (to and from work, school and shops)
- \*Medical and dental care and medicine
- \*Education
- \*Taxes
- \*Replacement of household equipment.

The HSL includes the following items:

- \*Food
- \*Clothing
- \*Housing
- \*Fuel and light
- \*Cleansing materials
- \*Transport (to and from work).

But, as with the PDL, these economists recognize the fact that poor people do not spend all their money only on what are regarded as basic necessities.

So the economists have worked out additional measures to cater for the additional items on which people, even poor people, spend their money, so that the families will still be able to spend the right amount of money on the things they need in order to be healthy.

Economists working on the MLL have supplemented it by adding the Supplemented Living Level (SLL). The SLL includes the following items:

- \*Recreation and entertainment
- \*Personal care
- \*Contributions to pension, unemployment, medical and burial funds

- \*Extra washing and cleaning materials
- \*Extra clothing
- \*Extra food
- \*Additional household equipment
- \*Extra transport
- \*Additional taxes.

The HSL provides for items not included in its list of items by adding a 50% to its total figures. So by adding a 50% to the HSL, the economists arrive at what they call the Household Effective Level (HEL).

The food allowance for the HSL is much greater than that for the MLL because the HSL is based on the foods people actually eat, whereas the MLL is based on the food which will best give the proteins, calories, vitamins, etc., whether or not people are actually accustomed to eating them. In December 1975, the weekly figures for the various measures were:

MLL: R24,87

SLL: R32,85

HSL: R27,75

HEL: R41,63.

It is important to remember that all these subsistence measures are measures of poverty. They do not say at what standard of living workers in South Africa should live, or how much workers in South Africa should be earning. All that they can do is to show that with so much money a family will be able to buy a certain amount of goods in order to stay alive and healthy.

Measures of poverty assume that people budget perfectly and that they shop at the lowest prices available. People living in poor areas away from the city centres often pay more for their food and household goods than

do people living in the cities. In the big supermarkets, goods are much cheaper than in the little shops in the townships. It is also cheaper to buy in bulk than to buy in small amounts at a time. One 10 kilogram of flour costs a lot less than 10 small packets of 500 grams of flour. But poor people can only afford to buy the small amounts at a time, so they end up paying more for their goods than do richer people.

Measures of poverty also assume an average family size. But most poor people have an extended family system so that the actual family size will include the father, mother and children as well as other dependents like grandparents, the children of a dead brother and so on. It will be more difficult for a family larger than the average size to live healthily on the same income as a smaller family.

#### POVERTY MEASURES AND WORKERS.

In South Africa, in about 1972, the PDL started to be used to point out the fact that the majority of workers in South Africa were not even getting the lowest amount of income that was necessary to keep the family healthy. The PDL became even more popular in the strikes in 1973 when the workers who went on strike demanded increases to meet the PDL. The argument that workers should be paid at least the PDL was also made at Wage Board hearings and in articles in the Newspaper. Even the employers began to talk about the PDL and many firms made statements in the Newspaper that they were going to raise the workers' wages, over a period of time, so that it could reach the PDL.

So even though the PDL was not concerned with how much money workers should get, it was useful because it showed both the employers and the government just

how poor the majority of workers in South Africa are. When workers in a country as rich as South Africa are so poor that they cannot afford to live healthy lives, then arguments to show how poor they are, are useful.

However, subsistence measures talk about the lowest level at which healthy living is possible. They can be used to show employers why they should not pay their workers below these measures but they should not be used to allow employers to say that because they are paying their workers a wage that will just enable them to live healthy lives, they have done enough.

Workers should be paid sufficient wages to enable them to live decent lives and not just survive above the lowest poverty line. Wage levels should be based on the wealth of a country and on the fact that the workers are the ones who are actually involved in making the country richer.

As we have seen, measures of poverty are not based on the needs of a single person but on an average family. Employers, arguing about paying workers even less than the MLL, claim that besides the father, the mother and some of the children actually work and that if all these wages were to be added up, a family would be getting a far higher income. But this argument is silly because the only reason why a mother leaves her small children to look for work (often unpleasant and very poorly paid) and why young children leave school in order to work, is because their family is very poor and needs whatever extra money they can get. Also, the larger a family, the more expensive it becomes to provide all the members with the basic needs.

#### UP-DATING THE SUBSISTENCE MEASURES.

Because of inflation, the MLL, HSL, SLL and HEL are increasing all the time. Both the Bureau of Market

Research and the Institute for Planning Research publish updated figures on their subsistence measures. Your Union will have to find out what the new figures are when the time comes for you to negotiate.

Remember that even if you are earning the HEL (which is the highest figure), you will still not be able to buy most of the things that the employers buy for themselves without even having to think about it.

### viii) The Jobs.

A Wage is paid for a job. So when you are negotiating you are always talking about both at once. Therefore a wage agreement should also contain an accurate description of each job. The negotiating committee must know the jobs well so that they can be sure that the jobs are properly described. And of course they must always check with the workers who do the jobs.

The employers will probably want to make any discussion of jobs into an argument about productivity. There is no reason that wages should only be increased if productivity increases. If the workers are getting an unfair share of what is being produced, then the share needs to be increased before there can be any talk of wages increasing only if productivity increases.

Also, as we have seen in chapter 3, in "The Worker in The Factory", in most cases, productivity can really only be increased after wages have been increased.

But what often happens is that employers try to increase productivity without increasing wages. If productivity is increasing in the firm or in the

industry, that is a good argument for increasing wages.

The government regularly publishes figures dealing with increases in productivity in different industries. The Union must get these figures for your industry. If they show that productivity has in fact been increasing, then you can use this as one argument to justify higher wages.

The employers will also have figures showing productivity in your firm. You should ask them to show you those figures.



## CHAPTER 5.

THE FIRM.(i) HOW MUCH PROFIT IS THE FIRM MAKING ?

The most important thing of all is to know as much as possible about your firm. Firstly you need to know how profitable the firm is. If it is making a good profit then it can certainly afford to pay higher wages. We talk about the firm and its profits in Part 2 of "The Worker in the Factory".

The Balance Sheet and the Profit and Loss Account are the most important sources of information about the firm's profits. The following figures are very important:

1. The Profit before tax (see chapter 7 of "The Worker in the Factory"). The figure is important because an increase in wages will be paid out of the profit before tax, not the after tax profit. This means that if the firm pays more in wages it will pay less in taxes. Because the Company Tax is 40% of profits, this means that any increase in wages which decreases profits will be 40% paid for by less tax.
2. The Dividend. (See "The Worker in the Factory", chapter 5, (iv) : Shares and the share market). It is also important to see whether the dividend is bigger or smaller this year than in previous years. But the most important is the size of the dividend. If the dividend is more than a few cents per share, then the firm is doing all right.
3. Retained earnings. This means that the firm has decided not to pay out high dividends, but to keep the profit to reinvest. So if there are large retained earnings, the firm is also doing well. Also, this means that the firm is expanding, and it can only

expand because people are wanting to buy its products. That is also a sign that it is doing well.

4. To make sure that the firm is doing well you should also look at the Liquidity Ratio and the Solvency Ratio. (See "The Worker in the Factory", chapter 8, section (iii): Profit, Solvency and Liquidity).

(ii) COMPANY REPORTS AND FINANCIAL NEWS.

The Balance Sheet is not the only place where you can find useful information about the firm.

1. With the Annual Balance Sheet of the Company there is also a Directors' Report about the firm. This Report will talk about what has happened during the year, and also about the future plans of the company. The future plans are especially important, because they tell whether the directors have confidence in the firm's profitability.
2. Near the back of the daily or Sunday newspaper there is always at least two pages of Financial News. If you read a paper, you should always look quickly through this section to see whether there is any news of your company, or of the group of companies of which your company is a part. For example there might be news of expansion plans, or of a big contract for the sale of the company's products. Also, the Financial Section of the newspaper will always carry a short summary of the Annual Company Report, with the Balance Sheet and Director's report. So if you cannot get a copy of the full report, you can learn something from what the newspaper says about it. It is a good idea to read and cut out and file anything that appears in the newspaper about the company.
3. You should also check the SHARE PRICE of your

company. (See "The Worker in the Factory", chapter 5 (iv): Shares and the Share Market). If the price is rising, then the company is doing well. (If the price is falling, that does not necessarily mean that the company is doing badly. It may be that all the prices are falling for some other reason. So you should always compare the share price with the share prices of other companies).

### (iii) HOW IS THE FACTORY DOING ?

You can also learn quite a lot about the profitability of the firm just by looking around and asking a few questions.

For example, is the firm growing? Has it bought new machinery or put up new factory buildings or new offices in the last few years? Does the manager get a newer and bigger car each year? There are many big and small signs that a firm is doing well. Another important question is whether **TURNOVER** is increasing. Is the firm selling more and more of its goods? You might be able to tell this just from looking. Or you may be able to find out from a friendly clerk in the Orders or Sales Department.

There is one other important thing for you to know about the firm. This is, is the **LABOUR TURNOVER** high or low? Do workers stay with the firm a long time, or do they soon try to find another job? If labour turnover is high, with many workers leaving, this costs the firm a lot of money. It has to keep on training new people, and it always has many inexperienced workers. If the labour turnover is high, you can explain to the employer that he may even be able to save money by improving wages and conditions, so that workers stay with the firm longer.

You can get a rough idea of labour turnover just by

counting how many workers have left the firm, say, in the last six months. (If it is a very big firm, you should work out the labour turnover for one or two departments. If, say, there are 30 workers in a workshop, and 8 have left in the last 6 months, that is a rate of 16 per year, or 53%, which is high).

### (iv) GETTING THE INFORMATION.

So far we have talked about all the public information which you can get about your firm. But there is also much more useful information which you could get from the owners. Usually they try to give as little information as possible to the workers. But you should at least ask. And if they claim that they cannot afford to pay higher wages, they cannot expect you to believe them unless they give you all the information. You should ask for:

1. Copies of the balance sheet (if you cannot get these anyway).
2. Turn-over figures, which are not always included in the balance sheet, and will show you accurately whether or not sales are increasing.
3. Investment plans for the next 5 years. This will tell you whether or not the firm can expand. You should also ask where they intend to get the money to finance the plans. If they want to finance them out of retained earnings, it may be that they hope to make the workers pay for the new growth by a policy of low wages and high profits.
4. A list of all the different costs, showing how much they spend on labour costs (wages), how much on other things.

Once you know these things, then you should also work out how much your wage demands will cost the company

for the year. If, say, you are asking R2 per week per work, you must work out how much this will be over a year, and compare that with the profit of the company.

(v) WHAT IF THE FIRM IS DOING BADLY ?

So far we have looked at all the information that you can get to tell you whether the firm is making good profits or not. If the firm is doing well and making a lot of profits, then obviously that is a good argument for the workers to get higher wages.

BUT WHAT HAPPENS IF THE FIRM IS DOING BADLY ? Does this mean that the workers must accept that the firm cannot pay higher wages?

First we must ask WHY the firm is doing badly. And there is nearly always only one answer: BAD MANAGEMENT. (See "The Worker In the Factory" chapter 3: Wages and Productivity). There is no reason why the workers must accept low wages just because of bad management.

If the firm is doing badly as a result of bad management then the workers must say so. They must demand improved management. Often workers are in the best position to see what is going wrong with the firm, and which managers are working badly. It is up to the workers to say so.

One other reason why a firm might be showing low profits might be because the directors and the managers are getting very high salaries. Again, there is no reason why the workers should get low wages just so the directors and the managers should get high salaries.

So if the company is doing badly it is even more important for the workers to find out as much as possible about the company so that they can explain to the employers why it is doing badly.

## CHAPTER 6.

### THE INDUSTRY.

In chapter 4 we saw that the union negotiating committee must find out all they can about five things:

1. The needs of the workers.
2. The jobs the workers do.
3. The firm.
4. The industry
5. The economy.

We talked about the main things which it is necessary to find out about: the needs of the workers; their jobs; and the firm.

In this chapter we shall talk about what they need to know about the industry.

#### (i) THE AGREEMENTS IN THE INDUSTRY.

Of course the first thing you must know about your industry is the way in which wages are set in the industry:

Is there an INDUSTRIAL COUNCIL ?

Or is there a WAGE DETERMINATION from the Wage Board which sets minimum wages ?

Or is there an ORDER in terms of the Bantu Labour Relations Regulation Amendment Act ?

Or is your industry governed only by the Factories Act ?

It is important for you to know and understand whatever laws and regulations govern your industry. BUT REMEMBER, ALL THESE MEASURES LAY DOWN ONLY MINIMUM WAGES AND CONDITIONS. YOUR JOB IS TO NEGOTIATE BETTER CONDITIONS.

To do this it is important to know what wages and conditions are like in the other firms in the industry. The agreement covering the industry will help you to find this out. But, particularly if it is an old agreement, there may be many firms offering better wages and conditions. So you must find out exactly what wages are being paid in the other firms.

#### (ii) OTHER TRADE UNIONS.

It is also very important to know what other trade unions there are in the industry:

Who belongs to these other unions ?

How many members do they have ?

How strong and well-organised are they ?

What is their policy ?

In South Africa this is especially important because of the legal difference between registered and unregistered unions. What often happens is that one union represents the more skilled workers, while another union represents the unskilled workers. There can be a conflict between these unions. One wants better wages and conditions for skilled workers. The other wants the position of the poorest workers to be improved first.

The unskilled union wants promotion opportunities for its members. The skilled union wants to keep the

scarcity of skilled labour which helps to keep wages high.

This division among the workers is a great help to the owners. So it is important to try to reach an agreement with other unions in the industry, so that you can be united against the owners.

But this does not mean that the unregistered union should just do what it is told to do by the registered union.

What happens will depend on how strong and well-organised the two unions are. If the unregistered union is strong, and is supported by the majority of the workers in the industry, then the registered union will have to co-operate with it.

### (iii) ECONOMICS OF THE INDUSTRY.

There are two important things which you need to know about the economic condition of the industry:

1. Is it an industry which is growing, or is it an old industry which is dying out?  
Is there increasing demand for its products, or does it make things which people no longer want very much?  
Or does it make a product which people will always want, but for which demand is not likely to increase?

For example, if your industry makes bread, it is certain that there will always be a demand for bread. But the demand is not likely to grow very fast. If people get more money they will spend some of the extra money on buying more bread, but most of it on other food which they have not been able to afford before.

If your industry makes television sets, then there is likely to be a continuous increase in demand.

If your industry makes windmills, then demand is likely to decrease as more and more farming areas get electricity, and replace their windmills with electric pumps.

2. How are general economic conditions affecting your industry (see next chapter). If economic conditions are bad, and nobody has the money to buy the goods which the industry produces, then the firms will be cutting down production and laying off workers. They may even have built up stocks of unsold products because of the decline in demand.

In this situation it will be difficult for you to negotiate a good agreement. Many of your members will be on short time, or have been laid off. The company might even welcome a strike, because this might give it time to sell off its surplus stocks without having to pay wages to the striking workers.

The best time to try to negotiate an agreement is when orders for the goods are beginning to build up again. Then the factory will be working at full capacity. Management will want the full co-operation of all the workers. They will not want to risk a strike, because they might lose orders.

Also, profits will be improving, management will be pleased and confident, and they will be more likely to agree to a wage increase.

Some industries are also seasonal. They have a big demand for their goods at Christmas time, or some other time of the year. At other times there is much less demand, and fewer orders. You should also take this into account when deciding when to start negotiating.

(iv) THE INDUSTRY AND FOREIGN TRADE.

In order to understand the problems faced by the industry in which you work it is also important to understand the relation between your industry and South Africa's foreign trade.

Does the industry export many of its products? If it does it will be affected by a recession in the rest of the world, which will decrease the demand for its products?

Does it import many of its raw materials, or machines? If it does, it may be affected by inflation in the rest of the world, which will increase its costs?

Is your industry in competition with foreign products imported into South Africa? If it is, it may benefit from inflation in the rest of the world, which would increase the prices of foreign imports. It may also be affected by changes in government policy on import duties (see, "The Worker in Society", chapter 1, the section on: The Government and The Economy). The government can protect it against foreign competition by placing a tax on imported goods. But the government can also decide that it will be better for the consumers if the tax is removed so that the imported goods become cheaper.

If an industry is dependent in any of these ways on foreign trade, then you must take this into account when looking at the condition of the industry.

(v) LABOUR IN THE INDUSTRY.

In addition to knowing about the general condition of the industry, you should also try to find out about the labour situation in your industry.

Is it an industry which uses many machines, but only a few workers? This is called a CAPITAL INTENSIVE INDUSTRY. This means an industry in which there is a big investment in machinery for each worker employed.

Or is it an industry which uses many workers, and not so many machines? This is called a LABOUR INTENSIVE INDUSTRY.

For example, the Chemical industry is usually capital-intensive. It has big factories with many automatic machines, and a few workers to see that the machines do not break down.

The Textile industry is much more labour-intensive. Of course it uses many machines, but a worker works with each machine.

Most Service industries are very labour-intensive. They use simple machines, or no machines at all. Most of the work is done by workers.

In a labour-intensive industry wages make up a big percentage of total costs. In a capital-intensive industry wages will make up a smaller percentage of total costs. This means that these different industries will be affected differently by wage increases.

LABOUR TURNOVER.

What is the employment situation in the industry?

Is the industry employing a growing number of workers?

What is the present employment situation? Are many workers being laid off, so that there is unemployment in the industry? Or is there a shortage of labour, with the factories finding it difficult to get all the

workers that they need?

What is the LABOUR TURNOVER in the industry? Do workers stay only a short time in the industry, and then try to find other jobs? Or do they stay in the industry for a long time? How does the labour turnover in your firm compare with the labour turnover in the industry as a whole?

The question of labour turnover is particularly important. If the labour turnover in your industry or in your firm is very high, then this shows that conditions are especially bad. This is also a good argument for a wage increase, as labour turnover is expensive for management. It increases costs of training, and means that there are always too few experienced workers.

But a high labour turnover also makes things difficult for the union. It means that the union also has a high turnover of members, and this makes organisation more difficult.

#### (vi) SOURCES OF INFORMATION.

Where can you get all this information about the industry?

There are three main sources. The Government keeps records of the amount and value of production in each industry. They also keep records of the wages, hours worked and amounts of overtime in each industry. These figures are printed regularly in the Bulletin of Statistics, which is published each month by the Department of Statistics. Your union should either get this Bulletin, or know where a copy of it can be found.

The Annual Report of the various companies will often also include comments on the general state of the industry. This information can be very helpful.

The financial section of the newspaper will carry regular news about the industry. In the last lesson we said that you should cut out and keep anything which appears in the newspaper about your company. It is also a good idea to keep anything important about your industry.

You may also be able to get more information from any registered trade union in your industry, or from the Industrial Council for your industry.

CHAPTER 7.THE ECONOMY.

You need to know about:

- (a) the general condition of the economy
- (b) any present problems in the economy.

There are two important questions about the general situation of the economy:

1. Is it growing fast ?
2. What is the employment situation ?

In Chapter 1 of "The Worker in Society" we give a short history of the development of the South African economy. From it, you can see that it has been growing quite fast. In the 1960s, it grew at an average of nearly 6% per year. This means that for every 100 goods in one year, there were 106 in the next. In the 1970s, it is likely to grow less rapidly - about 4% each year.

The importance of the growth rate is, firstly, that it increases the total amount of wealth in the country, and, secondly, that it usually increases the number of jobs. This is very important, because the population is growing, and more and more people are looking for jobs each year. The fact that the growth of the economy increases the amount of wealth in the society does not mean that everybody gets richer. But it does mean that it is easier for the workers to get more, by struggling for it.

(i) EMPLOYMENT.

One of the things which affects wages is the amount

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(i) EMPLOYMENT.

One of the things which affects wages is the amount

of unemployment in the economy. It is very important for a trade union to get the government adopt policy which increases employment. (See "The Worker in Society", chapter 9). There are two different problems with employment. The first problem is whether or not there are enough jobs for the total number of workers.

The second problem is the problem of skills. Are there enough workers with the different kind of skills required to do the different kinds of jobs.

In South Africa the situation is that there are unskilled workers looking for jobs, but the growth of the economy is slowed down because not enough people have been trained to do all the skilled jobs that need to be done.

The Unions must keep watch on the total number of unemployed, because this will affect their strength. They must also keep a watch on whether there is a shortage of skilled workers in the economy as a whole, or in their industry.

This shortage of skilled workers is a very good argument in favour of better training for workers within each factory. The employers do not have to wait for the government to improve the education system. They can and should spend money on training workers themselves. The unions could help them to do this. It will help the union members, and it will also help the economy.

(ii) THE BUSINESS CYCLE.

A capitalist economy does not usually grow smoothly. Instead it usually goes through periods of growth, often with inflation, (see "The Worker in Society", chapter 3) and then through periods of recession, when growth slows down or stops.

If the economy is going through a period of rapid growth, then it will probably be easier to negotiate a good agreement. If there is, at the same time, a lot of inflation, this will make it more difficult. Employers will say that they are having to pay more for their raw materials, so that they cannot afford also to pay higher wages.

But the fact of inflation, which means that workers are having to pay more for what they buy, is also a good argument for a wage increase. If prices increase through inflation, but MONEY WAGES stay the same, then REAL WAGES are actually falling. Real Wages are what you can buy with your wages. Real Wages are more important than money wages.

During inflation it is also important for the union to negotiate for some cost of living allowance. If you get a wage increase of 10%, and inflation is running at 15%, then at the end of a year your real wages will be less than they were at the beginning.

In a period of recession it is also important to negotiate for job security. The union must try to make sure that workers are not laid off too easily, and without compensation.

### (iii) THE INTERNATIONAL ECONOMY.

South Africa imports and exports many goods. This means that the state of the South Africa economy is dependent on the situation of the international economy. Some industries are more dependent on it than others. But all industries are affected in the end. If an export industry has to cut back on production, then it earns less profits and pays less wages. This means that the people in that industry have less money to spend, and so there is a drop in demand also for goods which are made inside South Africa.

At present the international economy is not in a very

good state. There is very high inflation in many of the main capitalist countries, and this is one reason for the inflation in South Africa. Many economists believe that the high rate of the inflation will lead to a recession, or even to a depression.

If this happens in the rest of the world, it will also affect South Africa. South Africa is lucky that its main export is gold, and in times of economic trouble the price of gold often increases. People with money prefer to buy gold instead of investing in factories, because they do not know if they will be able to sell the product of the factories, but they are sure that they will be able to sell the gold again when they want to. But even gold will not protect the South African economy if there is a bad depression in the rest of the world.

### (iv) WAGES AND INFLATION.

The employers will say that if they increase wages this will increase costs, and so they will have to increase prices. If they increase prices, other firms will also increase prices, and at the end all prices will have risen as much as wages. Real Wages will have stayed the same.

There are two arguments against this.

The first argument is that the union is not asking that all wages should be increased. It is not arguing that the directors and manager and the personnel manager and the salesmen and the engineers should be paid more. It is only arguing that the factory workers and perhaps the clerks, if they are members of the union, should be paid more. Because the factory workers get paid such low wages, their wages are not such a big share of costs. In fact, it has been worked out that South Africa the

wages of African workers make up only about 27% of the total cost of production in manufacturing.

This means that a big percentage increase in African wages should mean only a small percentage increase in total costs. So, even if all the firms have to put their prices up, the percentage price rise would need to be much less than the wage rise.

The second argument is that an increase in costs does not necessarily mean that prices have to rise.  
 INCREASED COSTS COULD BE ABSORBED BY DECREASING PROFITS. In South Africa profits are usually high, so this could easily be done.

IT IS THE EMPLOYERS WHO CAUSE INFLATION BY RAISING PRICES SO THAT THEY WILL BE ABLE TO KEEP SUCH HIGH PROFITS.

(v) WAGES, GROWTH AND DEMAND.

But the employers will answer this by saying that they do not want the profits for themselves. They want the profits so that they can be reinvested to make the economy grow faster, which, they say, will help everybody.

We can see:

1. That growth is important
2. That growth requires investment.
3. That investment requires saving.
4. But that there are different ways in which saving can be done. If workers got higher wages they could also save more, and their saving could be used for new investment.

But it is also true that even if workers got higher wages they would still save less than can shareholders who have large incomes. So this is a difficult argument.

But there are three answers to it:

1. The first argument is that not all profits are invested. The level of investment can be maintained if more profits are saved for reinvestment, and less profits are distributed as dividends. There is no reason why saving and investment should be at the expense of the wages of the poorest workers. If the owners are really so keen on growth then they can make some of the sacrifices necessary for it.

If the employers say that higher wages will mean lower growth then they are admitting that it is the workers who pay for growth through their low wages. In that case they should be willing to give the workers shares in the company in return for their savings through low wages.

2. Anyway, it is not only savings which are important for growth. It is also important that there should be an increase in the demand for the goods being produced. If demand increases, people will be encouraged to invest more money.

If wages are increased, this will increase demand for many different kinds of goods which workers have not been able to buy before. This will be good for the industries which produce those goods. Growth in these industries will also help the other industries by increasing demand for their goods.

3. The third argument is that increased productivity is also important for the growth of the economy. We have seen that in South Africa an increase in wages is

very important for an increase in productivity. Increased wages would mean that workers would be healthier and more interested in their jobs. The resulting increase in productivity would benefit everybody. It would mean that more goods could be made with the same amount of investment. In this way it would balance out any decline in saving which resulted from a fall in profits.

1. THERE IS NO REASON WHY IT SHOULD BE THE WORKERS WHO BEAR THE COST OF INCREASED INVESTMENT
2. WAGE INCREASES CAN ENCOURAGE GROWTH BY INCREASING DEMAND FOR CONSUMPTION.
3. WAGE INCREASES CAN HELP GROWTH BY INCREASING PRODUCTIVITY.

(vi) WAGES AND EMPLOYMENT.

The third employer argument is that increased wages will mean that employers will find it cheaper to replace workers with machines. This will lead to an increase in unemployment.

There are four main arguments against this:

1. The first argument is that it is probably not true. Wages for factory workers are so low that they would probably have to be increased very much before it would be cheaper to replace many workers with machines. (But this will also vary from industry to industry).
2. Increased wages will mean that employers will want to train their workers better, so as to get more out of them for the increased wages. But this will benefit everyone.

3. In any case, a firm cannot afford to buy a whole new lot of machinery just because wages have risen. It may decide to become more capital-intensive as it expands, but this will be a slow process. It may mean that employment will not grow as fast, but is unlikely to mean that workers in the industry will actually lose jobs.

4. But if they do slowly buy more machines, this will increase the demand for the products of the machine-making industries. So it will create new jobs in those industries, and thereby increase employment.

(vii) THE VALUE OF ARGUMENTS.

Employers will usually say that they are only really interested in the good of the workers. It will not help the workers to have a trade union. Low wages really help the workers, because otherwise they would not have any jobs at all.

Workers know that this is not true. Employers are mainly interested in profits, not in workers.

It would be silly of workers to try to do the same thing, and to pretend that they were really only interested in helping the employers to get higher profits, and not in higher wages. There is a conflict of interest between the two groups. The arguments we have given in the last few pages cannot show that employers will never suffer as a result of paying increased wages. The arguments can show that things will not be as bad as they think for the employers. But in the end conflict of interest is still there, and it is the solidarity and organisation of the workers which will decide whether they are successful or not.

For example, even if it does not make much difference to the costs whether there are more machines or more workers, employers will probably prefer the machines. The reason is that machines cannot go on strike or make wage demands in the future. The threat of replacing workers with machines becomes a weapon which the owners use against the workers.

### WORKERS OR MACHINES.

For the worker a machine should be something which can help to increase the product and make work easier and more comfortable.

But for the employer the machine can be the way of increasing profit by cutting wage costs.

This is why the workers have to fight to protect their jobs, as well as to increase their incomes.

The question is **WHAT IS PRODUCTION FOR ?**

Is it to benefit all the people in the country ?

If it is, then machines will be used to help workers, not to take their jobs away from them.

But if employers are concerned only with their own profits, then they must not expect the workers to co-operate with them. If employers are selfish, then the workers are bound to be "selfish" as well.

### EMPLOYERS MUST DECIDE.

Employers now have the opportunity to choose to negotiate a fair agreement or to continue their extreme exploitation. If they decide that there should not be reasonable negotiation, they they must take responsibility for the conflict which results.

## CHAPTER 8.

### NEGOTIATION AND THE LAW.

#### (i) THE LAWS.

It can be argued that many of the industrial laws do not go far enough to help workers. It is, however, important that workers know them since they affect what workers can and cannot do. Some of the laws provide minimum support for workers in their struggle against management. Some employers appear either to be ignorant of the provisions of the laws, or else they avoid complying with laws until they are forced to do so, by workers who manage to employ an attorney willing to act on their behalf, or through trade union pressure.

So whether you are taking up a grievance on behalf of workers with management, or preparing to negotiate an agreement in your factory, or to negotiate an agreement for the industry as a whole, it is important that you know what the laws provide for.

There are four main laws affecting wages and working conditions. These are:

FACTORIES ACT

THE INDUSTRIAL CONCILIATION ACT

THE BANTU LABOUR RELATIONS REGULATION ACT

THE WAGE ACT.

1. The Factories Act lays down minimum conditions regarding working hours, overtime, and health and safety conditions in factories. These are minimum conditions. One of the aims of negotiating an agreement is to get better conditions than those set out in the Factories Act. If you negotiating about conditions,

you should know what the Factories Act says. The Factories Act regulations are explained in "THE WORKERS' LEGAL HANDBOOK".

2. The Industrial Conciliation Act makes it possible to get up INDUSTRIAL COUNCILS representing employers and registered trade unions. Together the representatives of the employers and of the registered trade unions in the industry negotiate agreements which become law for the whole industry.

According to the Industrial Conciliation Act only Coloured, Indian and White workers can belong to registered trade unions. This means that African workers are excluded from full participation in Industrial Councils.

3. The Bantu Labour Relations Regulation Amendment Act of 1973 makes it possible to set up:

- i) Works Committees elected by the African workers in the factory;
- ii) Liaison Committees, 50% appointed by management and 50% elected by the African workers in the factory.

These committees can deal with matters affecting wages, working conditions and employment in the factory. (For a full discussion of these committees, see chapter 8 of "The Workers' Organisation").

This Act also makes it possible for the Minister to make an Order for any industry in which there is no Industrial Council, and no Wage Determination (see next section for explanation of Wage Determination). The Minister can do this if he is approached by a group of employers in the industry who want an increase in the minimum wages and conditions. If he

agrees with their proposals he can order all the other employers in the industry to pay at least the same minimum.

The Act also makes provisions for African workers from the Regional Bantu Labour Board or from Works or Liaison Committees in the industry to attend Industrial Council meeting, if there is an Industrial Council for the industry.

4. The Wage Act enables the Government to set up a WAGE BOARD to regulate wages in industries in which there is no Industrial Council. The Wage Board does not negotiate. It listens to what the employers have to say, and to what the workers have to say. Then it makes its own decision, and this decision becomes a law.

There are two important things to notice about these laws:

Firstly, all of them deal only with minimum conditions, and with ways of reaching minimum agreements. THERE IS NOTHING WHICH SAYS THAT EMPLOYERS CANNOT PAY MORE THAN THESE MINIMUM WAGES.

Secondly, you must notice which laws make negotiation possible, and who is allowed to negotiate through the machinery created by each law.

The Factories Act deals with minimum conditions laid down by the Government. *Better conditions can be negotiated.*

The Industrial Conciliation Act makes possible negotiation between employers and registered trade

unions of Coloured, Indian or White workers. African workers cannot negotiate at Industrial Councils. They may have the legal right to attend as appointees of the Central Bantu Labour Board, but they cannot vote when decisions are taken.

The Bantu Labour Relations Act makes possible negotiations through the Works or Liaison Committee at the level of the factory.

The Wage Act makes it possible for workers to present their case to the Wage Board, but there is no guarantee that the Wage Board will actually take what the workers have to say into consideration when coming to a decision. In practice the Wage Board pays more attention to the arguments of the employers than it does to the workers' arguments. Through the Wage Board, the State and the employers come together to lay down minimum wages and working conditions for those workers in industries not covered by Industrial Council agreements. But the final decision about the wages to be paid and the working conditions to be laid down is made by the Wage Board. It is a decision of the State. The Wage Board does not involve any negotiating between workers and employers.

(ii) AFRICAN WORKERS AND THE INDUSTRIAL COUNCIL.

For workers in registered trade unions the Industrial Council is where the most important negotiations take place.

For African workers, who do not have the right to full representation on Industrial Councils, there are a number of special problems.

The highest body dealing with African workers is the

*CENTRAL BANTU LABOUR BOARD.* This is not an elected body. It is appointed by the Minister of Labour. This body in turn chooses members of the Regional Committees, or of Works and Liaison Committees, to represent African workers at the Industrial Council. This means that while the registered union representatives are chosen directly by the workers, the African representatives are not chosen directly by the workers.

The representatives appointed by the Central Bantu Labour Board do not have the right to vote at the Industrial Council meetings. They do, however, have the right to speak at these meetings. But since they are not the representatives of the African workers in the industry, but representatives appointed by the Central Bantu Labour Board, they do not necessarily present the views of the workers.

The fact that they are allowed to attend and to speak at Industrial Council meetings, does not necessarily mean that their presence there will be of help to the workers in the industry. The representatives appointed by the Central Bantu Labour Board are not obliged to meet with all the workers in the industry in order to find out what their demands are, and are not responsible to them.

Workers will only be able to make some use of the fact that it is possible for them to be represented at Industrial Council meetings, when they have effective control of the works and liaison committees; when they to make the committees responsible to them and not to management. But even if they were able to do this, it is still the Central Bantu Labour Board that decides who the representatives on the Industrial Council are to be. So it is very difficult to see how workers will be able to get effective representation through these channels.

The only way in which African workers can ensure that their views are being put at Industrial Council meetings, is through bodies which they can control and which are responsible to them, their trade unions. However, since African workers are not recognised as "employees" in terms of the Industrial Conciliation Act, their trade unions are not given the legal recognition that will enable them to be registered and to negotiate with management at Industrial Council meetings. Until the Industrial Conciliation Act is changed to recognise African workers as "employees" and so enable them to take part fully in Industrial Council negotiations and to form Industrial Councils where none exist, there will be no real negotiation between African workers and employers at Industrial Council level.

As it is the Industrial Council system makes decisions that affect the African workers in the industry without having to consult with them.

If African workers decide that they want to make use of the present Industrial Council system despite its inadequacies in order to have their views taken into consideration, they will have to seek the co-operation of the registered trade unions.

But it is not always easy to get co-operation between a registered trade union and its companion unregistered trade union because the immediate interests of the two are different. The registered trade union is concerned with protecting the interests of its members. And because racial discrimination exists in South Africa, it is easy to see how workers, instead of being united against the employer, come to fight amongst themselves and to split their interests along race lines. In South Africa, most of the unskilled workers are Africans and skilled workers are mostly White, Coloured and Indian. The skilled workers are worried about protecting their jobs from competition from unskilled

workers. The problem of skilled workers against unskilled workers becomes a racial one and the different workers (skilled and unskilled) find it difficult to co-operate with and trust each other when they see themselves in competition with each other.

It is in the interests of both the State and the employers if workers allow themselves to be split into different races. The more divided they are amongst themselves, the easier it is for the State and the employers to control them. It is in the interests of workers' unity against management that workers attempt to overcome the racial barriers that separate them. This is a difficult task since different groups are treated differently both inside and outside the factory. But it is nevertheless important that workers start at the factory to begin to see themselves as workers and not as different races of workers.

It is important to remember also that the potential membership of the registered trade union is declining as more and more White, Coloured and Indian workers move up into managerial and semi-managerial positions. As the potential membership declines, so the strength of the registered unions decline. But while the strength of the registered unions is shrinking, the potential membership and strength of the unregistered trade union is increasing. More and more Africans workers are being brought into the factories, so their numbers are getting bigger. The registered trade unions are therefore speaking on behalf of a shrinking minority of workers in the factories. It is becoming very difficult for them to put up a strong stand against the employers. But if the registered union were to be effectively linked with the unregistered union, the power of all the workers in the factory against the employer would increase. So it is in the interests of the registered trade union to have a good working relationship with the unregistered



union. The registered unions have much to gain if they are prepared to see their interests in terms of the interests of the unregistered trade unions.

Workers belonging to registered unions should be persuaded to co-operate with members of unregistered trade unions and so attempt to overcome the obstacles that are being placed from outside the factory against worker solidarity.

But even if there is good co-operation with the registered trade union at all levels, the unregistered trade union still needs the agreement of the employers' association and the Labour Department before the representatives of the unregistered trade union will be allowed to sit at the Industrial Council meetings.

When a registered trade union is weak and has lost effective contact with the majority of its members, it is very easy for it to be controlled by the employers' association on the Industrial Council. In this case the union will not do anything that will upset either the employers' association or the Department of Labour and so will not be of much use to the unregistered trade union. But if, on the other hand, the registered trade union is strong, and is being effectively controlled by its members, then it is less likely to be weak in the face of opposition from the employers' association and the Labour Department. A strong registered trade union concerned with the problem of worker solidarity is more likely to enter into a good working relationship with its fellow unregistered trade union. A registered trade union can become strong when it is effectively linked with, and so comes to represent the interests of, a strong and well-organised unregistered trade union.

Remember: The present Industrial Council system

divides the workers;

The present Industrial Council system offers no base for real negotiation between African workers and employers.

(iii) THE UNREGISTERED UNION AND THE INDUSTRIAL COUNCIL.

The representatives of the registered union take part fully in the negotiations. They can bargain with the employers. They can offer a compromise, or they can threaten to strike. This means that they have real power during the negotiations.

For the representatives of the unregistered union the position is more difficult. They may be given permission to attend the meeting, but they do not have a right to attend. They may speak, if they are given permission, but they may not vote.

They cannot use the machinery of the Industrial Conciliation Act to threaten to strike if they are dissatisfied with the employers' offer. But still if African Workers decide that they want to try to work with the Industrial Council and if they are given permission to speak, then they must put forward a good argument for improved wages for their members.

They should argue:

1. That there should be one salary scale for all workers, instead of a different salary scale for each race group;
2. That worst paid workers should get the highest wage increase;

3. That training facilities should be improved, so that all workers have equal promotion chances.
4. That all workers be properly graded, to make sure that they are really being paid properly for the job.

The main thing is that there should be one agreement for all workers, and not separate agreements for separate "races".

(iv) TRADE UNION CO-OPERATION.

If African workers decide to try to use the Industrial Council system, this can only be done through full co-operation with a registered trade union. Full co-operation means that the demands must be drawn up by both unions together and that the registered union must agree not to sign an agreement until ALL demands have been satisfied, or until the members of both unions have agreed to the compromise being offered.

The two unions should agree:

1. That the demands to be put forward should be prepared together by both unions in consultation with their members.
2. That the registered union should negotiate for all the demands at the Industrial Council meetings, and should keep in close contact with the unregistered union throughout the negotiations:
3. That an Agreement should only be signed if it is acceptable to the members of both unions.

Unless the registered union is willing to do this, it

cannot expect to get any support from other workers.

(v) THE WAGE BOARD.

The Wage Board deals with industries in which there is no Industrial Council. The job of the Wage Board is to make a full investigation of the industry, and then to make recommendations about wages and conditions.

In order to do this, the Wage Board has been given the power to get the information which it needs from the employers. The employers have to give them full information about wages, costs and profits, and any other information about the industry which they need in order to be able to say how much the employers can afford to pay.

The Wage Board also has to hold a public hearing at which employers, workers, and other people can give evidence about what wages they think should be paid. Workers have the legal right to take the day off work to attend Wage Board hearings. The date of the hearing is published in the Government Gazette. Your union should make sure that somebody reads the Government Gazette every week, so that workers can know when these hearings are.

The Government Gazette will also say exactly which industries and which grades of work the Wage Board is trying to find out about. If you go to give evidence, you must know exactly what the "terms of reference" are. It is no use telling them about jobs that they are not enquiring into.

According to law, the Wage Board has to take into account two main things in deciding what wages to recommend:

1. The Wage needed by the workers in order to have a civilised standard of living.
2. The ability of the firms to pay.

The workers must remember this when preparing their demands. The demands should be prepared in the same way as for negotiations. There should be full discussions with all workers. A committee should be elected to lead the evidence to the Wage Board.

When giving evidence, you should begin by saying exactly who you represent, and how your demands have been prepared. If the Wage Board understand that all the workers in the industry belong to your organisation, and that all the workers have been consulted, then they are much more likely to listen to you than if they think that you are one worker talking for yourself.

You should then talk about the wages in the industry, about how they have changed over the years, and how they compare with other industries. Then you should talk about the actual needs of the workers. It will help if you can show some budgets of individual workers, showing what they need money for. Finally you should talk about the profits in the industry. If profits are low, you should explain in what way this is the fault of bad management.

Remember, the Wage Board hearings do not give workers an opportunity to negotiate with employers in their industry. All workers can hope to do at these hearings, is to present arguments that show the state of the industry from the point of view of the workers. Employers do not always tell the truth about the profits that they are making because they do not want to lose some of the profits by having to pay their workers higher wages. So they try to give the impression that

the firm is doing badly. But if the workers know the facts about their firms, then they can give the true picture.

It cannot be guaranteed that the workers will be able to persuade the Wage Board that their picture is the true one, and that it should believe the workers rather than the employers. All the workers can hope to achieve by presenting their facts to the Wage Board, is to make the members of the Wage Board more sympathetic to their situation.

For the workers themselves, the most useful thing about the Wage Board hearing is that preparing for the hearing provides workers in the industry an opportunity to come together to discuss their problems.

## CHAPTER 9.

NEGOTIATIONS AND POWER.(i) THE WORKERS' POWER.

We have made the point again and again that it is important to be able to use good arguments to back your demands. But negotiation is never only a question of arguments. It is also a question of power. If the workers are weak, the owners will not listen to good arguments.

So we have to ask:

WHAT POWER DO THE WORKERS HAVE?

HOW CAN THEY BEST USE THEIR POWER?

In order to make profits, the owners need the labour of the workers. In this way the owners are dependent on the workers. So the only power which the workers have is TO REFUSE TO WORK. But it makes no difference if one worker decides to stop working for the owner. ALL the workers have to stop working together, until they are satisfied about wages and conditions.

The workers' power is the power to strike.

Workers have discovered different ways of striking. Some strikes are total strikes, in which all work in the factory comes to an end. But many strikes are partial strikes, in which workers continue to do some work, but do not work fully.

(ii) STRIKING AND THE LAW.

Because the strike is the only way in which workers can really exercise power, the right to strike has always been one of the main demands of the workers' movement in all countries. THE RIGHT TO STRIKE IS AS IMPORTANT FOR WORKERS AS IS THE RIGHT TO HAVE TRADE UNIONS. This does not mean that workers like striking. A strike always means a loss of income, and, because workers are poor, this always hurts them. But without the right to strike they are at the mercy of the employers. If the employers know that they CAN strike IF NECESSARY, then they are much more likely to listen to the workers.

However, in South Africa the laws regarding strikes are at present very strict. These laws are explained more fully in the Workers' Legal Handbook. Here we shall give you just the most important points.

The two main laws are The Industrial Conciliation Act and the Bantu Labour Relations Act. The first applies to Coloured, White and Indian workers, and the second to African workers. Both Acts outlaw all strikes in certain industries: all municipal services; electricity; water; sanitation; passenger transport and fire services; industries using foods that might go bad during a strike.

STRIKES AND NEGOTIATION MACHINERY:

There are certain industries to which neither of these Acts applies. The most important of these are mining, agriculture, and domestic service. To those to which the Acts do apply, and in which it is possible to strike, a strike may only occur after the Negotiation Machinery has been used.

For Coloured, Indian and White, this means:

- (a) that an Industrial Council or a Conciliation Board must have failed to resolve the dispute;
- (b) that the matter has been referred to the Minister of Labour;
- (c) or a period of 30 days has passed since the Council or Board failed to solve the dispute;
- (d) and that the union organising the strike has had a vote of all its paid-up members in the industry or factory concerned, and a majority have voted in favour of striking.

For African workers this mean:

- (a) that the matter is not covered by any Industrial Council Agreement, or by a Wage Determination or Order which is less than one year old;
- (b) that a works committee or liaison committee, or some meeting with the employer has failed to settle the matter;
- (c) that 30 days have passed since it was referred to the Bantu Labour Officer, and he has neither settled the dispute nor referred it to the Wage Board.

#### WHAT IS A STRIKE?

From this you can see that the question of a legal strike is quite complicated. It is therefore important that you should ALWAYS CONSULT A LAWYER BEFORE PLANNING TO HAVE A LEGAL STRIKE.

Also, remember that the definition of a strike involves three different things:

1. A stoppage of work (or a go-slow)
2. By a group of workers, not just by one worker
3. In order to force the employer to give in to certain demands.

This means, for example, that if workers stop work to talk to the employer about wages, then it is still not a strike. If the workers do not actually make demands then it is not a strike. (This applies only to African workers).

#### OTHER STRIKES AND THE LAW.

So far we have seen the laws which govern a total strike by workers. But, as we have seen, there are other kinds of strikes.

1. The Go-Slow. The laws against strikes also apply to Go-Slows. However, it would have to be shown that there really was a planned go-slow strike to force the employers to accept demands, and not just a period of bad work because of bad management which produces employee dissatisfaction.
2. The Overtime Ban. If the agreement covering your industry says that overtime is voluntary, then an overtime ban is legal. If the agreement says that a certain amount of overtime is compulsory, then a refusal to do this overtime is illegal. If the agreement does not mention whether overtime is voluntary or compulsory, then the law is not clear. It would be best to consult a lawyer before deciding on an overtime ban in these circumstances.

3. The Ban on Incentive Schemes. These schemes are always voluntary. They offer the worker more money for producing more than the normal. If the worker chooses only to produce the normal amount, there is nothing that the employer can do about it. So it is always legal to have a ban on taking part in incentive bonus schemes.

4. Sympathy Strikes in support of other strikers are illegal in South Africa.

5. Factory Occupations (where workers instead of standing outside the factory, occupy it to make sure that no work can be done during the strike) are illegal in South Africa.

### (iii) ORGANISING A LEGAL STRIKE.

You now know when it is legal to have a strike. But how exactly should a strike be organised? Obviously you want it to be as effective as possible. So you must make sure that it is properly prepared and well organised.

The first question is, when to have the strike. Partly this is determined by when your negotiations break down. And sometimes a strike will be caused by something which the employer does, like victimization or dismissals.

But we have seen that you should be careful in deciding when to put forward demands. You should choose a time when the industry is doing well, when there are big orders, and much overtime is being worked. This is the time to choose for your legal strike, or for an overtime ban or a ban on incentive schemes.

Once you have chosen the time, you must prepare the strike well. You will have to wait for at least 30 days after the dispute has been referred to the Bantu Labour Officer, or after the Industrial Council has failed to settle it. You should use these thirty days to prepare the strike.

### THE STRIKE.

1. The workers' representatives who are organising the legal strike must begin by making sure that:

- (a) All the workers fully understand the reasons for the strike;
- (b) All the workers support the strike;
- (c) All the workers understand the laws about strikes.

This must be done through meetings and through full discussions with all the workers. If many of the workers do not understand the strike it is bound to fail.

2. The beginning of the strike must be very carefully planned. It is no good if some workers come out before the others are ready. It is no good if only one shift goes on strike. Unless all the workers know when they should begin to strike, the strike will be easily broken.

3. A strike is the action of a GROUP of workers, not the action of an individual. Unless the workers can be kept together as a group, individual workers will feel afraid, and will begin to drift back to work. In order to keep the workers together, there must be regular meetings. If possible all the workers should come together outside the factory or at a special

meeting place. If the workers live far apart, then there should be meetings in each township for the workers who live there.

These meetings should be used to:

- (a) Keep all the workers informed about the strike and the negotiations;
- (b) Educate the workers about the Union, and about the workers' movement.

#### THE STRIKE FUND.

4. Many unions have a special strike fund, which they use to give the strikers some money while the strike lasts. Each workers' organisation should have its own strike fund. It is legal for the union to collect money from other unions or from sympathisers during a legal strike. This is the best way of showing worker solidarity.

It is very important that the strike fund be well administered, and that everybody be treated fairly. You may decide to give more money to those who have larger families, or you may decide that everybody should get an equal amount. But whatever is decided, it should be fully discussed by the workers beforehand, so that they all accept it. The strike fund should be made to last as long as possible, so you should try not to pay out too much in the beginning.

#### PICKETING.

5. There will always be a few workers who will be weaker than the others and will want to end the strike too early. Once a few start work, then

solidarity is broken, and it is difficult to keep an effective strike going.

We have seen that meetings and information help to preserve solidarity. But in addition strikers usually put a PICKET of strikers outside the factory. It is the job of the workers on the picket to remind everybody that the strike is still on, and to try to discourage people from strike breaking. Remember this picketing is only legal if the strike is legal.

#### STRIKE BREAKERS.

There will be two kinds of worker who will try to break the strike.

The first are a few of the striking workers themselves. With these, you should first see whether it is not because they have a very bad personal problem. For example, a man with a sick wife may feel that he has to work so that he can get money for medicine. In this case, you might be able to give the worker special help from the strike fund. However, if the worker has no special reason, then all you can do is to try to convince him or her of the fact that by going back to work he or she is hurting all the workers, including him or herself.

The second kind of strike-breaker is a scab who has not worked in the factory before, but is being brought in to take the place of the strikers. In this case, it may be that the scabs do not know that there is a strike on, and will refuse to scab once they have been told. Scabbing is less likely once a sense of class solidarity has developed. But when there is high unemployment it is difficult to avoid.

SOLIDARITY.

In order to get support from other groups, the strikers could:

- (a) Issue written statements to the newspaper in which they explain carefully why they are striking. This is important, because it is through the newspapers that most people learn about the strike. If many hear the workers' story, then there is more likely to be public support for the strike;
- (b) Ask for donations of money to help to feed the strikers while they are not earning.

LAWS ABOUT MEETINGS.

There are two legal problems for pickets. The first is that it is of course illegal to use any violence against scabs. The second is that a big picket (say 50 people) would be a meeting, and it is probably necessary to have permission for such a meeting.

In most towns there are laws about meetings in the streets. A picket in the public street outside a factory would be such a meeting, if there were too many people in the picket. The police would therefore be allowed to break up the picket. If you held the picket on the property of the company, say, in the the company car park, then the company would be entitled to have you prosecuted for trespassing.

This means that you must be very careful about:

- (a) the number of people in the picket;

- (b) choosing the place where the picket is standing.

Again, you should consult a lawyer about this before the legal strike begins.

(iv) DEMOCRACY AND STRIKES.

You have learnt throughout these Handbooks that democracy is the most important principle of worker organisations. Without democracy, there can be no real unity.

The same applies to a strike.

All the workers must be involved in the decisions about the strike.

There are many jobs which need to be done during the strike:

- negotiating
- organising meetings
- organising education
- looking after the strike fund
- helping workers with special problems
- dealing with the newspaper.

It is no good if a small group of workers try to do all these things. As many workers as possible must be involved in organising the strike.

In this way:

- \* more things will be done,
- \* more workers will learn about the problems of organisation and the problems of the unions,
- \* people will be kept busy during the strike,



\* workers solidarity will be strengthened.

Finally, the return to work should be democratically decided on. Whether the workers win or lose, they must go back together. If a few more go back each day, then the solidarity of the workers in that factory will be broken for a long time to come.

(v) DECIDING TO STRIKE.

A strike is dangerous for workers in two ways:

1. We have seen that in many cases it is illegal to strike in South Africa.
2. But even when it is legal to strike, it is not certain that the workers will win. When workers lose a long strike, it can do damage to the workers and the union. Once the employers have won, they will do everything that they can to ensure that the workers stay weak. They will know that the workers will not come out on strike again if they victimise the strike leaders. So they will sack many of the strongest workers. They will begin to push the workers harder, and they will do everything that they can create disunity

For these reasons it is important:

- (a) only to risk a long strike for a very important issue
- (b) never to strike unless you believe that you have a very good chance of winning
- (c) never to start a strike unless you are

certain that it is understood and supported by all the workers.