

Engineering talks deadlock

The National Union of Metalworkers (NUMSA) has declared a dispute with the Steel and Engineering Industries Federation of South Africa (SEIFSA), the employers' association in the engineering industry.

Following weeks of negotiations, the union has accused employers of being "incapable of moving themselves from the bad old days." NUMSA's response is that its members therefore have "no option but to return to the strategies used in the bad old days."

At the heart of the dispute is NUMSA's attempt to get a new wage model in place in the sector. This is the third year that the union has tabled a comprehensive package of proposals which it says would modernise the industry and address historically inequitable wage structures.

NUMSA maintains that:

- There is no place in the world for a low wage, low skill engineering industry.
- The survival of the sector calls for a programme of changes which will lead it into the global village of the 90s
- The key factors which will determine whether South Africa will have an engineering industry in ten years time are education and training of the workforce and increasing flexibility of production methods

The union is demanding:

- An across the board wage raise of 15%, plus an improvement factor of not less

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than 5% for the lowest paid.

- Restructuring the grading system on the basis of reducing grades from 13 to five; a 10% wage gap between these grades; defining grades on the basis of skill as opposed to tasks performed, establishing a right to lifelong training to workers to facilitate movement to higher grades with higher pay.
- Reducing the work week to 40 hours without loss of pay; limiting overtime worked in the industry and pricing it high as an endeavour to curb it.
- The right to negotiate the introduction of technology and retrenchments.

Little progress

NUMSA has accused SEIFSA of treating the negotiations as yet another round of normal annual bargaining. The union maintains that "this reflects a short-sighted, head-in-the sand approach which fails to address the strategic problems of the industry."

SEIFSA's response to the NUMSA package of demands has been to table an across the board percentage wage offer.

They have offered a 10% increase, with a slight adjustment to the lowest grades. SEIFSA has agreed to reduce the number of grades to five, but rejects entirely the idea of applying new wage rates meant to close the wage gap.

They say real productivity improvements must be realised before any discussion of new wage rates

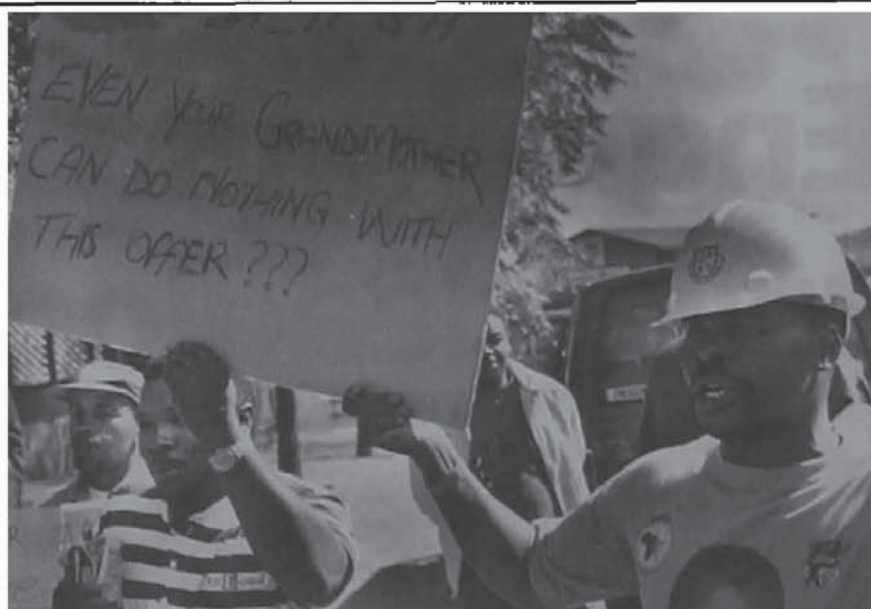
The employers' position seems set to provoke confrontation. NUMSA's chief negotiator, Elias Monage said: "The union will settle at nothing less than a full commitment with sound offers to close the wage gap by June 1996." The union sees the refusal to match a reduction in the number of grades with new wage rates as offering worse than nothing for its members. Workers will be expected to deliver flexibility with nothing in return

Monage also said the union will want to see a radical change in the employers' attitude towards negotiating retrenchments and technology introduction.

Challenges facing the union

For NUMSA to win through will require a forceful and successful campaign. This will involve.

- ❑ *Rethinking decision-making within the union.* In the past the majority of the union's engineering members (situated in the Gauteng province) would want to undertake industrial action to back their demands, but be stymied by a rigid union constitutional process. The union would want to discuss the action in the National Executive Committee (NEC), where many regions with weak engineering bases would outvote the Gauteng regions. An argument could be made for democratic decision-making by members in the sector concerned
- ❑ *Bringing the House Agreement Companies on board* In the past big strategic steel plants like Highveld Steel, Iscor, Samancor, Columbus, with in-house negotiation arrangements, would be allowed to



NUMSA members march in Johannesburg, June 1995.

negotiate and settle at their own pace and on their own terms, when the mood in the rest of the industry is for industrial action. This would then undermine the impact of the action on the industry.

It is strange that there has not been any attempt by the union to go for a centrally co-ordinated campaign to achieve key aspects of the wage strategy at these strategic plants. The rest of the industry would then be pushed to apply the same arrangements. This struggle for a pattern agreement is applied successfully by unions in the USA.

- ❑ *Winning public opinion:* NUMSA neglected this area with devastating consequences during the auto strike last year. It is vital that this be given serious attention if the union wants to win the high moral ground.

The account in the engineering industry is not yet settled. A showdown is looming. The culture of militant negotiations has been restored in the union. From all accounts, membership is fully on board, with many report-back meetings having been held in the regions. Regional congresses and a second National Bargaining Conference will be convened to take a decision on the line of action the union needs to take. ★