

Metal industry negotiations

Wages, pensions, job security, overtime, shift work, taxes, deregulation and retrenchments are on the table of this year's metal industry negotiations. NUMSA is the major union, and there is no IMF alliance. LABOUR BULLETIN CORRESPONDENT reports.

Alongside wages, issues relating to social security and the protection and creation of more jobs look set to dominate the 1989 metal industrial council negotiations.

The negotiations are aimed at laying down the minimum standards in wages and employment for 361,000 metal workers countrywide. Fourteen unions are taking part in the negotiations with employers in the Steel and Engineering Industries Federation (SEIFSA). Although SEIFSA represents only 3,500 out of a total of 9,000 firms, it employs 70% of the industry workforce. More than 30,000 workers are employed by companies such as Iscor, Highveld Steel and Hulleys, which are covered by house agreements and are not affected directly by the industrial council talks.

The unions have grouped

along the same lines as last year - the mainly black International Metalworkers Federation (IMF), the seven white Council of Building and Metal Unions (CMBU) and allied unions, as well as three independents.

The IMF unions are the National Union of Metalworkers (NUMSA), which is affiliated to COSATU, and the Electrical and Allied Workers Trade Union of SA, the Engineering and Allied Workers Union of SA, and the Steel, Engineering and Allied Workers Union of SA, all affiliated to NACTU.

Last year 31,000 metal workers went on strike for two weeks in support of the Industrial Council demands. The strike was centred on Johannesburg and the East Rand. Although the four IMF affiliates had agreed on a joint strategy and joint de-



mands, it was only members of the biggest and most militant union, NUMSA, who backed the strike.

NUMSA major union

NUMSA came out of the strike having forced SEIFSA to recognise it as the major union, and that in the future there could be no agreement that excluded it.¹ This was an important breakthrough, as SEIFSA has in the past always argued that NUMSA (or MAWU) was simply one among many unions, and had thus justified gazetting agreements that excluded NUMSA. After last year's strike, SEIFSA accepted it could no longer do this.

While NUMSA came out of the strike having achieved its goal and having gained 30,000 new members, the IMF alliance collapsed in disarray. The 3 smaller unions accused NUMSA of settling unilaterally with SEIFSA, while NUMSA pointed out that it was NUMSA members who were striking and therefore NUMSA which had to settle. This year the IMF unions have presented their demands separately. But according to IMF secretary, Brian Fredricks, the demands are similar in many respects.²

NUMSA has made the following demands in the 1989 talks:

1) A new minimum of R5 an hour, against a R6 demand from some IMF affiliates.

2) All non-scheduled workers, such as storemen, to be graded appropriately on the basis of 1989 NUMSA

proposals.

3) The removal of all anomalies in the wage curve on the basis of 1989 proposals.

4) No SITE or PAYE deductions to be made by employers.

5) A 40-hour working week without loss of pay.

6) Overtime to be limited to a maximum of five hours a week, with the approval of the majority of workers in the plant. Only emergency work to be done during overtime.

7) Increase in shift allowances.

8) The unconditional recognition of June 16 and May Day (May 1) as paid holidays.

9) Full maternity rights and a 12-day child care leave (to be used when children are sick, or when there are problems at school).

10) Improvements to sick pay and disability and death benefits.³

Motivating NUMSA's wage demand at the opening of the talks, NUMSA's Bernie Fanaroff said the demand for a R5/hour minimum was seen by the workers as reasonable and moderate. NUMSA members believe that in such a wealthy country there should be a more even distribution of wealth. "They see excessive consumption and the consumption of luxuries by part of the population (including management and shareholders in the metal industry), while they are deprived of the infrastructure and facilities in the areas where they are required by law to live," said Fanaroff.⁴

The strength of workers' feelings

about the question of social security was demonstrated early in the negotiations. At the second round of the talks, on 30 March, NUMSA made clear to SEIFSA that it would not attend the next meeting on April 12 unless SEIFSA agreed to provide a response then on NUMSA's pension demand. NUMSA was demanding that the industry's two pension funds be converted into flexible benefit funds, with lump sum payments when workers withdraw.

When SEIFSA failed to give the undertaking, promising a response only on April 25, NUMSA said it would not attend the April 12 meeting, but would wait for SEIFSA's response on the issue on April 25. The meeting of April 12 was then cancelled, with parties agreeing to meet again on April 25.

According to NUMSA, SEIFSA, which first received NUMSA's demand a year ago, rejected the provident fund option because it believed that workers are not capable of handling money responsibly, and that workers will waste lump sums and have nothing for their old age. But this is workers' money and they know best what their needs are. There is no social security provided by the state or adequate state housing, so unemployed workers need their money immediately. "Relatively few metalworkers actually retire at 65, many die, and most leave the industry before this age," said NUMSA.

It added that an actuarial investigation had shown that most current pensioners actually got less from the

industry pension than they do from the state pension, and some lose money because they lose the state pension through the means test. NUMSA rejected SEIFSA's argument that the industry pension paid out comparatively little because it was still a new fund.⁵

Deregulation

SEIFSA offered a new hourly minimum of R3.40 for labourers, rising to R8.09 for artisans. Outside of the obviously critical issue of wages, major points of difference exist between NUMSA and SEIFSA. Broadly, NUMSA wants to create more jobs while at the same time securing the existing ones, which are threatened by provisions of the new Labour Relations Act. The Act now makes it easier for employers to layoff certain categories of workers.

Some NUMSA demands in this connection are:

- 1) That extra shifts be introduced only if they will lead to the employment of additional workers, and after full negotiations with unions, with former employees being given preference.
- 2) Stricter guidelines regarding the job security of temporary workers.
- 3) That employers wishing to relocate or close plants, give adequate notice and sufficient information to workers and all representative unions, and to negotiate in good faith on the proposed changes.
- 4) One month per year of service

as severance pay.

SEIFSA on the other hand seeks to create conditions favourable for deregulation and the utilisation of overcapacity, by removing as many restrictions on employers as possible.

This is clear from the demands which SEIFSA has submitted - it is the first time that the employers have submitted their own demands. These included:

- excluding small businesses from the scope of agreement.
- removing limits on overtime.
- relaxing restrictions barring the employment of workers without normal qualification for artisan jobs.
- protection of companies against compulsion to bargain at plant level on issues already settled at the Industrial Council.

NUMSA rejected SEIFSA's demand for the exclusion of small businesses from the agreement and that the restrictions on overtime be lifted.

According to Fanaroff, up to 22,000 metal workers were presently employed in small business and would be disadvantaged by the exclusion of their employers from the agreement. NUMSA also saw the government's hand behind SEIFSA's push for the exclusion of small employers.

The industry also has several important matters to deal with from last year.

One is the refusal by the government to extend the backpayment

provision in last year's agreement to non-parties. This means that workers not party to the agreement, and employed by non-party employers would not get the increase backdated to the implementation date for the agreement (July 1988) from the actual date that the agreement was published (December 13).

The Minister of Manpower also refused to gazette, and therefore make compulsory, the public holidays arrangement reached in the 1988 agreement. This provided for May 1 and June 16 as paid holidays, in exchange for statutory holidays such as Founders' Day and the government declared Workers' Day, if 75% of workers in the plant vote for this.

At the time of going to press the industrial council, comprising industry unions and SEIFSA, had just initiated Supreme Court action to review the above decision by government.

Both NUMSA and IMF have expressed hope of co-operation later in the negotiation, despite tensions from last year's strike. It remains to be seen if this hope will be transformed quickly enough into action for a united, stronger front to emerge in the tough months ahead. ☆

References

1. Seifsa media statement, March 15, 1989.
2. The Star, March 20, 1989
3. Numsa submission of demands to Seifsa, March 20, 1989.
4. Numsa motivating speech to industrial council, March 20, 1989.
5. Numsa press statement, March 31, 1989