

Jet set hi-jinks made the strike take-off

Was it only the lavish lifestyle of SAA CEO Khaya Ngqula that spurred on workers to participate in a six-day strike? The **Labour Bulletin** explores whether growing inequality and the wage gap were the driving forces behind the strike.

Negotiations between SAA management and the unions – SA Transport and Allied Workers Union (Satawu) and Uasa – appeared to start off relatively normally without much media hype. In the middle of discussions, various media articles began to report on the lifestyle of SAA CEO Khaya Ngqula. Some of the reports are not new and have emerged from time to time in recent years especially in his capacity as head of the Industrial Development Corporation (IDC). The difference was that reports put SAA in a bad light as the organisation sought to embark on a cost-cutting exercise. The unions obviously used these reports to their advantage – and so they should.

As these reports continued, SAA management argued in wage negotiations

that the company was in a precarious position and had 18-months to turn the company around or face closure. The gloom and doom argument blew up in managements' face when the company released its financial results, which showed the extent of the turn-around. By this time the unions were on 6% and management on 5%. The release of the financial results on 7 July was the turning point for the negotiations. The unions, now believing that the company could afford the increase being demanded, reverted back to their 8% demand and the negotiations spiralled out of control. The perception amongst members was that Khaya (along with the negotiating team) was not to be trusted, he could not relate to workers, he was a spendthrift and now was the time for workers to get a piece of the pie.

Was management caught off guard by the strike? Despite threats of a strike, there is a view amongst the unions that SAA management was arrogant and did not believe the strike would happen. As a result it appeared that management was not prepared for the strike and had no proper contingency plans in place. There were also indications of some divisions and infighting between various departments in SAA, leading to the dismissal of the human resource director. The strike began rather slowly and reinforced managements' view that the strike would not get off the ground. The situation changed by the second day bringing SAA operations to a standstill.

While there were obviously clear problems within management, what of the unions? Many of the workers who joined the strike were striking for the first time while some were relatively new union members and therefore, the process of what to expect from negotiations was not fully understood

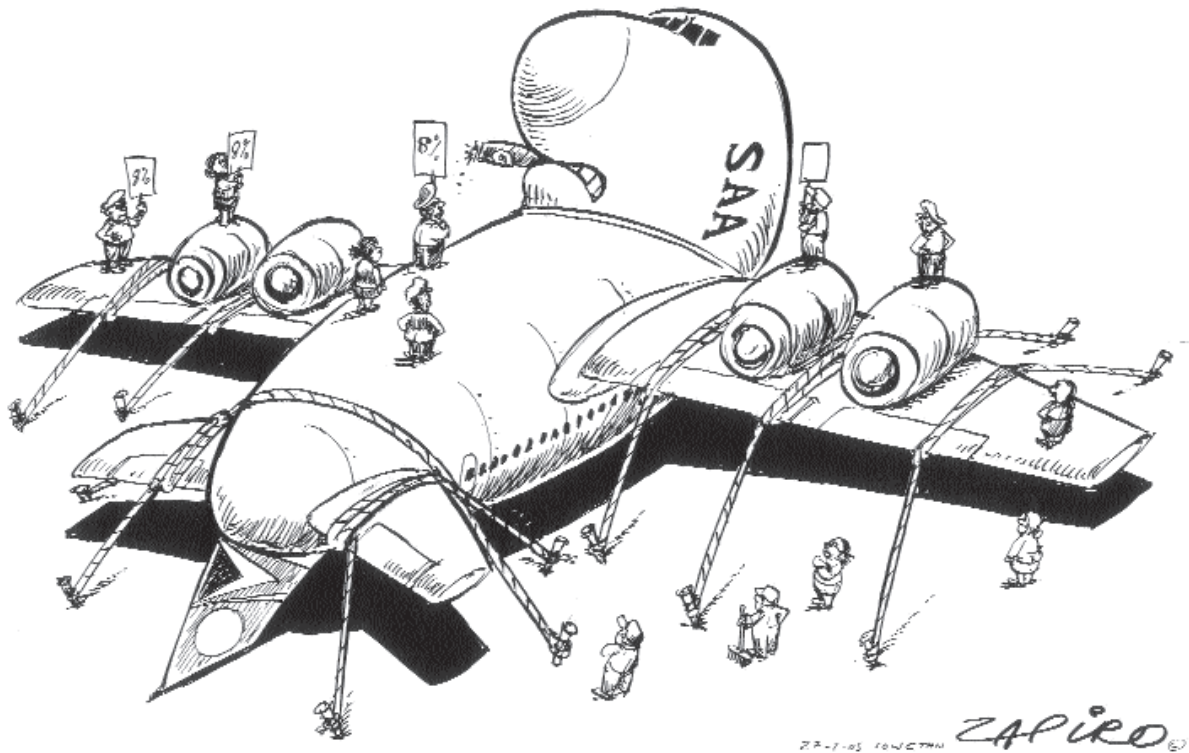
and appreciated. For example, there was a view – promoted by one or two full-time shop stewards based at the airport who had only been in the union for a year or two – that Satawu must not settle on anything less than 8%. This was despite the fact that the unions had originally moved off their 8% demand during negotiations before the company's financial results were released. The union believes that these full-time shop stewards, wanting to retain their power base, adopted this stance, to show their strength. An observer says that some trade unionists feel that they have to assert themselves because there is a sense that the unions are losing ground. In view of the dynamics with the local shop stewards, Satawu head office officials faced some strong resistance in getting its members to agree to the final position and ensure a return to work.

CHALLENGES POST STRIKE

Any relationship, whether it is between union members or between the union and management, is built on trust. It is clear that this relationship does not exist, at present and needs to be rebuilt if the parties are to engage each other – and not only in the area of wage negotiations. A constant turnover of negotiators on the side of the union and/or management does not help the situation.

The strike has revealed some important concerns for Satawu (some of which emerged during the truckers' strike earlier this year) and which need to be addressed.

- There is a growing acknowledgement of the need to educate newer union members, who do not have a history in unions, and therefore, need to understand how unions operate. Therefore, internal education and



communication to members will have to be reviewed.

- Does the union consider the impact of a change in union and/or management negotiators and how this will affect negotiations?
- Did the union properly communicate how the negotiations were proceeding prior to the decision to revert back to 8%?
- The issue of communication emerged very strongly in the truckers' strike as it later emerged that there were insufficient report backs by shop stewards on the positions being adopted during the negotiations. Satawu learnt that in the absence of communicating properly and directly to its members, others will utilise that space and communicate messages to suit their position. During some reports, the union found out that other unions implied that it was only Satawu that had signed the final agreement. Members were subsequently angered and believed that the union had compromised while others had not.

WHY UNIONS WERE DIVIDED AT METRORAIL?

While unions such as Satawu and Uasa worked closely at SAA the situation differed in relation to the earlier dispute at Metrorail, which led to a strike by the two Fedusa unions – Uasa and Utatu. Satawu says that one of the areas of disagreement between the unions was the utilisation of R1-million set aside from last year's negotiations to address wage differentials. During the negotiations this year, Uasa and Utatu wanted to use the money to finance a higher across the board increase. Satawu rejected this and finally settled on 5%. The other two unions decided to go on strike. Uasa claims that it was not only a question of the actual increases but concerns amongst members as to their status once Metrorail moves out of Transnet. The union said negotiations took place against uncertainty around the passenger rail integration scheme.

Last year public enterprise minister Alec Erwin announced that Metrorail and SAA should move out of Transnet and fall under the SA Rail Computer Corporation and be headed up by the Department of Transport. Uasa indicated that uncertainty existed as to whether existing employment and pension provisions would be honoured with the move. Hence, as part of the settlement achieved by Uasa was an agreement that existing employment conditions, pension and other benefits would be guaranteed in the event Metrorail moved from Transnet to another employer. Uasa then signed and returned to work but Utatu sought to continue the strike, which eventually fizzled out. There appeared to be some competition between Uasa and Utatu as they organise similar members and form part of the same federation.