

The double-digit strike

In late June 1998, a dispute arose between the employers and the unions in the chemical industry. The main issue was wages. But there were also differences about minimum conditions of employment, benefits and the hours of the working week. Within weeks, widely publicised strikes hit the industry. In this article we look at how and why the strikes came about.

Background

There are seven sectors in the industry: consumer goods, plastics, rubber, glass, industrial chemicals, petroleum and pharmaceuticals. As a result, unions and employers have agreed to conduct wage negotiations at a centralised level in each sector. Seven sets of sectoral negotiations therefore occur at the same time.

The unions involved are the CWIU, the SA Chemical Workers Union (SACWU), the Mineworkers' Union (MWU), the SA Workers Union and the National Engineers Trade Union.

CWIU is affiliated to COSATU, while SACWU is affiliated to NACTU. SACWU started in 1974 as a parallel union but became independent in the 1980s. It has 25 000 members. SACWU negotiates in five sectors: consumer goods (with CWIU), pharmaceuticals (with CWIU), petroleum (with CWIU and MWU), plastics (with CWIU) and industrial chemicals (with CWIU and MWU). In petroleum CWIU is

Etienne Vlok and Chris Bolsmann examine the dispute in the chemical industry.

the dominant union, whereas in industrial chemicals it is SACWU. In the petroleum sector 80% of the workforce are CWIU workers.

The MWU is almost 100 years old. Gerhard Ceronie, MWU's chief negotiator in the chemical division, says the union was initially only for miners. In the 1980s, however, it became a general union. An independent union, MWU today has 55 000 members, of which 4 500 are in the chemical industry.

The dispute that led to the strikes took place against the backdrop of several crucial issues facing the industry. Firstly, company wage restraint makes it difficult for unions to win increases above inflation. (This restraint is in contrast to COSATU's call to close the apartheid wage gap. It also clashes with the CWIU's policy of demanding a wage increase of inflation plus 5%.) Union negotiators receive a mandate of a double-digit increase from their members. If inflation is low, as it was in mid-1998, it creates the possibility of a dispute.

Workers want a double-digit increase, while the company insists on an increase that matches the inflation figure, which could be as low as 5% or 6%.

A second issue is widespread retrenchments. Some companies are restructuring. They argue that falling tariffs on imported goods force them to do this if the companies are to compete globally. Restructuring often involves changes in work organisation. As a result, parts of the company are closed down or contracted out, leading to retrenchments.

CWIU resolved in 1991 to take part in the restructuring of the chemical industry. It researched the matter and insisted on an end to unilateral restructuring. CWIU declared that it 'will resist any action by management which may end in job loss or make working conditions worse'. It also vowed to 'use negotiations around restructuring to take forward the struggle for worker control'.

The strike

Negotiations between employers and the CWIU almost resulted in a strike in 1997. It was avoided when they settled on an increase of between 10,5% and 12%. This was after the union at first had demanded 13% against employers' 9,5% offer. 'Were it not for the CCMA's intervention, there would have been a strike,' says Fanie Ernst, national employer co-ordinator for the chemical industry.

Reflecting on the 1998 negotiations, Nelson Mthombeni, the CWIU deputy general secretary, says it was actually the first year of proper centralised bargaining involving all the unions. Each union submitted their own demands.

From the outset, employers warned that the economic climate in the industry prevented another double digit increase. CWIU's members gave the union a mandate of 10,5% across the board. This was based on their wage policy of 5% plus inflation. Employers opened negotiations with an offer of less than 7,5%. Following an unsuccessful CCMA intervention, CWIU

launched a three-week strike that began on 3 August. Strike pressure forced some employers to settle at 10%, but the majority settled between 8,5% and 9%.

Mthombeni says CWIU members could not stay out too long because of the possibility of division among members. During the strike they got feedback from the branches on the strength of the strike and the violence that marked it. After two weeks, the national executive committee met to evaluate the strike and decided to end it as management had moved sufficiently. It was the first ever collective national strike in the chemical industry.

In the petroleum sector, where MWU has a strong presence only in Sasol, that union's members decided to reject the employer's offer, says Ceronie. After a ballot, they struck for half a day. Almost 95% of the members balloted were in favour of a strike.

But in industrial chemicals, they reached an agreement because the offer was close enough to the union's mandate. Ceronie claims that restructuring and the selling off of companies in this sector also played a role. 'There was pressure on the workers to keep the companies alive,' he says. In all the sectors, MWU demanded 15% and settled on 8,5%. Ceronie admits they were aiming for a double-digit increase in line with their mandate of 10%. Thanks to the merit system of the employers, MWU got an extra 0,5%, he adds.

Masindi Maviva, SACWU's bargaining co-ordinator, says they also pushed for a double-digit increase. An inflation-based increase would not have amounted to a real increase. 'The worker of today has much more responsibility than before,' he explains. 'With restructuring, workers' responsibilities and workload have increased five-fold. The workers want to share in the wealth that is created.'

SACWU embarked on strike action on 20 July – before the other unions. Their demand was 10% across the board. On 11 August, SACWU and the employers settled on an 8,5% increase in petroleum, industrial chemicals and pharmaceuticals, 9% in consumer goods and 8% in plastics.

Why did SACWU strike before the others? 'It was in everybody's interest to finalise the negotiations before the increases were due at the end of July,' is Maviva's explanation. 'After the second meeting, we declared a dispute because we could not continue negotiating indefinitely. After unsuccessful intervention we decided to strike. We notified the other unions, but we did not get a response.'

Joint action would have been ideal, but each union has its own strategy. CWIU did not strike with us because they conducted a ballot. We did not ballot because it was not necessary.'

Although the LRA does not require it, CWIU and MWU were bound by their

constitutions to ballot their members.

'During pre-negotiations they showed their intention to declare a dispute after two meetings, which they then did,' says Ernst, explaining SACWU's decision to strike first. 'The other unions stayed at the table. In companies where SACWU and CWIU were jointly represented, CWIU also struck with the employers' understanding. We were worried that there might be clashes at these companies.'

Maviva says SACWU's strike ended when employers shifted on their offer. They staged a national meeting of shopstewards, who went back to the various branches and accepted the offer.

Because SACWU came back before CWTU, the unions received different increases. CWIU won favourable settlements in the sectors where SACWU was not strong says Mthombeni. In the industrial chemicals, however, employers refused to give CWIU a higher increase than SACWU.



The use of video cameras during strikes can increase tension.

Assessing the impact of the strike, Ernst says only a few companies ran out of stock since they had started stockpiling during the 1997 negotiations for a possible strike in 1998. But AECI wanted to settle because it was running short of stock. Had the strike kept going, it would have been unable to fill important orders.

Centralised bargaining

The chemical industry does not have a national bargaining council, but a constitution for such a body has been drawn up. Once it is in place later this year, it will define the different issues for each level. Last year, unions and employers had to agree which issues they would negotiate and at which levels this would happen. Since 1997, the chemical industry has been voluntarily bargaining at central level.

For Maviva, centralised bargaining was a factor in the dispute. Divisions among employers – with some wanting to concede during the strike – prolonged the strike. These divisions were obvious in the different settlements. Plant-level bargaining could have led to quicker settlements and reduced the number of workdays lost, he believes. However, SACWU is not advocating a move to plant-level bargaining.

CWIU's strategy has changed from plant-level bargaining in the early 1980s to centralised bargaining. For CWIU, centralised bargaining offers the advantage of building unity and solidarity among workers, establishing a common wage policy and protecting unorganised workers. However, the diversity of the companies (which range from multinationals to small firms) is a disadvantage.

Centralised bargaining did not cause the dispute, says Ernst, but it might have contributed to it. In 1997, the industry had centralised bargaining with two chambers

– one for CWIU and one for SACWU.

According to Ernst, the two unions could not tolerate being in the same room. In 1998, employers insisted on joint centralised bargaining. But Mthombeni says that not all employers are comfortable with centralised bargaining: 'Some wanted the negotiations at plant-level.'

Relationships at central level

The two biggest unions in the industry are SACWU and CWIU. Since the early 1980s, there have been talks about unifying the two, but all the attempts have failed. SACWU has resisted unification because of historical differences around non-racialism and black leadership. More recently, the issue of political alliances has held up the process. It seems that the rivalry between the two unions continues.

Maviva says unions in the industry are not unified. While they did agree on some issues before the negotiations, each one still sticks to its own approach. He says that they will strive for more co-operation.

SACWU's decision to strike first made it difficult to unify the unions, Mthombeni believes. 'We asked them to wait two weeks as we had to hold a ballot. But when we struck they came back. In companies where they are strong they want to be seen as taking the initiative and not bowing to CWIU. However, we have a cordial relationship with them.'

Ernst feels employers are now ready for centralised bargaining and are forming 'efficient employers' organisations. 'They showed solidarity when some of them could have settled, but kept on negotiating with the others,' he says. 'A problem is when smaller companies cannot afford the increases settled upon.'

Another problem is when some companies want to hold out longer as they have a much lower mandate than the other



Consol's offices were damaged during the strike.

companies! Interestingly, Ernst argues they should move to plant-level bargaining because the industry is so diverse. However, the employers understand that some issues belong at the central level.

If the employers were unified they could have crushed the strike, says Mthombeni. Instead, the unions achieved some of their demands precisely because some employers gave in quickly.

MWU's official stance was not to do the work of the CWIU and SACWU strikers. Ceronie admits that, if MWU had helped employers break the strike, it would have harmed its own cause. It would have been to MWU's advantage if the other unions had won an extra percentage increase. He admits that some MWU members took over strikers' work but says others refused.

Ceronie feels that the unions lacked unity during the dispute. He says MWU had good relationships with SACWU and CWIU, but strong competition between the two created tension in the labour caucus.

'I think that SACWU acted hastily during the strike,' he says. 'They should have waited a few weeks. The one union did not want to be seen as following the lead of the other.'

NUMSA strike

When CWIU returned from their three-week strike, NUMSA went out on a strike. As a result, scab or replacement labour delivered petrol to NUMSA petrol attendants during the CWIU strike, while CWIU workers delivered petrol to scab labour during the NUMSA strike.

Should more solidarity not have been shown? Would strikes not be more effective if the petrol attendants belonged to CWIU instead of NUMSA?

Mthombeni argues that they could not expect their members to go out with NUMSA because they had just returned from a three-week strike. 'The petrol attendants are not employed by petroleum companies but by garage owners, thus

they belong to NUMSA,' he says. 'Although, for purposes of solidarity, it might be a good idea if they were with CWIU'

Violence

During the strike numerous incidents of violence were reported in the media: damage to Caltex's and Consol's offices, firebombing of a pharmaceutical company, shootings and arson at the Island View petroleum depot, blockading of access roads and incidents of intimidation

'The strike was real 1980s stuff with the incidents of violence and intimidation by CWIU members,' says Ernst. 'The violence could be part of a show of strength by COSATU' Ernst believes CWIU used the violence to gain solidarity because not all the CWIU members wanted to strike.

But he adds that 'management was not always innocent' - police and security firms increased the levels of tension. He feels they should not be called in to quell a strike but be used only in situations of violence and intimidation. Because some companies work with explosives and petroleum, they had to take preventative action, he says

Another reason for the use of the police and security firms was that 'not all the employers have sophisticated relationships with their workers and they are scared during strikes'.

At the root of the violence, believes Cerone, lay the 'culture of the South African Labour market', socio-economic circumstances, increased tension during large gatherings, the use of scab labour and the provocative behaviour of scabs

'No sensible union would plan violence,' says Mthombeni. Violence occurs when management employs security guards and the workers have to defend themselves, when management uses video cameras to intimidate workers and when management uses scab labour

A worrying phenomenon, according to

Heinrich Böhmke (*SA Labour Bulletin*, vol 22 no 5), is the development of a 'niche market of strike and industrial unrest policing' for private security firms. Böhmke says South African employers are at a relative disadvantage due to the protection granted by the LRA to striking workers. Thus, employers hire security companies who use whatever means possible to break the strikes

SACWU's strike was not violent because the union updated workers on the negotiations. 'Violence usually occurs when there is not enough communication about the issues,' says Maviva. 'The use of scab labour also increases the tension and incites violence'

Scab labour

The LRA of 1995 gives employers the right to use scab labour. Indeed, the increase in the levels of violence during the chemical strike can be attributed to the use of this labour.

Employers argue that, because the LRA makes provision for scab labour, they are entitled to use it. But, says Ernst: 'Previously, employers could sack striking workers, but now a strike can go on indefinitely. In response, the strikers are entitled to picket. With the CWIU we decided on a framework agreement for picketing. This helped alleviate the problem of violence.'

He feels that scab labour 'is like a red flag to a bull'. It also helps the employer to stay out longer. 'The new LRA is a sweating-out process to see whoever can hold [his/her] breath the longest,' Ernst believes. This is a problem, because the aim should be to settle in the soonest possible time.

SACWU believes the use of scab labour is illegitimate. 'When strikers see other people taking up their jobs it increases the chances of violence. This makes it difficult for leaders,' says Maviva. The problem is

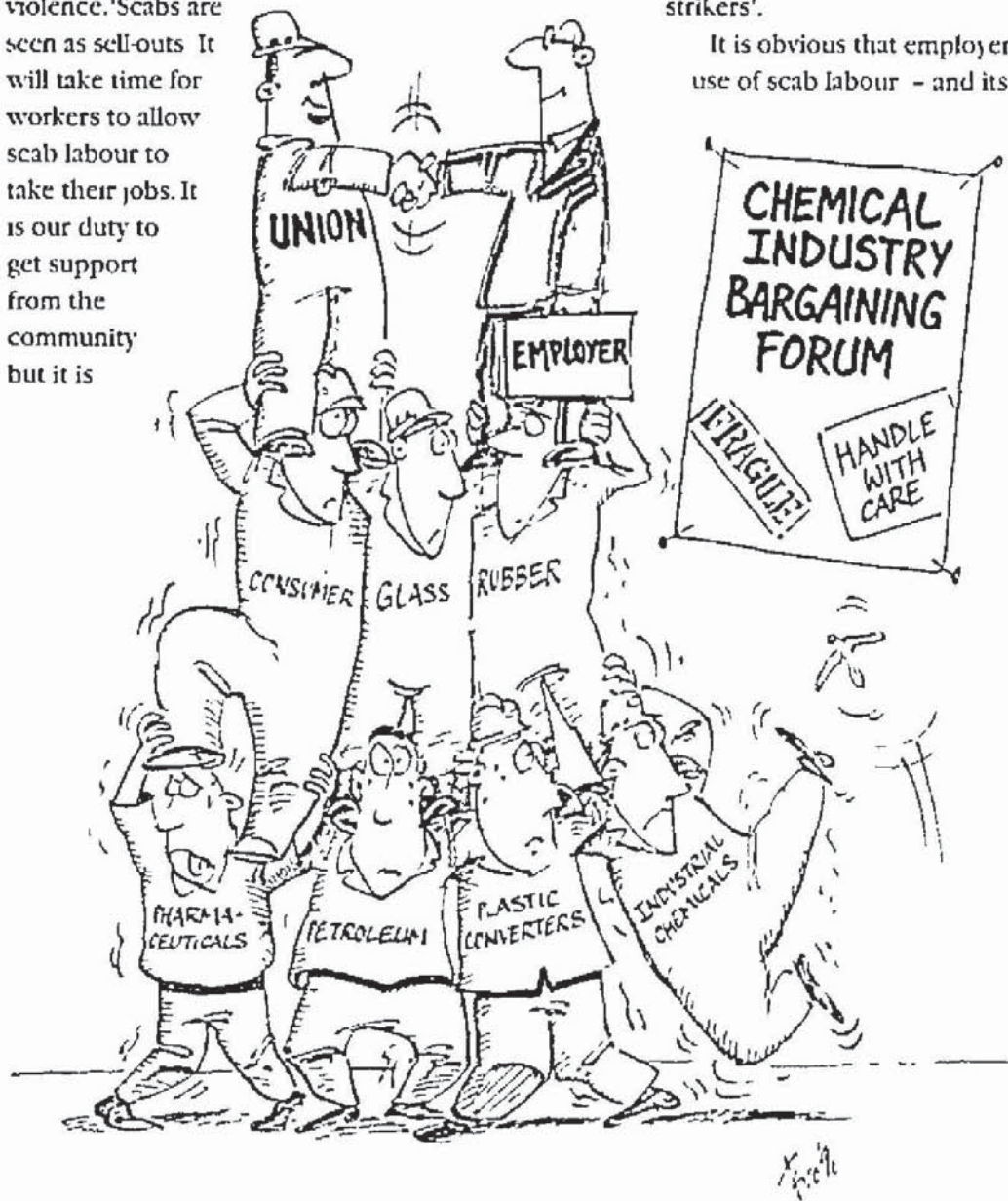
that scab labour usually comes from the same communities as the workers. He argues that, even if they have co-operation from the community, scab labour will still exist. Therefore, the law should be reviewed to halt the use of scab labour, since it lessens the impact of strikes and incites violence.

Mthombeni agrees. He feels COSATU should consider whether the provision for scab labour in the LRA is needed. Due to our country's conflictual history, scab labour contributes to violence. 'Scabs are seen as sell-outs. It will take time for workers to allow scab labour to take their jobs. It is our duty to get support from the community but it is

difficult due to the high rate of unemployment.'

Ceronic claims to have been unaware of the use of scab labour during their strike. This could have been due to the levels of skills that many of the MWU membership have. However, some of the MWU membership could be replaced easily, he says, making 'scabs a threat to us also'. He argues that scab labour 'is not a good thing as it threatens the strike, allows the employer to continue to run the company and jeopardises the jobs of the strikers'.

It is obvious that employers' use of scab labour - and its



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protection by the LRA - leads to increased levels of violence. The LRA is meant to help regulate the relationship between employers and workers. But the protection of scab labour does not contribute to such regulation. Because unions have limited means to challenge employers, striking is seen as a legitimate tool. Scab labour compromises this tool and makes a regulated relationship more difficult.

The duration of the strike

Several factors contributed to the duration of the strike, says Ernst. Among them he ranks the absence of an agreement on picketing rules at the start of the strike, the different-sized employers with various mandates and resources, and the presence of five unions in the industry.

Division in the ranks of employers and the lack of union co-operation contributed to the length of the strike, says Maviva. Ceronie, on the other hand, attributes the duration to socio-economic pressures that affected the workplace: 'Government has not delivered and so workers were more determined'. According to Mthombeni, the CWIU stayed out so long because 'the members were determined to get a reasonable proposal and were prepared and mobilised for the strike'. He believes that 1998 was the first year in which the LRA was truly tested. 'The cooling-off period was over. Unions understood the mechanism of the law and how to strike legally. With so many strikes last year, the unions could regroup and re-strategise this year'.

Predictions for 1999

Ernst sees more problems on the horizon, especially if unions again demand a double digit increase and employers stick to a related inflation level of 4% to 5%.

SACWU's approach to negotiations in 1999 will remain the same. 'We will

formalise our proposals and then send them to the other unions for comment,' says Maviva. 'We will have caucuses among the unions.' He commits SACWU to working towards more co-operation between the unions.

For Mthombeni, 1999 will be 'more about problem-solving than a show of strength'. The implementation of the National Bargaining Council will establish a set of rules for everybody. He predicts there will be fewer workdays lost in 1999.

Conclusions

Some of the strikes were marked by violence because of the use of scab labour and security companies, and incidents of intimidation. Unions need to engage employers and the state on these issues. Although specific parties are responsible for incidents of violence, collective responsibility needs to occur.

The unions talk constantly about divisions among employers. But little co-ordination or co-operation was visible among unions. Ideological differences and fears of being relegated to a secondary role have tainted their relationships.

Co-ordinated strikes would have put more pressure on the employers. Employers used this to their advantage. Unions need to move past a cordial relationship to one of co-operation and solidarity. Yes, they have different strategies. But their goals are similar. ★

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