

# Review of 1993

## 1993 in brief

### The main features of the year were:

- ❑ Overall membership growth despite recession, retrenchments and violence.
- ❑ Tough wage bargaining, in which unions managed to prevent real wages dropping too far, and in many cases won modest increases.
- ❑ Extraordinary progress in organising and winning rights in the public sector.
- ❑ A far-reaching change in the auto, engineering and tyre sectors, as employers accepted NUMSA's proposals on grading, training, skills, and wage policy.
- ❑ Some progress towards centralised bargaining in the municipal and goods transport sector, simultaneously with attacks on industrial councils in the motor and building industries.
- ❑ The agency shop has successfully been placed on the bargaining agenda.
- ❑ The regulation of health and safety is improving, with the passing of the new *Occupational Health and Safety Act*, and the establishment of a commission to investigate mine safety after the Middelbult tragedy at Secunda.
- ❑ Some employers are beginning to accept a union role in industrial restructuring.
- ❑ Labour legislation has been extended to farm and domestic workers.
- ❑ There has been some consolidation of the three major federations, with new affiliations and union mergers.
- ❑ The gap between leadership and base in COSATU has widened, with serious weaknesses in many affiliates.
- ❑ COSATU is suffering from a lack of strategic focus.
- ❑ The trade union movement has begun to participate in tri-partite forums such as the NEF, NMC and NTB
- ❑ White worker organisation is experiencing some turmoil as it seeks to position itself for a new SA. ♦



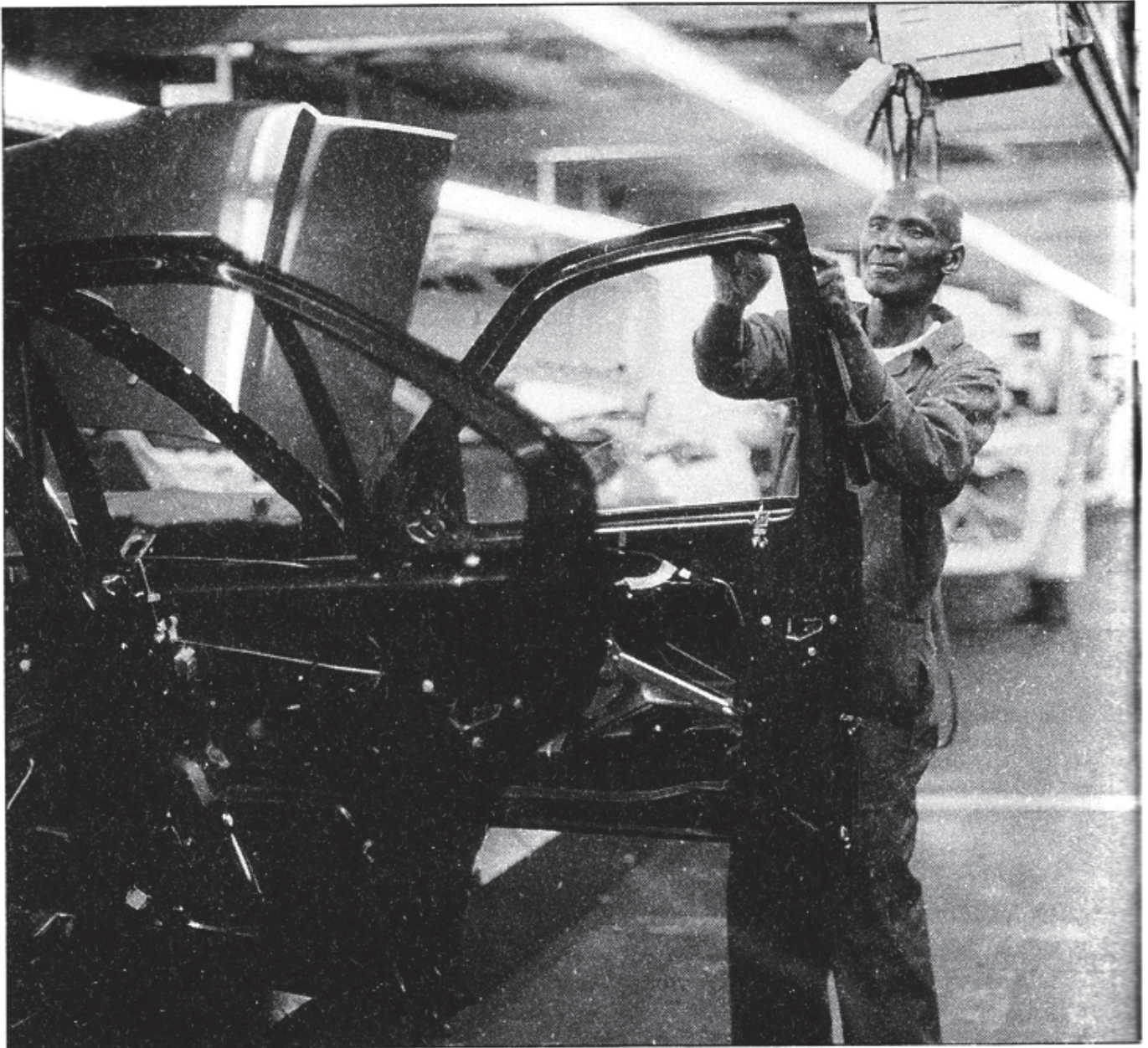
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# Impressive gains, organisational

1993 has been an extremely tough year for labour, as was last year – yet unions have made impressive progress on a number of fronts. At the same time, the trade union movement faces an organisational crisis.

KARL VON HOLDT reports.



## Collective bargaining

It has been a very difficult year for wage bargaining. The recession, retrenchments and unemployment weakened the unions' negotiating position, and strike action in the private sector fell off dramatically. According to the Andrew Levy strike survey, 2,4 million person-days were lost in the first nine months of 1993 (70% in the public sector) compared to 3,1 million in the same period last year and 2 million in 1992. Nonetheless, unions were able to hold their own with tough bargaining (*see p 23*). This is testimony to the continuing strength of the labour movement, despite the depth of the recession.

The most dramatic increases were won in the public sector, where national strike action by SADTU and SAMWU broke state employers' attempts to limit wage increases to 5%. SADTU won large increases for the lowest-paid categories of teachers, and SAMWU won large increases for workers in the lower-paid

municipalities. The strikes have established both SADTU and SAMWU as powerful national forces in their sectors. SADTU won full negotiating and organising rights, and its strike has for the first time established a

trade union identity among teachers. SAMWU won what is effectively a national minimum wage for municipal workers, as well as an in-principle agreement to national centralised bargaining.

The other major breakthrough in collective bargaining was won by NUMSA. In what the union's national organiser for training and grading Adrienne Bird calls "amazing agreements", engineering, auto and tyre employers accepted NUMSA's proposal for a completely restructured approach to grading, training and wages. The number of grades up to artisan will be reduced to five, with a new grade above artisan. Grades will be skill-based rather than task-based, which means workers will be paid according to the level of skill (based on training), not according to the tasks allocated them by employers.

Related to this framework established in collective bargaining forums, is the breakthrough won by the union in establishing or reforming industry training boards in each sector. A "state of the art" training board has been established in the auto sector, and the artisan training board in the steel and engineering sector has been reformed into a general training board for all workers. Bird points out that the union has now established the necessary institutional framework for its human resources programme to be implemented. Employers have accepted the need for training for all categories of workers, and for career-pathing based on training modules and the new grading system. The union is pushing for an "entitlement clause" which would entitle all employees in the industry to ongoing training.

The agreements in the metal industry are truly trend-setting. The question is whether other unions will be able to catch up. CWIU has succeeded in having an industry training board set up in the chemical sector, but without a centralised bargaining forum it will be unable to table such a comprehensive programme as NUMSA. Other smaller unions, for example PPWAWU and TGWU, have been unable to devote any resources to developing proposals on training and grading

This article does not review progress made at the NMC, the NEF and the NTB, or political developments and the impact of violence

# crisis

for their sectors. However, Bird hopes that NUMSA's investment in this area will be spread to other affiliates through COSATU's programme on training and grading.

In the public sector NEHAWU is making some progress with similar proposals. The union has proposed that the broad category of 'general assistant' be replaced with specific job categories, for example 'porter', with career paths and access to training. According to NEHAWU general secretary Philip Dexter, negotiations on this with the Commission for Administration are "making progress". The union has also won CFA agreement that the classification of most general assistants as 'temporary' workers is unacceptable. These workers can no longer be fired on 24 hour notice, and the process of harmonising conditions and benefits is underway.

Other important gains won by some unions in collective bargaining were the agency shop demand and the establishment of re-training funds for retrenched workers. An agency shop has now been established in the auto industry, and NUM has won Industrial Relations Funds on almost all Chamber mines, according to general secretary Kgalima Motlanthe, except Goldfields. These differ from an agency shop in that contributions from non-members go, not to the union, but to the IR Funds jointly controlled by management and the union. The money will be spent for the benefit of all mine workers. Re-training funds have been established in the auto and steel engineering sectors, and by Premier and FAWU in the food industry.

Very little progress has been made with what COSATU has defined as one of its key campaigns – the campaign for centralised bargaining. SAMWU won a highly significant victory in the municipal sector. TGWU has won agreement from employers in the goods transport sector to extend the Transvaal industrial council to the rest of the country, and this should be in place early next year, according to general secretary Randall Howard. SACTWU and employers in the clothing industry have agreed to merge the five regional ICs into one national

one by 1995.

On the other hand, employees in the motor and construction industry are undermining the industrial councils and refusing to sign agreements. Campaigns by SACCAWU, PPWAWU and CWIU for centralised bargaining in their sectors have made little if any headway.

### Shopfloor change

While management of many companies is aggressively introducing various worker participation and productivity schemes, unions have made virtually no progress in taking initiatives towards co-determination or democratising the workplace (the one exception is Eskom – see later). In most cases, too, management bypasses the union, and when the union is consulted it is usually not equipped to respond adequately. As TGWU's Howard puts it, "Organisers are caught with their pants down".

While unionists at national level talk about team-work and co-determination, the view from the ground is more desperate. "Our members and organisers face multi-tasking, retrenchments, demands for flexibility, for agreeing to new work schedules, for harderwork," says NUMSA regional secretary on the East Rand, Bethuel Maseramule. "Our national officials negotiate the principles, but on the ground the organisers get overwhelmed by detailed company proposals. They are impatient to get concrete information on how to respond to retrenchments, multi-tasking and over-work." At national level officials meet management counterparts, who then use the union's ideas in negotiating with local organisers. The local organisers are disempowered by the new language of 'flexible production' as they have not been equipped by their union to implement its programme. "At the national level the bosses discuss everything, but they do not hold back their attacks at plant level."

Maseramule gives the example of National Bolts, which retrenched workers at the same time as it was approaching the Department of Trade and Industry jointly



COSATU shopstewards council: national gains, crisis on the ground

with NUMSA to request export subsidies. "Now they have raised the need for team-work and restructuring with us – and at the same time telling us a second wave of retrenchments is a 'given'." He concludes that "in the companies we are simply reacting, we haven't yet taken a pro-active approach." Most organisers in most unions face similar problems, although in the metal industry, as Maseramule points out, employers may actually have been empowered by the union's new strategy and language.

This situation may shift slightly next year. NUMSA sees new forms of work organisation as being closely linked to its grading and training initiatives, and will focus on pilot projects in some auto and other companies.

While it may have been relatively easy to get consensus between union and employers on grading and training, the union's proposals on team-work and co-determination are another matter. The "new competition", according to CWIU general secretary Rod Crompton, requires that management moves labour relations higher up the agenda, negotiates changes with the

union, provides information, and devolves responsibility onto the shopfloor. "South African management has an absolute mindblock about 'management prerogative' – so their restructuring is bound to fail," says Crompton.

Essentially, the workplace contestation will be between the management model of 'lean production', and a union model of 'intelligent production' – if the unions can equip their organisers and members to take up this challenge.

### Industry restructuring

Over the past two years COSATU affiliates have declared their determination to play a role in 'industry restructuring'. The struggle to establish a new framework for grading and training is obviously a central component of industry restructuring, as it lays the basis for production based on higher skills, flexibility, better quality and more complex technology. However, the unions also seek influence – and ultimately co-determination – in the spheres of business planning, industry planning, product development and investment.

Some are beginning to have some

influence at this level. According to NUMSA's Chris Lloyd, the union has taken some steps forward in the auto sector, where the union participates in the Motor Industries Task Group. "Employers are beginning to understand the need to rationalise models, to develop and expand the components sector, and that all this requires an industry policy." Union and employers have worked out a joint response to GATT. In the white goods sector, too, says Lloyd, some companies are beginning to appreciate the union's views that the industry needs to prepare for rapid expansion as electrification takes off. "We have two messages – that we need an industry strategy to design and produce goods for the mass market, and that skills-based work organisation in the plants is the only way to increase productivity and quality and meet international competition."

Other unions lag far behind this. While NUM has had some success in crafting proposals that have kept individual marginal mines going, the union has had very little success in persuading the mining houses that a comprehensive plan for the downscaling of the industry is necessary. "Talks at the Mining Summit (established in 1991) are very slow. Employers have a wait-and-see attitude – there is no commitment to union participation," says NUM's Kgalema Motlanthe.

CWIU is engaging companies in talks about the future of the chemical industry. TGWU is doing the same in the passenger transport industry.

The most far-reaching example comes from the state utility company, Eskom. After a campaign NUM and NUMSA won union and community representation on Eskom's governing body, the Electricity Council. Co-determination and the end of managerial prerogative have been accepted at all levels of the organisation. The Eskom restructuring is so far-reaching that unions in other state companies – Telkom, Sapo, Transnet – as well as the public sector more broadly, may take it as a model.

The public sector is in any case likely to be the arena of most concerted union

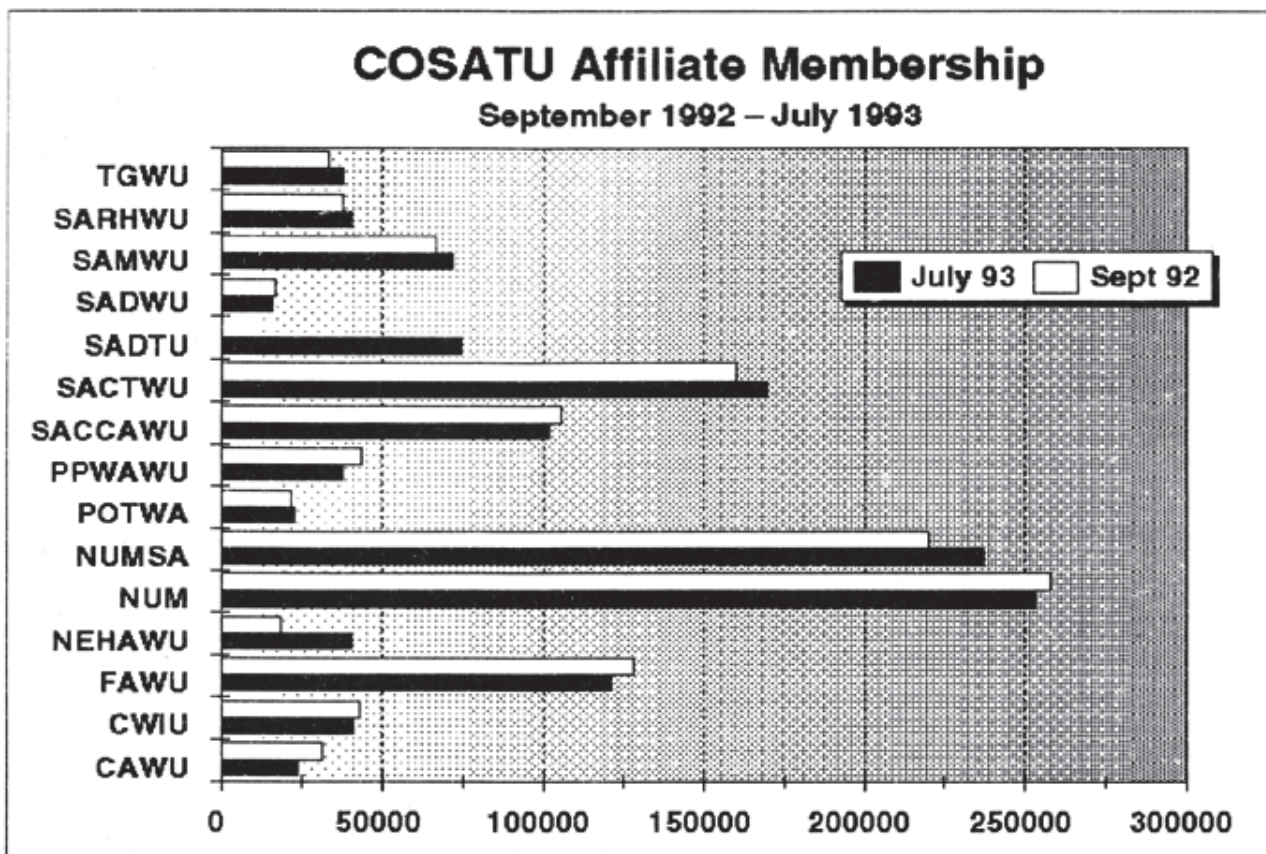
involvement in restructuring after April next year. COSATU won an important victory in November this year when the CFA and the conservative staff associations tried to have guarantees of job security and benefits written into the interim constitution. After threatening a general strike over this and the right-to-lockout clause (see p 38), COSATU and NEHAWU won agreement that the government will have the authority to restructure the civil service, transferring and retrenching staff where necessary, and that the commissioners in the CFA will not be entrenched, and the number of commissioners will be expanded, which is "vital for transforming the civil service", according to NEHAWU's Dexter.

### **The labour movement**

The past year has seen some consolidation of all three major federations. The Federation of SA Labour Unions (FEDSAL) has experienced membership growth through affiliation of several new unions, and feels it is now well-placed in the "mid-stream" of labour. New FEDSAL President Ben van der Walt feels it has been a "very good year. Unions are joining and we are growing, not stagnating." Membership increased from 214 000 to 273 000. He believes FEDSAL is now recognised as an important actor in the labour field, and points to the federation's participation in the National Manpower Commission (NMC), the National Economic Forum (NEF), and in the official delegation to the ILO. FEDSAL also took part in the campaign against the petrol-price increase and supported COSATU's position on the right to strike and lock-out. It has formulated an economic policy document for the first time. The Public Service Artisan and Allied Workers Association and the Hospital Personnel Association of SA have given it a presence in the civil service for the first time.

Van der Walt is confident about FEDSAL's future. "We think we are the future of labour. Once the political situation stabilises we will become the mainstream."

The National Council of Trade Unions (NACTU) general secretary Cunningham



Ngcukana also believes his organisation has had a "very successful year." Despite extremely difficult negotiations over wages and retrenchments, NACTU has been able to focus on internal consolidation through mergers and improved education programmes.

The formation of the Municipal, Education, State Health and Allied Workers Union (23 000 members) last year, has been followed by the merger of security, laundry and brushes affiliates to form the National Service and Allied Workers Union (12-15 000). The Food, Spirits and Allied Workers Union (24 000) is to be launched soon, and MEWUSA, SEAWUSA and the United African Motor Workers (check) will also merge soon (35 000). These mergers will reduce the number of affiliates from 20 to 15. NACTU hopes to emerge from this overhaul as a more effective organisation, and has set itself a target of increasing its membership from 327 000 to 600 000 by June next year.

COSATU too has had a good year in many ways. Its membership, which fell for the first time last year, has resumed steady

growth in a number of affiliates, although others have lost members. Overall, growth was 40 000. Add 75 000 members brought in by SADTU's affiliation and COSATU has 1,3 million members, up from 1,18 million in mid 1992. The lesson of COSATU's figures seems to be that big strikes – whether successful or not – bring in increased membership. SAMWU and SADTU gained a large number of new members after this year's successful strikes, and despite failing to win their demands in the major strikes last year, NUMSA and NEHAWU registered dramatic increases over the past year.

COSATU has set itself a target of 1,5 million members by June 1994. This should not be too difficult to achieve, since figures from COSATU's regional offices suggest the federation's actual membership is already 100 000 more than the audited figures.

COSATU will be greatly strengthened by the merger of SAMWU, POTWA and NEHAWU to form a giant public union with some 200 000 members in May 1994. The process towards the merger is well under way, and the new union is likely to be a powerful one with enormous potential for

growth. On top of SAMWU's successful national strike, NEHAWU has undergone a period of consolidation and re-organisation. Whereas in the past NEHAWU's base was among general assistants, they now form less than 50% of its membership as the union has successfully recruited more highly skilled workers, including white collar workers.

COSATU has put a lot of work into the project, and assistant general secretary Zwelinzima Vavi believes "it is the union of the future." It will launch a major drive to organise central government workers, and the union will have a key role to play in democratising the state and ensuring that services reach the people.

With NEHAWU's expansion and the affiliation of SADTU, COSATU has for the first time a base among white collar and professional workers. This will open up new possibilities in the future.

All three federations say their relations are "good" and they co-operate well in the NMC and NEF. NACTU says its aim is still ultimately a merger with COSATU, but the latter's alliance with the ANC and SACP are an obstacle.

NACTU will probably face the biggest problem in sustaining itself in the future. It is no accident that it is strongest where COSATU is weakest and/or has relatively small affiliates: in chemical, construction and farming. Where NACTU affiliates face COSATU's giant unions it has little hope of breaking out of its relatively narrow base. If more COSATU affiliates merge and form mega-unions with enhanced capacity and servicing – as some suggest – NACTU's potential for growth will be curbed.

FEDSAL at the moment has a relatively open field in organising white collar workers. If COSATU does begin to develop its capacity and flex its muscles in this direction the relation between the two federations could become highly competitive.

### **Organisational crisis**

Despite the impressive gains won by COSATU in the last year, it is facing a

serious organisational crisis. Given COSATU's role as the biggest federation with the greatest capacity, an organisational crisis for COSATU is an organisational crisis for the labour movement as a whole. Several affiliates are experiencing internal instability, with wholesale change of leadership and internal conflict. There is a widening gap between leadership and base, between the "big three" and the smaller affiliates, and members in all affiliates complain of lack of service. There is a steady drift of skilled and experienced officials out of the movement. COSATU itself seems to have lost capacity to develop strategy and campaigns

Some of the tensions within the federation have emerged in conflicting views on how to deal with retrenchments, wages, and economic policy. The big three (NUM, NUMSA, SACTWU) tend to see industrial strategy, industry-wide retrenchment and retraining funds, and increasing industrial competitiveness, as the solutions to job loss and retrenchment. This is at least in part because they have greater policy-making capacity, and can exert industry-wide influence through centralised bargaining forums. The smaller affiliates, without these resources, and bogged down in endless retrenchment negotiations, tend to counter with fighting talk about struggling for a moratorium on retrenchments.

A similar difference surfaces in debates on wage policy, with some unionists emphasising industry restructuring and productivity, and others arguing for wage militancy. This difference also tends to coincide with the big/small division. Economic policy differences follow a similar division, with some unionists emphasising policy and other emphasising demands.

These differences are certainly not confined to debate between big and smaller unions – they also exist within the big unions, as the NUMSA congress resolution on nationalisation showed.

The question arises – if unions are making the kinds of impressive gains outlined above, why is there such dissatisfaction on the ground? Part of the answer is that it is the big



unions with centralised bargaining that are making the gains.

Another part, though, is that even where unions are making big industry-wide advances, they do not necessarily make much difference in the workplace (the same applies to gains made in the NMC and NEF). The path-breaking success of NUMSA's framework for grading and training, for example, will have virtually no impact in most workplaces for at least a year. First must come the enormous slog-work of drawing up the new grades and classifying workers and jobs in terms of them, as well as the work of designing the new module-based training courses.

Meanwhile, in the workplace workers face a range of new and old problems without adequate service from the union because organisers do not have the time or the skills. According to NUMSA's Maseramule, for example, "Workers are vocal in attacking national leadership. NUMSA is getting known as a union with innovative ideas, but members are unhappy. They ask, 'to whom are these ideas useful, if the union is unable to come to our rescue in the factory?' "In Maseramule's view, the effect of a strategy of proactive engagement without a complete understanding is that for the first time a huge layer of members, shopstewards and organisers don't have an inkling what negotiations are about." He stresses that the problem is not with the principles of NUMSA's negotiating programme, but with the concrete

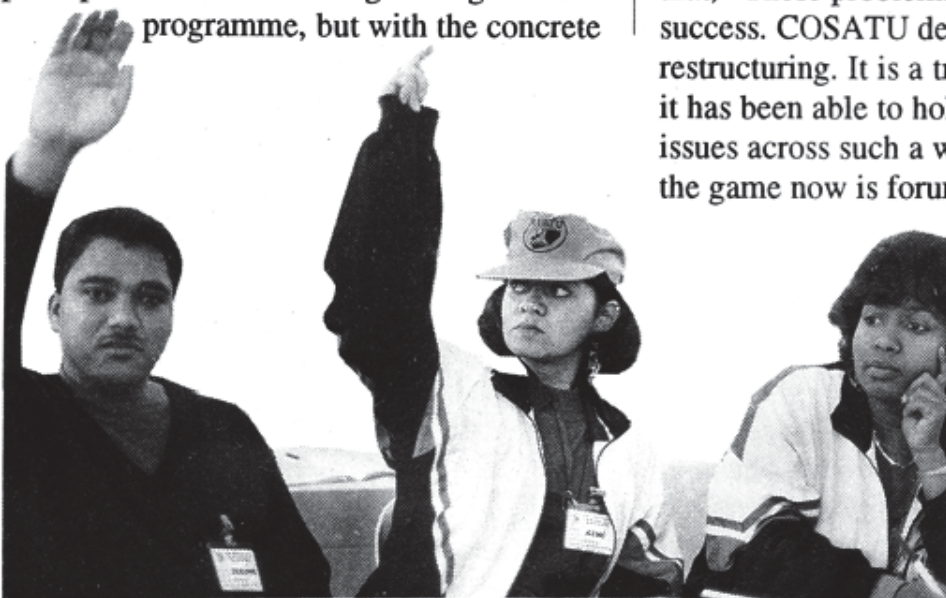
application.

Even in the more traditional areas of servicing factory needs, most unions are failing. "We have to accept that this is the era of delivery, we have to satisfy our own members," says TGWU's Howard. But he points out that the smaller unions simply do not have the capacity to do this. Our major weakness is stagnant membership."

Some of COSATU's weaker affiliates are in crisis. The outgoing president of PPWAWU told his union's national congress this year: "We have seen the weakening of our organisation at all levels ... poor functioning of structures and workers' control ... personal clashes amongst officials, building of cliques and poor servicing of members ... unless we confront the burning issue of sustaining our organisation financially, this union may become a figment of the imagination." Similar problems face some of the other affiliates.

While COSATU itself has developed a strategic vision, it seems unable to translate this into clear strategies, goals and campaigns. Its poor handling of the NMC negotiations around the lockout clause provide a clear example (*see p 38*). So do the great number of campaigns that are regularly announced and seldom materialise. Many organisers and shopstewards feel the COSATU leadership is losing touch with the ground, fails to co-ordinate issues, and makes too little effort to keep them informed. CWIU's Rod Crompton points out that, "These problems are the fruit of success. COSATU demanded no unilateral restructuring. It is a tribute to COSATU that it has been able to hold such a wide range of issues across such a wide front. The name of the game now is forum management."

In truth, COSATU has achieved an enormous amount. But unless it makes



New power in public sector: teachers vote COSATU

more progress in solving these problems its victories could become serious weaknesses.

## 1994

While the trade union movement – and COSATU in particular – managed to hold its own in a very tough bargaining environment, and in some cases make impressive breakthroughs, there are increasing signs of a serious organisational crisis. If COSATU does not address this head on, it runs the danger of becoming a highly stratified organisation with a bureaucratic leadership locked into a range of forums, and dependent on the state, while its base becomes weaker and weaker. The federation could become stratified into bigger affiliates able to make proactive interventions in some sectors, and in some bigger and more capital-intensive companies, and launch militant wage struggles in others, while the smaller unions and those organising what Jane Barrett calls the 'semi-marginalised' sectors (see p 44) fall further and further behind.

This scenario is reinforced by underlying economic trends discussed by Jan Theron (p 58). The rapid growth of the small business sector and the informal sector not only pose very difficult organisational problems for unions wishing to represent workers in them, but also puts centralised bargaining institutions under tremendous pressure.

If COSATU is to have any hope of meeting these challenges, strengthening its proactive capacities, and extending its gains to other sectors it will have to do the following:

- ❑ Develop a clear set of priorities, and focus resources and campaigns on these.
- ❑ Decide on a programme to restructure COSATU. This should entail merging smaller unions to form a smaller number of mega-unions. As TGWU's Randall Howard points out, small unions can no longer play the game. Restructuring COSATU should also entail strengthening the centre, so that COSATU itself has more national muscle, can avoid sectoral chauvinism and strengthen weaker affiliates.
- ❑ One absolute priority is to campaign for

centralised bargaining by putting pressure both on employers and the new democratic government. It is no accident that COSATU's biggest and most proactive affiliates are those in which centralised bargaining forums exist. At the same time, COSATU should debate how to restructure centralised bargaining to accommodate the needs of flexible production and small business.

- ❑ COSATU and affiliates need to take the internal management function seriously. Working conditions and salary scales should be restructured to provide clear career paths. Perhaps a staff association for union employees would be a good idea.
- ❑ COSATU needs to develop clear policies and strategies on a range of issues: Staff and shopsteward training, workplace restructuring and co-determination, productivity, wage policy, levels of bargaining, reforming the legal dimension of industrial relations etc. But without some of the organisational reforms suggested above it is unlikely to have the capacity to do this.

The election of a democratic government next year will open up new possibilities for the labour movement. For the first time labour could gain access to state resources – research, information, training and finances for capacity-building. But COSATU will have to campaign to translate these possibilities into reality.

The election campaign may offer an ideal way to do this. The mobilisation and political energy of workers could, once the elections are over, be channelled into campaigns for compulsory centralised bargaining, and for state support to develop labour's research and training capacity. ☆

### Thanks to the following for interviews/discussions:

Adrienne Bird, Randall Howard, Gwede Mantash, Kgalima Motlanthe, Chris Lloyd, Bethuel Maseramule, Rod Crompton, Cunningham Ngcukana, Ben van der Walt, Zwelinzima Vavi, Philip Dexter, Lisa Seftel, Rob Rees, Umanyano staff.