Trade unions, technological changes & production

When it comes to technologically influenced production changes at the workplace trade unions should be more innovative in defending workers' interests and jobs, writes **Mondli Hlatshwayo**.

William Matlala

Raymond Scannel, a labour commentator, raises the following sharppoint, 'If production decisions are left completely in the hands of management, with unions restricting their role to bargaining over the impact, then organised labour will become adept to negotiating funeral arrangements'. Negotiating retrenchment packages as a result of displacement of workers by new technology and reorganisation of production represents a setback in workers' struggles since such negotiations are akin to bargaining around the costs of a burial undertaker instead of keeping the worker alive.

A reactive trade union response to production leads to unions becoming skilled negotiators of workers' 'funeral arrangements'. Therefore, in order to defend workers' interests and jobs, trade unions have to adopt a proactive approach which seeks to deepen the union's understanding of developments in a plant, industry, national and global levels. A proactive approach heavily relies on independent trade union research on production and full participation of union members.

ARCELORMITTAL VANDERBIJLPARK PLANT

The case study of ArcelorMittal Vanderbijlpark (the company was called Iscor till early 2000) illustrates that a reactive approach to technological changes can have disastrous effects on

work, workers and trade unions. Job security cannot be guaranteed by merely signing collective agreements with the bosses. There has to be a concerted effort which seeks to ensure that wages and production struggles are combined with the view to defend and advance positions of workers at the workplace.

One appreciates the fact that trade union responses to technological changes and work reorganisation tends to be shaped by the balance of forces between capital, labour and state – from the plant to the national level – as well as the global level. Despite the balance of forces being in favour of capital, workers and trade unions have been able to extract gains from capital through struggle. In fact, it is these localised struggles which can play a role in shifting the balance of forces in the long term.

The ArcelorMittal Vanderbijlpark Plant, the largest inland steel mill in sub-Saharan Africa, is situated in the town of Vanderbijlpark in Gauteng Province, about 70 km south of the city of Johannesburg. In 2011, the plant employed 4,616 people who are almost 50% of ArcelorMittal South Africa's workforce which has operations in Vereenging, Saldhana Bay, Pretoria and Newcastle. The head office of the ArcelorMittal SA is at the Vanderbijlpark Plant.

ArcelorMittal SA's global standing is further enhanced by being part of the world's largest steel producer, the ArcelorMittal International Group which employ 316,000 people on a global scale.

In its Annual Report of 2010, ArcelorMittal SA makes a point about a need for it to continuously improve its technological platforms in the production process. 'Yet another factor is the need to continually re-invest in plant and equipment to keep pace with technology or market growth or both'.

The two main unions that are organising workers at the plant are the National Union of Metalworkers of South Africa (Numsa), a predominantly black union, and Solidarity, a predominantly white union. Numsa membership at the plant is generally semi-skilled with a sprinkling of skilled workers. On the other hand, Solidarity's membership tends to be in skilled positions such as artisans and production workers.

UNION RESPONSES TO TECHNOLOGICAL CHANGES

Changing workforce at Iscor SA

In the main, workers with less formal education became victims of displacements by technology and work reorganisation. The unskilled workers were not the only category of workers that was affected by the reduction in the number of workers. Workers in the administration, human resources and hostel administrators, and managers were also affected and these are positions that were occupied by white workers.

Technological changes and work reorganisation have also transformed the workforce of ArcelorMittal SA fundamentally. Out of 9,233 employees, there are only 353 unskilled workers. In other words, 93% of the workforce is either skilled or semi-skilled.

A small permanent workforce and increased productivity

In 1988 there were 58,100 workers and this number was reduced to 9,886 workers by 2011 at Iscor South Africa. This means that about 50,000 workers have lost jobs since 1988. In 1989 the average revenue per employee at Iscor South Africa was R106,000 and there were 56,200 workers employed at that time.

In 2011 there were 9,866 employees and the average revenue per employee was R3,285 million. The increase of revenue per employee between 1989 and 2011 was R3,179 million. The revenue per employee increased 30 times since 1989. On the other hand, the period from 1989 to 2011 also saw a decrease of employees by close to 50,000 workers. Therefore technological changes, unbundling and work reorganisation led to fewer workers but greater productivity.

Trade union concerns

In analysing technological changes in the labour process both unions strongly argued that there was a lack of consultation in the process and they saw technological change as an imposition from management. Meanwhile, Numsa policy on consultation concerning technological changes states that, 'A company must give six months' notice of the introduction of new technology. This notice period must be before the decision to purchase the machinery has taken place'.

Participation

Omega, a work reorganisation programme which was also accompanied by technological changes, was introduced in the 1983 and 1989 and early 1990s for white and black workers. *Omega* was introduced when Numsa was still grappling with the difficulties of privatisation and the basic organisation of workers.

The project caused divisions within the union because workers and members of Numsa saw it as a threat to their job security. In addition, they also saw shop stewards who participated in the *Omega* workshops as collaborators who sided with management. This conflict became violent and led to the killing of Numsa members and shop stewards in the Vaal region.

Research

Paul Joubert, the head of research at Solidarity, was asked if the union conducts research on the role of technology in work processes. The response from Joubert was, 'Well. [The research is] not directly [on technological changes] but most of the time it does come in as an incidental factor... We have not looked at it as subject specifically'.

In the majority of cases the research of the union focuses on wages. This entails an analysis of company reports, an analysis of the socio-economic situation and the formulation of wage demands.

While Numsa has generally focused on wages as part of its collective bargaining, in 2009 and 2010 the union conducted important research related to production in the automobile sector.

Unlike Solidarity, Numsa has at least tried to engage research on 'production' but that has only been at the level of the automobile sector. Numsa is advanced compared to Solidarity because there are labour support organisations and researchers who are trying to help the union in dealing with production matters.

Education

It can be argued that Solidarity's education programme tends to be largely about basic union issues such as 'handling of labour cases and wage negotiations', according to Reint Dykema, a Solidarity spokesperson. On the other hand, Numsa has a broad education programme which includes shop steward training on labour laws, as a well as a political economy education programme.

Perhaps Numsa can be regarded as a union that has an intense education programme in the South African context. However, the limitation of Numsa's education programme is that it has not examined in detail the question of production and technology. This is possibly because Numsa's general focus is on wages and broader political issues without integrating these areas with knowledge about developments related to changes in production and technology.

Wages and production

Dinga Sikwebu, Numsa's national education officer, also reflects on the work of the union. He explains, 'If you take the bulk of union work, it is around negotiations, bargaining on wages and all that'. On the other hand, Solidarity pursues a strategy and a wage focus which includes a strong dimension opposing affirmative action. Arguably, this strategy has been viewed as part of protecting white privileges.

Union resources, union work and structures tend to focus on wages. Even collective actions such as strikes tend to be geared towards putting pressure on management largely during wage negotiations. This is understandable because workers use their income to purchase goods and services so they can continue to reproduce themselves and their families. However, this is again a one-dimensional strategy which also focuses on distribution of value created in a plant implicitly and practically grants management an uncontested power to change production in a manner which suits the interests of plant owners.

The national congresses, regional structures, local meetings, and membership meetings of both unions tend to focus on wages and broader political issues. Technological change gets discussed only when it affects job security. These could be platforms and spaces of sharing and generalising union experiences with technological changes and work reorganisation.

The structures of the union at head office are not geared towards addressing technological changes at the plant. Numsa is in the process of reviving Research and Development Groups (RDGs) which are meant to help the union to grapple with work reorganisation and the economy.

Way-forward

An understanding of the following can help unions to develop a proactive approach to production. This includes understanding the industry itself, financial position of companies, the plant, its production methods, technologies, and interaction with workers who produce technologies. Additionally linking health and safety issues with production technologies, workers' control of all forms of union interventions, proactive research and hiring of engineers and technicians who have an in-depth understanding of work processes and technologies should be understood

Reflecting on his involvement in work reorganisation in the context where management wanted to close down a plant in Germany in the late 1980s, Konrad Siegel, a former shop steward of IG Metall, argues: 'The pilot [initiated by the union] project started in 1989 and went on until 1993 when I left the company. In all these case autonomous teams led by myself restructured work and productivity increased on average by 20%. In some cases it was 40%. There was a good market situation we had relative job losses; not absolute job losses… Now the plant is one of the productive plants [in the industry] worldwide.'

He also states that restructuring led by workers and the unions in a plant had the blessing of union membership and workers in general. There were general meetings which provided workers with updates. Workers were also enthusiastic about the changes because jobs were saved. Workers were also paid for 'thinking' about productivity. Initially these processes led to debates and conflict within the union.

To sum up, unions cannot just have a uni-dimensional struggle of wages and 'politics'. As part of the struggle for workers' control of production and defending jobs, trade unions have to engage with production. Of course, this has to be driven by union membership, consultations and mandates. LB

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