

Scoring own goal?

Meaning of builders' strike

The 2010 World Cup gave construction workers unusual bargaining leverage. **Eddie Cottle** looks at a significant 2009 national stadia construction strike and assesses what it achieved.

The nationwide strike by 70 000 construction workers between 8 and 15 July 2009 was unprecedented and significant in several respects.

This was the first *national* strike on 2010 World Cup sites by South African construction workers and was therefore a historic event.

A second key feature of the strike was the unity displayed by workers and trade unions within a fractured sector. Engineering and building workers came out on strike, with the Building Construction & Allied Workers Union (Bcawu) an affiliate of the National Council of Trade Unions (Nactu) and the National Union of Mineworkers (NUM) an affiliate of the Congress of South African Trade Unions (Cosatu) standing together as worker representative organisations.

A third feature of the strike was the widespread sympathy for it by the public and the South African media, despite its implications for World Cup projects.

Finally, the pressure placed upon the trade union negotiating teams by the Ministry of Labour and the FIFA Local Organising Committee (LOC) proved lethal, assisting in

watering down trade union demands and demobilising the national strike.

BACKGROUND TO STRIKE

The first individual strike recorded at a World Cup construction site broke out at Green Point Stadium in August 2007, igniting a wave of individual site strikes and agreements with employers across the country. About 20 of the 26 strikes were wildcat in nature, indicating a spontaneous new militancy among construction workers.

This militancy was to some extent captured by trade unions, ultimately leading to widespread gains such as project bonuses of R6 000, no downward variation of working conditions, improved health and safety and an increase in pay rates.

At this stage of the strike wave, the unions could not embark on a national legal strike as they had already negotiated a substantive three-year agreement with the South African Federation of Civil Engineering Contractors (Safcec) in 2006, thereby tying unions' hands until 2009, when a new round of negotiations could take place.

Noting this legal impediment, there had been at least two years' preparation and build up by the unions through the Building & Wood Workers International's (BWI) 'Campaign for Decent Work Towards and Beyond 2010'. The unions were brought together to engage vigorously on issues within the sector on building negotiation capacity. They were provided with significant support to research the construction sector and to engage on focused organising drives to recruit new members. Within one and a half years the unions combined were able to recruit 16 000 new members.

By December 2008 NUM had already sent its memorandum to Safcec with a mandated list of some 19 demands to improve wages and working conditions of construction workers. In short, the idea of the national strike, its strategy and the demands were elaborated well in advance to the negotiations with Safcec.

Bcawu and NUM, despite possible political differences, forged a coherent alliance in preparation for the national strike. The unity of the unions proved pivotal to the national identity of the strike, presenting a common set of demands to employer organisations.

Further, the large scale and nature of the construction projects ensured a huge concentration of unskilled, semi-skilled and skilled construction workers on these projects. This increased the organisational leverage of the unions involved, despite the low level of unionisation.

Karel Prinsloo/AP



Construction strikers gather outside Soccer City in Johannesburg during their national strike in July.

STRIKE!

On 8 July 2009 some 70 000 construction workers from both the civil engineering sector and the building sector downed tools and embarked on a nationwide strike.

The strike affected major construction projects, including the 2010 World Cup stadia and infrastructure, and marked a turning point in the level of organisation reached by workers in a fractured construction sector.

Upon the call for a strike in the engineering sector, thousands of building workers headed the call and came out 100% on illegal strike action on the first day of action! This was a decisive show of force for a sector riddled by fragmentation through an artificial division of the workforce into civil engineering and building sectors.

Centralised bargaining was taking place in civil engineering on a national level while the six building councils engaged in collective bargaining on a regional level. Despite this fragmentation, the strike action was widespread

and took effect in 35 construction sites across South Africa.

The national strike was a commendable achievement by the unions in a context where union density is only about 10% in a sector which employs just over one million workers, in both the formal and informal sectors.

NEGOTIATIONS AND DEMOBILISATION

The unions were negotiating on a package basis, which not only included a 13% raise in minimum wages (lowered from an initial 20% demand), but also on annual bonuses, paid maternity leave and reduced working hours without loss of pay.

By Friday 10 July the unions and Safcec reached a framework agreement, after intense negotiations under the auspices of Labour Minister Membathisi Mdladlana and the Commission for Conciliation, Mediation and Arbitration (CCMA). The representatives of the FIFA LOC, Danny Jordan and Ivan Khoza were also present, to 'place

pressure on us' to stop the strike and settle swiftly, according to union representatives.

In terms of the framework agreement both Safcec and the unions would consult their respective constituencies about the 'acceptability of the framework and endeavour to conclude an agreement by latest Tuesday 14 July 2009.' The framework essentially proposed a 11.5% increase in wages, 1.1% more than initially put forward by Safcec.

Further, employers agreed to task teams to deal substantively with labour demands. In turn, labour would give up its right to strike until 31 August 2010.

Between Friday 10 and Monday 13 July the unions undertook nationwide consultations on the acceptability of the framework agreement. At this point it was clear that it was game over. The unions set in motion the demobilisation of the strike so that a settlement could be reached on Tuesday 14 July. This despite the unanimous rejection of the new wage offer by workers during the consultations.

Workers stuck to the demand for a 13% wage increase. It is unclear whether the no strike clause was discussed or whether workers engaged substantively with the framework agreement during the consultations.

WHAT WAS WON AND LOST?

A 12% wage offer effectively ended the eight-day strike on Wednesday 15 July. The hike was well above the 8% inflation rate in May, and although the offer was short of the 13% the unions wanted, it was not far off.

The increase in wages raised the minimum wage in civil engineering from R2 618.78 to R2 933.04, an increase of R314.26 per month. But given that workers'

inflation is higher than the official rate, lower-paid workers pay proportionately more on transport (14.6%) and food (12.1%) than those who earn larger salaries, the hike may not have been as generous as at first glance. The new minimum wage is not close to a living wage when a 'modest low-level standard of living' is calculated as R3 382.

The increase also affected permanent workers and those working on limited duration contracts (LDCs) differently.

For those workers that have full-time employment the total annual new wage amounts to R35 196.48 or a 12% increase from the old annual wage of R31 425.36. But if we deduct the week's wages lost during the strike, which amounts to R634.50, then we have a final annual income of R34 561.98 or a 9.9% increase.

As the agreement was only effective from September 2009 it meant that the LDC workers would not have benefited from this agreement unless alternative employment was found, as the World Cup and related infrastructure was completed by June 2009. Nor can workers ever make up the loss of a week's pay as the 'no work, no pay' principle was applied during the strike.

CONCLUSION

The final agreement that the unions signed presented trade union demands and trade union rights as counterproductive to South Africa hosting a successful World Cup. In terms of this agreement, the success of the World Cup was dependent upon unions not using the World Cup as a lever to improve the living conditions of construction workers and they had to forego the right to strike.

Unlike the unions, employers

represented by Safcec were not requested to forego the 'no work, no pay' principle in order to ensure the unconditional success of the World Cup. The approach adopted in the substantive agreement was the opposite of the unions' position that construction workers would not be 'sacrificial lambs' in building the World Cup stadia and related infrastructure.

On projects such as the World Cup, critically time-bound and where billions of rands were being spent, workers have significant leverage when pushing for their demands.

Unlike the 2009 municipal workers' strike which ended with a 13% increase, the construction workers' strike had significant public sympathy, even in the mainstream media. This was due to the contrast between their very low wages compared to construction companies' mega profits and the enormous remuneration packages of executive directors.

Even the FIFA LOC, despite its own interest in ensuring that the

strike ended, expressed sympathy for the strike: 'The workers just wanted the benefits of 2010 to be shared with everybody, not only the employers,' said Danny Jordan, CEO of the FIFA LOC.

The 'union leadership had agreed to industrial peace for another year without having secured a meaningful substantive agreement to improve the lot of construction workers.

It is unfortunate that despite the unique power of the national construction strike, the union leadership succumbed to the pressure of the ministry and FIFA in the 'spirit of ensuring unconditionally a successful hosting of the World Cup.' The result was that the unions secured only a partial victory for construction workers when so much more was possible. LB

Eddie Cottle is the coordinator of the Campaign for Decent Work Towards & Beyond 2010 and works with the Building & Wood Workers International (BWI) and the Labour Research Service.



BWI