

# The Mercedes Benz crisis a glimpse into our future?




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KARL VON HOLDT discusses centralised bargaining, the intervention of the ANC and SACP, and new issues facing organised labour.

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**T**he strike at MBSA is unlikely to derail the union struggle for centralised bargaining, as the current PPWAWU strike at Nampak shows, but it does point to problems and difficulties.

The main issue is how to establish a system of centralised bargaining which standardises conditions and wages nationally, but also accommodates variations and differences within each industry. Mayekiso argues that the key is to allow dual level bargaining: centralised bargaining should establish industry minima, but unions could push for improvements on the minima through plant or company level bargaining. Employers should be prepared to accept a dual level bargaining approach, he says, as it is not a new thing: it already exists in the metal and engineering industry.

Kettledas, however, points to the differences between the metal and auto assembly in-

dustries. The auto industry consists of at most 9 manufacturers - currently six are in the NBF. Their operations are similar, and conditions are fairly uniform.

"For two years before the formation of the NBF," says Kettledas, "the union adopted strategies to move in that direction."

"We used the national auto shopsteward council to compare conditions in different factories, and over the years we made them more uniform. In the 1988 negotiations we managed to pull all the company agreements into line, so that they expired on the same date." This made it easier to mobilise around the centralised bargaining demand in 1989.

Because of the uniform, compact nature of the auto industry, Kettledas explains, "The NBF negotiates actual wages and conditions, not minima. There is no basis to then go to the plant level and

negotiate the same thing. Only where the parties agree to refer an issue to plant level will it be negotiated there."

This makes good sense, but it may not prevent outbreaks of 'factory tribalism'. When workers at a particular factory believe they are more powerful, and that the company is more profitable partly through their own efforts, they may well feel impatient at being held back.

Dual level bargaining, on the other hand, accommodates and to some extent institutionalises 'factory tribalism'. This makes it difficult to co-ordinate national action, since workers at bigger, higher-paying companies can opt out and go for individual settlement. There is, however, probably no alternative to dual level bargaining in big, diverse industries such as metal and engineering.

These are complex problems. Unions will need to continue developing strategies

that can unify workers, while being flexible enough to accommodate differences. It is only through experience and constant re-assessment that the most appropriate structure for each industry or sector will emerge.

### Beyond 'factory tribalism'

One of the major obstacles in developing centralised bargaining is narrow plant and company consciousness among workers. This emerged as a serious problem in the Mercedes dispute. Many organisers and shopstewards see the answer in 'political education' - that is, education about the virtues of class unity, the long term goals of the working class, and so on.

But political education cannot of itself unify workers where there are real differing material interests. As Tom argues: "You cannot avoid the money issue, you have to *balance* politics and material interests. That is what we are doing in the NBF - on the one hand we ask workers not to abandon their brothers at Toyota. On the other we are trying to share the various gains made at the different companies.

"Mercedes has the highest wages, but it is very backward on other benefits. At the NBF we combined the benefits of the different companies and tabled them. Agreement was reached in principle, and the specific negotiations were referred to company level.

"We are now negotiating a provident fund, a housing scheme and a bursary scheme

with the company. This demonstrates the material benefits of centralised bargaining for the workers. However, these are longer term negotiations, and the money issue was an immediate one."

### Negotiations, structures more complex

Centralised bargaining raises other problems for rank and file members, though. Negotiations are much more complex and distant from the shopfloor. For example, MBSA workers have only two delegates on the bargaining team; negotiations take place in a different city; report-backs can never give a binding mandate, as the bargaining team has to accommodate mandates from different companies across the country; negotiations are unwieldy and lengthy, and issues are often complex - for example, rationalising six different job grading systems.

Furthermore, structures and procedures are more complex. In this case the union structures involved were the NUMSA national congress (adopted a policy resolution on centralised bargaining), the NUMSA national bargaining conference for all sectors of the union (which set the demand for a R2 increase, and linked all sectors of the union), the National Organising and Collective Bargaining Committee which oversees the strategies in the different sectors, the auto shopstewards council, the bargaining team in the national bargaining forum, and then of course the usual

local/branch/regional/national structures.

Individual shopstewards such as Tom, Fikizolo and Bakaco may have a sound grasp of the tasks and powers of all these structures, but many shopstewards and rank-and-file members will have a very limited understanding of them. It is little wonder that some grew to resent constant references to 'union policy' laid down in some distant committee, and to the demand that they 'raise problems in appropriate structures'.

Union education will have to ensure that shopstewards and members are familiar with these structures and procedures. This raises of course the problem of *democratising* centralised bargaining, so that the mass membership feels it has some control over the process.

Kettledas feels this is less of a problem in the auto industry, because it consists of a small number of large plants: "Generally workers have a very clear understanding. It is possible to report immediately to the base in the plants, via plant general meetings. Auto workers are more knowledgeable." This did not, however, prevent the Mercedes strike, which echoes the 1988 strike at Samcor over Esops (see *Labour Bulletin* Vol 13 No 6).

The problem of education and democracy raises the further problem of the shortage of resources and skills in the unions. As the unions have grown and become central institutions in the economy, so

they have become locked into ever more sophisticated and complex strategies and negotiations, both with employers and the state. It is only a small number of over-stretched senior officials and office-bearers who fully understand this level of struggle; a gap can easily open between advanced strategies and the mass base.

NUMSA is the most advanced of the unions in many areas of strategy and policy, and it also has the most highly developed educational and policy-formulating infrastructure. The Mercedes dispute shows, as did the Samcor strike over Esops, how difficult it is to ensure that rank-and-file members support and understand union strategy. Moreover, it is impossible for a broad national strategy to accommodate the interests of all members. Problems such as the Mercedes strike may well increase in the future.

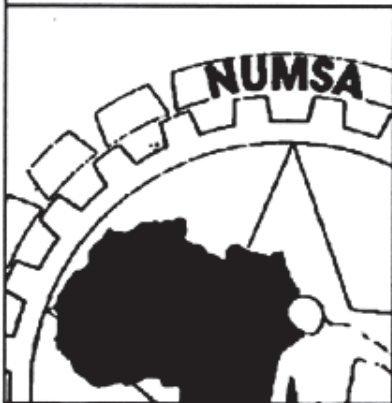
### The intervention of the ANC

One of the most remarkable aspects of the crisis at MBSA was that it saw the union, the company, the ANC and the SACP all lined up in opposition to the demands and action of the strikers, and in support of the NBF.

This suggests that, while they had different loyalties and approaches to the conflict, they all shared a common interest. This was essentially to get production going, keep the company in SA, and stress the legitimacy of negotiated agreements.



*ANC, SACP, NUMSA, MBSA: different loyalties and approaches, but a common interest in getting production going, keeping the company in South Africa, and stressing the legitimacy of negotiated agreements*



For the union the credibility of the NBF was paramount. If that went, its whole centralised bargaining policy would be threatened. While this was also important for management, they stressed that the most important issue was the credibility of negotiated agreements and structures: if workers and trade unions showed themselves unable to honour these, they said, the company could see no future for business in SA. This would also influence how they assessed the prospects for a negotiated political settlement.

The union too had a stake in throwing its weight behind the negotiated agreements: without structures and agreements, collective bargaining becomes impossible. This is increasingly important as the unions are transformed from insurgent resistance movements into central social and economic institutions.

The strikers were striking under the banners of the ANC and the SACP. These organisations were anxious to dissociate themselves from this action and demonstrate their support for one of the most powerful unions in the country.

The SACP explicitly supports centralised bargaining. Both it and the ANC were seriously concerned about the implications of MBSA leaving SA. In this they shared a common concern with the company and the union.

The positions adopted by NUMSA, the ANC and the SACP in the MBSA crisis

point to three current trends:

1. In effect NUMSA, the ANC and the SACP were abandoning their call for disinvestment. The current phase of 'negotiation politics' is to some extent shifting their attention from resistance against apartheid to the problems of economic development.

2. By backing the legitimacy of negotiated agreements and structures with employers, these organisations are accepting that capitalists have an important and legitimate role to play in South Africa. They are also accepting that it is necessary to create conditions that capitalists will find acceptable.

Is it possible to reconcile these conditions with orientating the economy towards meeting the needs of the people, and ultimately socialism? This is a crucial question for analysis and debate.

3. In essence, the sleep-in was a rebellion against union policy and agreements. There were many voices calling on the union to "discipline" or expel these members. In the end the union managed to resolve the crisis without resorting to such drastic action. However, the unions are becoming large social institutions involved in negotiations and structures which cover thousands of members.

Inevitably this entails a difference of perspective and concerns between the leadership and base. There may be an increasing trend for unions to discipline members who violate agreements or policies. Such a trend would raise new

difficulties for ensuring democracy in the unions.

### **Different interests in a democratic South Africa**

The intervention of the ANC underlines the differences of interest that may emerge in post-apartheid SA. While their intervention may have been aimed primarily at pushing the workers towards a "sober" unity, it was also clear that they spoke in terms of the economic interests of "the whole people", as against the sectional interests of, in this case, the dismissed strikers.

An ANC government will have to concern itself with the general needs of the people, and the economic development of the country. This may bring it into conflict with organised workers who are demanding higher wages and social benefits for themselves.

In the MBSA dispute the ANC and the union were on the same side. Disputes in a post-apartheid SA may well find them on opposite sides: the union speaking for its members, the ANC speaking for the government or 'the people'.

In the Border region the Mercedes workers are a highly paid minority. Less than 100km away, in Fort Jackson and Dimbaza in Ciskei, workers earn a pittance and battle for trade union rights.

In a future democratic SA will workers such as those at MBSA be prepared to make sacrifices so that their comrades in Dimbaza - both employed and unemployed -

can benefit? Or will they use their muscle and their strategic position in the economy to become a labour aristocracy?

Many strategists in big business and the state would prefer the latter option, as it would enable them to build a coalition of interests between such a labour aristocracy, capitalists and the middle classes both black and white, while the majority of the people are excluded from benefits or development.

However, the answers to these questions will depend on the nature of post-apartheid society. If the interests of the working class are paramount in society, then workers may be prepared to make sacrifices in wage demands and other benefits, as part of a national development strategy. But if working class interests are subordinated to those of a new elite, organised workers are unlikely to limit their demands for immediate benefits.

### **Centralised bargaining and the future**

Centralised bargaining forums provide, as Patel argues (see p 50), a place where the working class can engage with the problems of economic development and restructuring. This is only one of many reasons for supporting such forums. The Mercedes strike does not signify the end of centralised bargaining, but is rather an episode in the struggle to establish and develop it.

It is significant that no-one involved in the Mercedes dispute is now prepared to oppose the idea of the NBF openly.

What one hears instead is that 'the time was not ripe'. However, it is also clear that a developed class consciousness is not a *precondition* for establishing centralised bargaining: rather, centralised bargaining

*provides a terrain* on which workers consciousness of, and involvement in, broader social and economic issues can develop.

Centralised bargaining certainly has a role in our future,

if only because there is no other way to further develop collective bargaining and the economic and social role of trade unions. ☆

# A decade of struggle at Mercedes

Full-time shopsteward MTUTUZELI TOM talks to Karl von Holdt

Between 1981 and 1989 there were two unions organising in the Mercedes factory - as there were in many factories in East London. One was the SA Allied Workers Union (SAAWU), an independent general union aligned with the 'national democratic struggle'. The other was National Automobile and Allied Workers Union (NAAWU), an industrial union affiliated to the Federation of SA Trade Unions, which adopted an 'independent working class' policy.

When Mtutuzeli Tom, currently a full-time shopsteward at MBSA, started working in the factory in 1983, he first joined SAAWU. However, he quickly changed allegiances and joined NAAWU when he realised it was a big national industrial union which was part of the unity talks which would later give birth to COSATU. NAAWU was at that

time the majority union. However a year later its membership was dropping as SAAWU activists made inroads. "They attacked NAAWU for not being community based, for being affiliated to FOSATU."

### "Survival of the fittest"

A year later, in 1985, management gave limited recognition to SAAWU shopstewards "in order to keep workers divided". "All through that period we were at loggerheads," says Tom. "Activists were motivating workers to join their union, putting their positions everywhere - in the trains, at the gates when workers went to buy food. It was survival of the fittest, it was a very healthy debate. In the train one comrade would put his position, then another would get up and oppose it. We were at loggerheads, we did not even greet each other.

There were not comradely relations."

The arguments centred on registration of unions, affiliation to FOSATU, general unionism versus industrial unionism. "SAAWU was claiming to follow the Congress line, supporting SACTU. We also understood SACTU started trade unions. Our argument was, why don't you come as revolutionaries and join the masses in these unions, and challenge those whom you call 'reactionaries and bureaucrats'?"

All the activists supported the ANC and SACP. "The only difference was on trade unions." But these divisions and others plagued East London politics - in the early 1980s women's and youth organisations split into two, although they all shared a Charterist political orientation.

Worker activists were often also youth activists. It seems