Workers' world

Equity Aviation strike lands union with **lots of baggage**

The start of the December holidays saw disruptions at the country's main airports. Many holidaymakers must have wondered why their baggage was being delayed or why members of the SAPS – reminiscent of the days of apartheid – were stationed outside some airports. **Jane Barrett** *explores some of the underlying causes of the strike between the SA Transport and Allied Workers Union (Satawu) and Equity Aviation.*

Workers world-wide have been arguing for years that privatisation invariably leads to cuts in wages and working conditions and that multinationals in their quest for profits compound the problem. In South Africa at the moment we need look no further than the dispute in Equity Aviation to find evidence of this. At the time of going to press Equity Aviation workers had been on strike for 66 days over a set of management demands that workers accept a downward variation in a number of working conditions.

Equity Aviation was born when Transnet, on the directive of government, sold a 51% stake in the company Apron Services. The buyer was a joint venture between British multinational service specialist Serco and a consortium of six black empowerment companies combined to form Equity Alliance. Transnet continues to hold a 49% share of the company. The deal was completed in April 2003, coinciding with the time when annual wage increases fell due in the company.

The company employs 1 500 workers, 500 of whom are contracted via labour brokers.

Strike trigger

The ink was hardly dry on the transfer agreement when Equity Aviation management tabled a set of demands to Satawu for major changes in working conditions. Satawu, an affiliate of Cosatu, represents the majority of the company's workforce. While the labour broker (casual) workers are members of the union, they do not form part of the strike as they are not formally employed by Equity Aviation and their conditions are unaffected by the dispute.

Management's opening wage offer was 0,5% combined with a performance bonus of up to 3%. The wage offer was conditional on a range of downward changes in conditions including:

- an increase in hours of work from the hard fought for 40 hour week to a 45 hour week, with no compensation;
- those whose shifts do not add up to 192 hours per month to be paid pro rata, instead of a regular monthly wage (resulting in less overtime pay);
- the abolition of a shift premium of 6,75% for all shift workers and the introduction of a shift allowance limited to nights, which will benefit mostly white workers;
- a change in the way in which overtime is calculated so that overtime would no longer be calculated on a daily basis but a monthly basis (resulting in a further loss in overtime pay);
- a ban on weekends off, ie no worker to have Saturday and Sunday off in any one week; and sick leave to be reduced from 60 days over three years to 37 days.

Section 197 of the Labour Relations Act specifies that in the event of a transfer of ownership of a company, terms and conditions may not be varied without agreement by the representative union. Equity Aviation has made no secret of its intention to force such an agreement on the union via the process of wage bargaining.

How Equity Aviation thought they could get a negotiated agreement on these downward changes remains a complete mystery!

Satawu's opening demand was 10% subsequently dropping to 8%. On management's attempts to downward varying working hours and other conditions, Satawu has been consistent in arguing that it would be willing to talk about these proposals outside of the wage bargaining process.

Negotiations dragged on for months in 2003, delayed for a long period by management's refusal to disclose financial information requested by the union. This became the subject of a separate dispute. Deadlock in the wage negotiations was eventually declared by the union in November last year. The matter was referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) but little progress was made in the talks. By mid December Satawu had issued notification of intention to strike. The strike, involving 950 workers, started on December 18. On December 22 Equity Aviation applied for an urgent interdict against the strike, but their application was denied with costs.

The strike continued over Christmas and New Year with no movement from management. Its next tactic was to take the unprecedented step of selectively dismissing around 150 workers for striking. The workers were selected for dismissal on the basis that they were 'not union members of long standing'. The dismissals have become the subject of another separate dispute, with the union applying for an urgent interdict to stop any further dismissals. On the eve of the court hearing, the company undertook not to dismiss any more workers for participating in the strike. This undertaking became an order of court. The matter of the 150 workers already dismissed remains in dispute.

Since early January further rounds of negotiations took place at the CCMA as well as a number of informal talks brokered by the leadership of Cosatu. Satawu has also mobilised two solidarity strikes while management has used numerous legal strategies to undermine the strike. The latest tactic is the imposition of a lock-out. The company has stated that it will only accept a return to work if workers accept management's demand for a downward variation. At the time of going to press management had marginally shifted its wage offer to 4% plus a 2% performance bonus. However, all its other demands involving a downward variation of conditions remained. Satawu was demanding an 8% increase and the referral of the proposal of working hours to a different forum for negotiations.

Problems around the negotiations
There have been two major problems in the process of negotiation. The first is that management has not maintained consistent representation in the negotiations. The second problem is that management has constantly altered its offers, never once reducing them to writing. The union alleges this a form of bad faith bargaining.

In the absence of any progress through negotiation, Satawu has moved its focus to the mobilising of solidarity – both local and international – as well as to put pressure on the shareholders. Various forms of pressure are being put on the three major shareholders (Serco, Equity Alliance BEE consortium, and Transnet). Pressure has also been put on government as the shareholder of Transnet and as the agent that effected the part sale of Apron Services in the first place. Public enterprise minister Jeff Radebe's statement in the *Sowetan* on 26 January has not gone down well in the union. He stated that: 'We protected the employment of workers. The issue is between the employer and the employees.'

There have also been reports that Radebe might meet with Transnet and Satawu. In the meantime the response of the company has been negligible. Satawu wrote to Equity Alliance via Mpho Scott, former ANC MP and the chairperson of the Equity Alliance audit committee. The union is now pursuing the six individual BEE partners to Equity Alliance. The ANC's KwaZulu-Natal provincial secretary Sipho Gcabashe is a board member of Univest, one of the BEE partners. The ANC links to a number of board members in the various BEE companies has generated some hostility towards the ANC. This might explain some of the slogans which have appeared on the picket line: "Democracy now demon-crazy" and "How can we be led by money-monkers like you ANC?"

Reflections on the strike
Whatever the final outcome of the strike, there will be some important issues for Satawu and Cosatu to think about. The first will be how to step up the struggle for a 40 hour week at a national level, so that the issue is not left to surface only in individual disputes.

The role of labour brokers in increasingly 'casualising' employment is an issue that has been somewhat hidden in the dispute but which is nevertheless important and a response needs to be strategised. Strategies of engagement with BEE shareholders are also necessary at a federation level especially where shareholders are closely associated with the ANC. Some reflection on strategies for building international solidarity in the context of increasing multinational involvement in our economy will also be helpful.

It would be useful if the experience of the Equity Aviation strike contributes to the formulation of further amendments to section 197 of the LRA. Clearly the wording of the section has given Equity Aviation the space to put unreasonable demands on the table for a downward variation of conditions.

The issue of the structure of collective bargaining also needs thinking about. Currently there is no centralised bargaining forum in the aviation industry. The breakup of SAA into a myriad of different services (many of which have now been privatised), combined with the entry of many new players in the industry, has resulted in a fragmentation of collective bargaining. This has placed excessive demands on the union and has fragmented worker solidarity. Centralised bargaining in the industry is therefore likely to become a key Satawu demand in the next year. Finally, and most sobering, the strike holds many lessons for the federation on the consequences of privatisation for workers.

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