

# The struggle for industrial councils

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The demand for the right to bargain in industrial councils, rather than at plant level, has become a major issue. Unions are struggling to create or strengthen industrial councils, while the state and many employers are seeking to undermine or destroy them. Marcus Toerien of the INDUSTRIAL AID SOCIETY analyses this battle.

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Several unions, particularly COSATU affiliates, have taken seriously the task of transforming industrial councils and making them more responsive to the needs of their members.

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## Numsa

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The success of NUMSA, COSATU's metal affiliate, is the best known. After six years of struggle, NUMSA has established itself as the majority union in the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry (NICISEMI). The NICISEMI is currently under attack from some employers and the state. NUMSA

general secretary Moses Mayekiso told delegates to the union's 1989 congress that the state was determined to destroy the NICISEMI because NUMSA had succeeded in developing the industrial council into a powerful weapon of struggle. However, NUMSA's powerful position in the council has thwarted this attack. The council has held together despite the withdrawal of Barlow Rand subsidiaries from the employers' organisation, SEIFSA. Barlow Rand is the largest employer in the industry.

The state's attitude to the council became clear in 1988, when the Minister of Manpower refused to gazette the Main Agreement, ostensibly because he objected to the agreement on



June 16 and May Day. Only the threat of joint court action by the parties ensured the minister backed

down (he still gazetted it without the 'peoples' holidays' clause). NUMSA and the employers' organisation SEIFSA had also reached agreement that the wage increase would be backdated, and the Minister refused to make this binding on non-parties.

In the auto manufacturing sector NUMSA has succeeded in committing employers to bargaining in a single forum. Union members had staged demonstrations and work-stoppages at auto manufacturing plants country-wide to pressurise members of the National Association of Automobile Manufacturers of South Africa (NAAMSA) to negotiate uniform wages and conditions for NUMSA's 46 000 members in the industry. NUMSA's strategy was to use its base in the P.E./Uitenhage auto manufacturing industrial council and draw in other employers. NUMSA aims at retaining the right to negotiate local issues at plant level - for example, the agreement between Mercedes and NUMSA committing the company to observe the 14-point IG Metall Code.

Whether this forum will eventually become a national industrial council remains to be seen. This may well have to be the case if both NUMSA and other employers wish to see Delta bound by the new wages and conditions. Delta is presently the only auto

manufacturer not covered by the agreement. NUMSA's Les Kettledas commented that the agreement reached in this forum eliminated differences in benefits packages, and laid the basis for more uniform employment conditions within the sector.

NUMSA has achieved similar success in the tyre manufacturing sector, also by extending the E.Cape industrial council nationally (see *Labour Bulletin* 14.3).

In the motor components and garage sector NUMSA has deadlocked with the employers organisations over wage demands. Negotiations take place in the National Industrial Council for the Motor Industry (NICMI). NUMSA inherited this sector largely from the old MICWU. Although it accounts for some 40 000 of NUMSA's membership it is relatively weakly organised compared to other sectors in the union. But NUMSA has built a national shop stewards' council in the industry as the first step on the road to transforming the council [see below for more recent developments].

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## PPWAWU

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The Paper, Printing, Wood and Allied Workers' Union (PPWAWU) seems to have changed its attitude toward industrial councils. In 1984 PPWAWU joined the pulp and paper industrial council, but withdrew in 1985 because of its undemocratic nature. Although the union had majority membership in the industry, the council continued to be dominated by white craft unions such as the AEU





and the Boilermakers. As a result of the union's withdrawal, the council collapsed.

### PPWAWU

has recently tried to gain access to printing and furniture industrial councils. The union's application for membership of the National Industrial Council for the Printing and Newspaper Industry (NICPNI) met with no response. After this the employer body on the council, the South African Printing and Allied Industries Federation (SAPAIF) took a decision to withdraw from the industrial council. PPWAWU has declared a dispute with SAPAIF, claiming the employers' move is an attempt to prevent the union entering the council and representing its 5 000 members in the industry (out of a total workforce of 50 000).

Once again, the hand of Barlow Rand is visible through Nampak, the largest member of SAPAIF. Despite SAPAIF's denials, it is clear employers do not relish the prospect of a militant union entering the council, long the domain of the moribund South African Typographical Union (SATU) (see document on pp 87-91).

PPWAWU's push for industry-level bargaining has also suffered a setback in the furniture industry. Earlier this year the industrial court declined to rule in favour of the union's application to be admitted to two regional furniture industrial councils.

## HARWU

In the hotel trade, HARWU suffered a setback recently with the collapse of the industrial council covering the Witwatersrand and Vereeniging areas. Employers followed a similar strategy to those in the printing industrial council - they withdrew from the employers' organisation. This follows the series of militant wage strikes staged by the union in the Karos and Southern Sun groups.

## SACTWU

In the clothing industry, the demand for the establishment of a single national industrial council for the clothing industry, will gain momentum with the merger of GAWU and ACTWUSA into SACTWU.

The merger will also strengthen the new union's position in the national textile industrial council. ACTWUSA forced the council to agree to union participation in deciding on applications for exemption from the industry agreement. ACTWUSA has already secured a seat on the leather industrial council in a landmark ruling in the industrial court. This is especially important since the National Union of Leather Workers, the union party to the national leather industrial council,





will remain outside of SACTWU.

ACTWUSA had also succeeded in substantially reshaping the Cape cotton textile industrial council - covering some 5 000 workers - despite the withdrawal of Barlow Rand's Berg River Textiles from the employer organisation. The union was able to secure an effective closed-shop. The agreement ensures that, in the event of a dispute, the union will be able to draw all its members in the industry into industrial action, not only those at the affected company. This agreement, however, has not been gazetted by the minister.

## TGWU

In the security and contract cleaning industries the initial employer enthusiasm for establishing industrial councils appears to have been dampened. High labour turnover in these industries has also hampered the efforts of the Transport & General Workers' Union to stabilise membership and prove that it is representative.

In the Witwatersrand goods transport council TGWU's efforts to extend the agreement to the rest of the industry are being blocked by the other union parties who fear their influence would be diminished in a national council. Current merger talks between TGWU and the Zakhani Transport & Allied Workers' Union and the Transport and



Allied Workers Union may strengthen TGWU's hand.

## MEWUSA

The merger of NACTU's EAWTUSA and BEEWU into MEWUSA will strengthen the union's presence in the three regional councils in the electrical contracting industry. As this is a relatively small sector, the union hopes to consolidate a single national council for the industry.



## Workers demand increased regulation

The intensified struggle by unions to strengthen or establish industrial councils is a response to two factors :

### 1 Deregulation

Both employers and the state are pushing for deregulation of large sectors of the economy. Deregulation is the removal of legislation which guarantees workers basic minimum wages, benefits and working conditions. This has been done mainly through industrial councils and, where no industrial councils exist, determinations of the Wage Board.

Employers and the state argue that by deregulating they can create more jobs and free the economy from restrictive practices. But unions suspect that what they really hope to do is lower costs by paying lower wages. Deregulation will enable employers to



pay different wages in different parts of the country, and to pay lower wages in smaller or more weakly organised factories [see article by Alec Erwin in *Labour Bulletin*, 14.1].

Where several industrial councils exist in the same industry, bosses have used this to pay different wage rates to workers in different areas performing the same jobs. There are no less than 11 separate councils in the building industry. The clothing industry has separate councils for the W.Cape, Natal, OFS/N.Cape, Transvaal, and E.Cape. In the goods transport industry the council is confined to the Witwatersrand while the rest of the industry has wages and conditions regulated by a Wage Determination. This makes it very difficult for unions to negotiate uniform wages and conditions for the whole industry, and divides workers in the same industry.

In response the unions are seeking to establish or entrench national industrial bargaining, and thus secure uniform regulation of wages and conditions nationally. NUMSA organiser Gavin Hartford describes his unions progress as a struggle over regulation: "While the bosses are trying to deregulate industry, we are effectively extending regulation."

### **2 Growth in the size of unions**

The struggle for industrial councils is also a consequence of the consolidation of COSATU affiliates into thirteen industrial unions, and similar initiatives by some NACTU affiliates and independent unions. The series of mergers has given rise to large, viable and militant industrial unions. They

now have the capacity to move beyond their base in specific factories and companies, and engage the employers in the battle over conditions and wages in whole sectors and industries. In this way they can also win the allegiance of workers who are currently unorganised.

The demands come at a time of increased control and centralisation by large corporations. The consolidation of the unions in their respective industrial sectors and in the large corporations has been accompanied by greater pressure from members to establish uniform wages, conditions and benefits.

This task has assumed even more urgency because unions cannot afford to devote a large proportion of resources and personnel to negotiating agreements at hundreds of different plants.

### **Different roads to industrial councils**

Militant unions have found their way into industrial councils in different ways. While some unions have inherited participation in industrial councils, others have sought participation as a conscious strategy to organise their sectors. In the years following the Wiehahn reforms a fierce debate raged amongst academics and unionists over registration and participation on industrial councils. The unions viewed councils with scepticism and feared co-option into the statutory collective bargaining system.

FOSATU affiliates in the auto,



pulp, transport, metal and textile industries had initiated the first cautious moves toward bargaining at industrial council level. Several CUSA affiliates had already been party to councils for many years. Consolidation and expansion increased with the formation of COSATU and the series of mergers between unions that followed.

Thus ACTWUSA (the result of the merger between NUTW, TWIU and NUCW) was able to consolidate its presence in the national textile, Cape cotton textile and Transvaal clothing councils. Similarly, NUMSA gained a strong foothold in the national motor council by absorbing MICWU.

### **Employer and state reluctance**

At the same time however, employers perceive the demand for industry-level/national bargaining - coupled with the Living Wage Campaign - as an attack on profit margins. Unions have generally succeeded in improving wages and conditions where they have been able to mobilise their membership at different plants in the same company or at several companies in the same industry around common demands.

Where militant unions have entered industrial councils, or succeeded in establishing them, they have been able to tilt the balance of power in their favour. This is particularly so in the iron and steel industry where NUMSA has made considerable gains since MAWU first entered the council.

Differences in attitudes on the side

of employers remain, however. The giant Barlow Rand corporation has emerged as the leading employer ideologue in the fight against national bargaining and regulation. Barlow's hand is clearly evident in moves to destroy industrial councils in the metal, textile and printing industries.

However, it appears that not all of SEIFSA is united behind the Barlow Rand position. At the 1989 Labour Law Conference, SEIFSA executive director Brian Angus argued for the retention of the council as a forum in which to regulate wages and conditions. There are thus employers who will continue to want the protection from under-cutting that statutory regulation affords them.

The state too is uncomfortable at the prospect of militant wage strikes being led by powerful industrial unions. It now wants to discourage unions from using industrial councils to mobilise workers. In the process the state seems bent on undoing its own system of statutory collective bargaining created by the Industrial Conciliation Act and its successor, the LRA.

There thus appears to be a growing consensus between the state and many key employers on the need to counter any moves toward national industrial bargaining regulation. Moreover, they are seeking to undermine - if not destroy - those industrial councils where militant unions have emerged as the dominant trade union party or are seeking to enter councils. In the process they have developed a wide range of tactics.



### Some recent instances of these tactics are:

Industrial Council	Union	Employer Organisation
Wits & Vereeniging Liquor & Catering Wits & Pta	<i>HARWU</i>	<i>Fedhasa, Tvl.</i>
Chemical Mnfg Nat. Iron & Steel (NICISEMI)	<i>SACWU</i> <i>NUMSA</i>	<i>Tvl.Chem.Mnfrs.Ass.</i> <i>Barlow Rand (SEIFSA)</i>
Nat. Printing & Newspaper (NICPNI)	<i>PPWAWU</i>	<i>Nampak-Barlow Rand (SAPAIF)</i>
Cape Cotton Textile	<i>ACTWUSA</i>	<i>Berg River Textiles [Barlow Rand (CPTMA)]</i>

### Employer strategies

A major component of the employer assault on industrial councils is for key employers to withdraw from the employers' organisation which is party to a council. Alternatively the entire employers' organisation withdraws from the industrial council. The first is aimed at weakening the representivity of the employer party. This gives credibility to the Minister's refusal to extend agreements to non-parties. In the second case the effect is the complete collapse of the council and termination of the industry agreement.

The examples clearly show that employers are targetting those councils with militant trade union parties.

Employer organisations have also resorted to tabling their own demands at wage talks - with no realistic prospect of reaching agreement - instead of merely responding to those tabled

by unions. Aimed at extracting concessions from unions, these demands clear the way for employers to declare disputes and lock-out workers in the event of a deadlock.

Unions thus face great employer pressure to 'toe the line', or face threats to the future existence of the council. For example, during this year's negotiations in the metal industry SEIFSA demanded exemption for small employers from the wage agreement and concessions on overtime. It takes no fertile imagination to realise the implications for unions if their members are not sufficiently mobilised.

In anticipation of demands for industry-level bargaining in sectors which are not regulated by industrial councils, employers are allowing their national organisations to collapse and be deregistered. This is a tactic to preempt union demands for establishing an industrial council.



The LRA requires that trade unions and employers' organisations be registered with the Department of Manpower before an industrial council can be formed. Unions are thus faced with the tough task of first persuading employers to establish organisations with which they can bargain.

This tactic has been used in the grain milling and dairy sectors. National employers' organisations in these sectors have been deregistered, effectively blocking FAWU from pushing for industrial councils. The consequences of this move are already being felt in the grain milling industry, a traditionally low paying sector. Wages are determined by a Wage Board. The 1989 revision increased the lowest wage by only R16.60 since the 1987 determination, an annual increase of just R8.80!

In another tactic to escape the jurisdiction of industrial councils, employers are increasingly relocating to bantustans and decentralised areas, spurred on by the state's generous subsidies. The Natal clothing and textile industry is a case in point. Whole new industrial townships have been created in Kwazulu (Isithebe and Ezakheni) consisting mainly of clothing and textile factories.

### **State manoeuvres**

The state is resisting wider forms of bargaining both through its policy of deregulation and more subtle methods used by the Department of Manpower to hamper the functioning of industrial councils.

The Minister, after years of gazetting agreements concluded between unrepresentative unions and paternalistic employers, now finds reason to question the wage agreement reached in the metal industry. Citing SEIFSA's unrepresentativeness following the withdrawal of Barlow Rand subsidiaries, the Minister refused to gazette the 1988 agreement. It was finally gazetted in June this year, seven days before it was due to expire!

It was the first time that NUMSA had signed the agreement since entering the NICISEMI in 1983. Workers can hardly be faulted for suspecting collusion between the Department and Barlow Rand. It seems the Minister's real concerns were that SEIFSA had accepted NUMSA's majority union status and recognised that no agreement could be reached in future without NUMSA's endorsement.

A further tactic has been to gazette agreements where union parties are still in dispute with employer organisations. The effect has been to declare pending strikes illegal. This happened during the 1987 metal wage negotiations, and recently in this year's wage talks in the motor industry.

NUMSA motor sector secretary Fred Sauls criticised the Minister's decision to gazette an amended wage agreement, claiming it was an attempt to thwart NUMSA members from taking strike action. The NICMI claimed to have balloted the parties and that the employer organisations (SAMIEA and SAVBRA) and minority unions (MIEUSA and MISA) had consented to the Minister's action.



The Manpower Department also delays the registration of unions, or delays approving applications for extensions of scope of the militant unions. The NUMSA constitution has been submitted to the Department more than a year ago and still awaits ministerial approval. The union has now concluded an agreement on stop order facilities with SEIFSA, but cannot make use of this because it is not yet registered.

At the same time the Minister continues to approve applications for registration and extensions of scope by minority unions for industries in which national industrial unions are already strongly organised. In recent months the Minister has registered the Kwazulu-based National Industrial and Commercial Workers' Union (NICWU) and the South African Integrated Workers' Union (SAIWU) - which organises on an anti-sanctions platform - for the metal industry. Both are general unions of doubtful representivity and organisational ability. It is unclear whether existing unions are exercising their right to object to such applications. If they are, the Minister seems to take little notice.

The government passed a law which further undermines national industrial bargaining. The Temporary Removal of Restrictions on Economic Activities Act empowers the State President to intervene in the economy on the side of the employers.

This law makes it possible for the State President to exempt by proclamation any company, area or industry from the provisions of any industrial

council agreement, wage determination or other labour legislation. It also allows the state to establish free trade zones in which there are no laws regulating minimum safety standards, wages or conditions. This has already happened in Kew, the industrial township near Sandton, with disastrous consequences for workers in the area.

### **Rethinking industrial councils**

The current employer attitudes towards broader-based bargaining forums will make it more difficult in the future for militant unions to establish industry-wide forms of bargaining. The recent developments have however legitimated industrial councils as forums for mobilising unions' membership around common demands. Employers and unions have therefore both completely reversed their attitudes toward councils in the space of a few short years.

Some progressive unions party to councils have yet to assert themselves in these structures and transform them into organs of worker power. The NACTU-affiliated Building, Construction and Allied Workers' Union joined the council for the Witwatersrand building industry in February 1988 but withdrew in May 1989 because it was unable to move employers on wages.

The union also alleged that white artisan unions connived against it in the council. BCAWU has refused to sign the agreement as a signal to members that the agreement is regarded as



# Borrowing from Thatcher

**L**ocal bosses and the state appear to have drawn heavily from Thatcher's attempt to deregulate industry and 'tame the unions' in Britain. This is not surprising given the strong links between South African and British capitalists. Thatcher and the Confederation of British Industry have launched an assault on the 26 wage councils (the UK equivalent of industrial councils) in an attempt to break the unions' ability to negotiate wages for entire industries.

The Tories have succeeded in destroying national wage and job security agreements between dockers and port managements despite a massive strike by union members. In 1984 already they successfully fought off the mineworkers, forcing regionalised bargaining upon them and causing a split in the once-powerful NUM.

But Thatcher has not had it all her own way. Rail workers were able to defend their union's national pay bargaining system against deregulation by staging a series of crippling one-day strikes for several weeks. Thatcher is also wary of British workers joining hands with European unions after 1992 to demand a system of pan-European collective bargaining.

falling far short of workers' demands. In the absence of a strategy to assert itself in the council however, such gestures will become increasingly meaningless.

The refusal of multinational corporations in the chemical sector to bargain in a single forum over disinvestment procedures highlights the problems posed by the absence of an industry bargaining mechanism. The council for the Witwatersrand and Pretoria (to which SACWU was party) collapsed at the end of 1984 while a much smaller council for the Cape still exists.

The industry is characterised by a high degree of unionisation almost evenly split between CWIU and SACWU. Although both unions are well-organised in multi-plant estab-

lishments and have concluded national agreements with most major employers (SASOL, AECI), it has been difficult to standardise the relatively higher wages and better benefits extracted from multinationals. Progress in persuading employers in the industry to join a CWIU-initiated provident fund has been slow.

PPWAWU's apparent failure to secure entry to the printing and furniture industrial councils raises some questions as to how unions can go about this in the future. In the furniture industry the position of the National Union of Furniture and Allied Workers - which organises mainly skilled coloured workers - has been a stumbling block.

NUFAW was formerly affiliated to the conservative TUCSA. Although it



## ***UNIONS AND DISPUTES***

is now affiliated to NACTU, there remain suspicions about the union's willingness to co-operate with PPWA-WU at industry level. NUFAW appears reluctant to jeopardise its closed shop but may find its membership increasingly attracted to PPWAWU's more militant style. In the absence of unity prospects in the near future, the unions will have to find ways of co-existing if the council is to become an effective forum for furthering worker demands.

In the SATS, legislation providing for the privatisation of the state corporation attempts to encourage the formation of an industrial council to replace the present Labour Council. SATS is aware that even if SARHWU were to be party to such an envisaged council, it would remain dominated by the white artisan and craft unions.

In addition SARHWU is involved in an intense struggle with BLATU for the allegiance of black workers. The union will have to consider carefully how it will approach the question of participation in the industrial council. Given that white workers remain a major constituency within SATS, SARHWU may do well to con-

sider a tactical alliance with BLATU to confront both SATS and the right-wing unions as a united front, whether they enter the industrial council or not.

Finally, industrial councils cannot solve all the problems of collective bargaining. There will continue to be important contradictions and tensions. For example, NUMSA will have to find ways of ensuring that members covered by in-house agreements (Iscor, Highveld Steel, ADE) are not alienated from the struggles of those members covered by the NICISEMI. Ways will have to be found to link struggles across sectors within unions so as to minimise 'sectoral chauvinism'. Unions will still have to retain the right to plant-level bargaining. There will also continue to be fears of co-option and bureaucratisation of unions which become party to industrial councils. The ultimate danger perhaps lie in fears that unions will be forced into US-style concession bargaining in order to keep industrial councils alive. Vigilant, democratic, participatory and militant industrial unionism is the only guarantee against this. ☆

### **Faith in the Future - NICISEMI staff form a union**

Employees of the NICISEMI do not take talk of the uncertainty of the council's future too seriously. They have organised themselves into a trade union, called the NICISEMI Staff Association. The NICISEMI is the largest industrial council in the history of South Africa, and administers the industry agreement in five regional divisions.

The staff association is likely to oppose deregulation and the disbanding of the council as its members jobs are at stake.