National auto strike

Casuals and permanents celebrate

National strikes are always risky and maintaining unity looms large. **David Francis** reports on the eight-day national auto strike in August where, despite predictions of companies closing shop to move to a more docile union environment, workers remained solid and won a substantial amount.

On Wednesday 11 August, 31 000 members of the National Union of Metalworkers of South Africa (Numsa) began industrial action in response to the deadlock in negotiations with the Automobile Manufacturers Employment Organisation (Ameo). Numsa represents workers at eight vehicle manufacturing plants: Toyota in Durban, Mercedes-Benz in East London, Volkswagen in Uitenhage, Ford and General Motors in Port Elizabeth, and Nissan, Ford and BMW in Tshwane.

Wage negotiations collapsed at the National Bargaining Forum (NBF) with Numsa demanding an increase of 15% for the first year of the three-year agreement and the removal of labour brokers.

According to Numsa these demands were in line with resolutions taken at the African National Congress conference in Polokwane in 2007 where the ANC made a commitment to sustainable living wages for all.

Ameo offered 7% in the first year, with increases in years two and three in line with inflation. In addition, workers demanded changes to their conditions of service. These included 20 paid working days of leave annually, an increase in bonuses to 15.3% with no penalties, six months of full-pay maternity leave and an increase in paid sick-leave to 45 days in a three-year cycle.

The union also demanded the upgrading of welders and spray painters to skill level five, the establishment of a training pool to facilitate skills development, the provision of training during working hours, and the ability of workers to choose their own career paths.

The demand for a 15% increase is substantially above the inflation rate of 3.7% [July 2009 to July 2010] but Vusi Mkhungu, chairperson of the shop stewards committee at Durban's Toyota plant, explained that high inflation in the years since the last round of negotiations had eroded the real wage of workers. The figure of 15% was based on research by the Labour Research Service and also accounted for the inflationary outlook beyond 2010.

Central to the negotiations was Numsa's demand for the creation of a Short Term Fund (STF) that would allow workers to get full salaries during short-time periods, layoffs, and plant downtime such as retooling.

The union also negotiated Equitable Short-term Contracts (STCs) and demanded that these should not exceed three months, and that STC employees should receive all benefits that permanent employees are entitled to such as medical aid and severance pay.

Importantly, while STC workers will be paid at the entry rate for the industry, Numsa demanded that they be allowed to participate in the skilling and training programmes on offer.

The strike lasted eight days, with members taking to the streets in various parts of the country to voice their demands.

In response to this vigorous industrial action, Ameo increased its wage offer to 10% in year one and 9% in both years two and three, with an additional clause stating that should inflation rise above these figures, workers will receive increases in line with inflation.

Ameo also offered concessions in other key areas. It agreed to discontinue the use of labour brokers from 2011, excluding existing agreements, which will run to their conclusion.

Furthermore, it agreed to Numsa's demands regarding workers employed on short-term contracts. Workers on STCs,will be allowed to participate in skilling programmes, and will be entitled to the same statutory benefits, such as medical aid and severance pay, enjoyed by full-time staff.

The deal includes a 10% additional allowance for skilled workers in spray painting and welding.

Significantly, Ameo agreed in principle to setting up a STF. However, there are still logistical considerations as to how it will be funded. One proposal is that the Workers' Security Fund should be dissolved and combined with money generated by optimising the Unemployment Insurance Fund.

Finally, parties agreed on the establishment of a statutory bargaining council.

However, in *Engineering News* on 20 August, Ameo highlighted its concern that the strike had caused long-term damage to South African manufacturers. 'The strike and resultant loss of volume, 17 000 vehicles, has caused significant reputational damage to the automobile manufacturing industry in South Africa as a stable production location, and this could have repercussions in terms of our ability to attract future investments going forward.'

Ameo noted this could lead to importers making further inroads into the South African market, where they already account for 55-60% of new car sales. According to Bloomberg in *Businessweek*, South Africa's car and car-parts industry accounts for about 6% of gross domestic product and is the country's biggest manufacturing exporter.

Despite these concerns, full-time shop steward at Toyota Durban, Senzo Mabhida said that workers at the plant were very happy with the outcome of the strike, and stressed that the focus was not only on wages, but on other important issues relating to safe and equitable employment.

Mkhungu added that employees in the auto industry were receiving fair living wages, and also under the new agreement STC employees would benefit from fair wages, as well as skills development opportunities.

The agreement was signed by Ameo and Numsa on 19 August, and union members returned to work on Monday 23 August. LB

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Downing tools in motor, tyre and rubber

Numsa has experienced national strikes in all sectors except engineering this year.

Tyre and rubber workers supported their 70 000 less powerful comrades in the motor sector (garage attendants, panel beaters, motor mechanics, motor dealers) by striking simultaneously at the beginning of September.

Motor workers declared a dispute with the Retailers Motor Industry (RTI) and the Fuel Retailers Association (FRA) while tyre and rubber struck against Dunlop, Bridgestone-Firestone and Continental in KwaZulu-Natal, Eastern Cape and North West.

The Japanese Bridgestone walked out of the New Tyre Manufacturing Industry Bargaining Council negotiations. The company showed a reluctance to bargain on the council even tabling proposals lower than the Tyre Manufacturing Industry Employers' Association to which it is affiliated.

Their demands included:

- A minimum of R20 per hour in motor.
- 15% across the board increases on actual wages.
- 40-hour week without loss of pay.
- Pay for short-time/lay-off.
- Training and skills development including Adult Basic Education and Training (Abet) during working hours.
- Saturday hours at one and a half, and Sunday and public holiday hours at double pay.
- Scrapping of labour brokers in motor and tyre (eg at Lear Corporation where the extremely exploited workforce are mainly brokered).
- Full benefits for workers on STCs and permanent employment after three months in tyre.
- Six months paid maternity leave.
- Four weeks severance pay for every year of service in motor.
- Employer contribution of 70% for retirement and medical benefits.

Strikers picketed and demonstrated across the country in support of their demands. Workers and leadership have been harassed and arrested by police including the KZN regional chair of Numsa, Basil Cele, who was arrested for leading the motor strike in New Germany, Durban. Petrol attendants have also been arrested in Natal.

RMI and FRA managers have threatened workers in small garages and workshops with dismissal and intimidated them with verbal slurs and harassment despite it being a protected strike.