

# *NUMSA takes on Iscor*

**I**n 1997 Iscor embarked on a major rationalisation programme, which led to the retrenchment of more than 1 500 workers.

The programme is continuing this year. The Vanderbiljpark steel operation has been earmarked for closure. This will result in the loss of a further 6 500 jobs. The closure will be handled in stages, over a two-to-three year period. Two divisions have already been shut down. Iscor claims that these measures are necessary for the company to be able to compete on international markets.

NUMSA, which represents the workers at Iscor, was not consulted about the closure of the two divisions. Plant structures were bypassed by management. The company failed to provide any information about its strategic plan, saying only that it is based on advice from MacKinsey, a group of American-based management consultants.

## **Summit**

In May, the union and management agreed to hold a joint sectorial job summit to develop restructuring alternatives. The meeting agreed that a moratorium would be placed on the closure of the two divisions. Iscor has reneged on this undertaking, and is proceeding with the closures.

NUMSA is consulting broadly with researchers and economists on the

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different options the company might follow. At a recent general meeting attended by 900 Iscor shopstewards, workers vowed to intensify action to force the company to reimpose the moratorium.

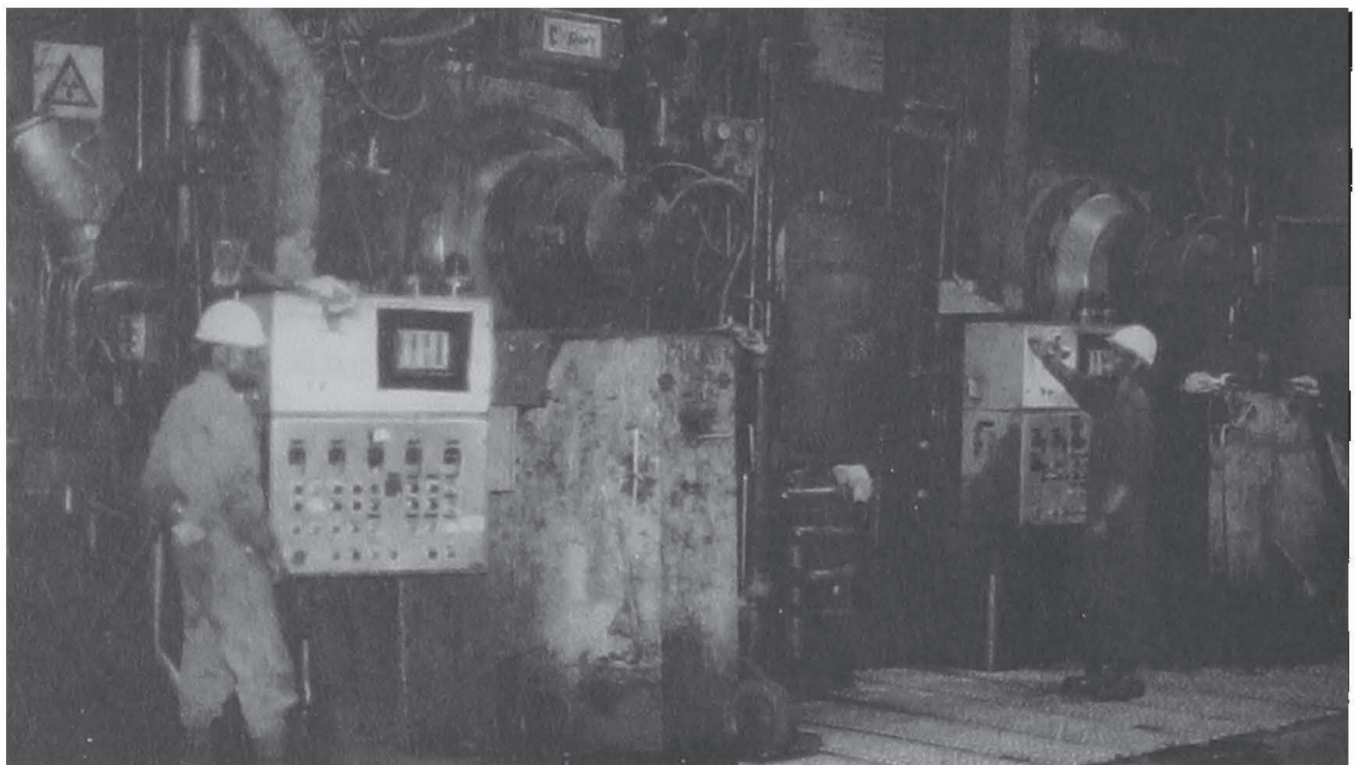
## **Consultants**

The MacKinsey consultants do not understand the South African situation. Using international benchmarking to retrench workers is not the solution to Iscor's problems. This is the third major retrenchment in two years that MacKinsey have been involved in. Their recommendations on the restructuring of the South African Broadcasting Corporation (SABC) resulted in the loss of 1 400 jobs. They also proposed the retrenchment of 1 500 workers at the Iscor Pretoria plant last year.

NUMSA believes that the MacKinsey strategy is misguided. Their approach to restructuring is a crisis response. There is no long-term, sustainable plan and no job retention strategy.

## **Social impact**

Retrenchments at Iscor will add to the woes of the metal industry, which has lost close to 114 000 workers since 1992. This will swell the ranks of the unemployed



*Iscor Vanderbijlpark. Rationalisation and company closures will shed jobs.*

and increase poverty. The closure will also have negative effects on the region. Many companies are dependent on Iscor for survival.

### **Accountability**

NUMSA believes that justice for workers is also good for a company. Iscor management took a unilateral decision to close the divisions. NUMSA demands employer accountability. We demand that employers fulfil their responsibilities to the community within which they prosper, and society as a whole. If, after all avenues have been explored, retrenchments are necessary, workers must be equipped to sustain themselves and their communities in the future. Iscor has no proposals for job creation or training schemes. Profit maximisation is the only consideration.

Plant closures must be negotiated with workers well in advance. Employment security and community stability must be primary goals. The alternative is dire poverty.

### **Government's role**

Government's role in the Iscor saga compounded the problem. Although the government is the major shareholder, it is reluctant to intervene. Government has known for a long time that Iscor suffers from major management and structural problems, yet it has allowed company officials to go their own way.

The problems at Iscor and other companies are compounded by government's failure to provide a social security system which can sustain the unemployed and the poor. It is this situation which has prompted NUMSA to call for an adequate 'social wage'.

The South African economy is shedding, rather than creating jobs. Now that GEAR has replaced the RDP, the chances of the unemployed finding jobs are slim. One is forced to the conclusion that government has abrogated its responsibilities to the unemployed and the poor. ★

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