

Transnet-SARHWU dispute

briefing

By IAN MACUN

A longstanding difference between SARHWU and companies in the transport sector finally came to a head in mid-January. At one level, the issue is relatively straightforward — SARHWU members took industrial action to prevent the use of replacement labour and this developed into a protest against the use of private contract labour. At another level, the dispute concerns company restructuring and labour market policy and how these impact on unions.

The dispute began at PX, a container and parcel distribution company in competition with the highly competitive road freight sector. PX is a subsidiary of Transnet, Southern Africa's largest transport company and the fourth largest company in South Africa. A parastatal, Transnet has a financial relationship to the government, but has been undergoing dramatic restructuring — privatising operations, introducing new services; changing its management structure and reducing its workforce. In PX alone, roughly 4 000 jobs have become redundant over the past year.

Job mobility

In mid-January, SARHWU member Mr Mashianoke, who was on leave at the time, was to be replaced at PX's Kaserne depot by an outside worker. Mashianoke had worked as a general, unskilled worker at the Kaserne depot, but was regraded as a data capturer. This was in terms of a practice at PX where workers in redundancy pools are moved into jobs where extra labour is needed, even if this means reskilling and regrading. This internal job mobility has become important

in the context of downsizing, but appears to have occurred without adequate monitoring or feedback on workers' performance in their new posts. Mashianoke had allegedly not been performing adequately.

The positions to which workers tend to be relocated — data capturers, drivers, workers in equipment supply and in the in-house depots — also tend to be the positions where PX uses private contract workers when traffic volumes are high or to work down backlogs. After Mashianoke had been replaced by another worker, SARHWU members marched on the section of the depot where private contract workers were concentrated and asked them to leave. Kaserne management then applied for and was granted a court interdict, which led to a lock-out on 26 January. The argument underlying the application for the interdict and the lockout was that SARHWU had signed an agreement in late 1993 which recognised the union's right to industrial action, but not to interfere with company business.

Blockade against contractors

Workers from the Kaserne City Deep, Booyens and Soweto industrial areas then decided to tackle the issue of private contractors more broadly. This led to a blockade of the nearby City Deep depot, where SARHWU members employed by CX, Spoornet's container service (another Transnet subsidiary), prevented private contractors from collecting containers. Workers action particularly targeted the road freight company, Roadwing. Spoornet clients such as Pick n Pay and OK were, however, not stopped from collecting their containerised goods.

Roadwing carries approximately 70% of CX's business in City Deep and is seen as a

particular threat by SARHWU members, who have been proposing that the workload should be shared by company drivers and private contractors on a more equitable basis. Of the drivers currently employed, the union alleges that only 40%, or 60 drivers, are effectively utilised. CX has reduced its drivers from 497 in 1993 to approximately 150 at present and the workers' proposal appears to be an attempt to forestall any further reductions in employment.

The blockade continued until the first days of February. The deadlock was broken

after a union march on the Spoomet regional offices in the city and the involvement of the Minister of Public Enterprise, Stella Sigcau. A task force was appointed to investigate the issues in the dispute.

Work at the PX Kaserne depot had returned to normal some days before this, after the issue of the replaced worker was referred to arbitration. The outcome of the arbitration is still awaited.

The dispute attracted considerable media attention due to the highly conflictual tactics employed, but more importantly because of the economic consequences. The transport sector is clearly very vulnerable to industrial action and containerised goods accumulated very rapidly at the City Deep and Kaserne depots. The bottleneck at the depots disrupted shipping in Durban and, in no time, shipping lines threatened to introduce port congestion surcharges on imports and exports.

IR crisis

What attracted less interest is why industrial relations at these companies are so poor, particularly as sound industrial relations are so central to the performance of transport.

Despite Transnet's downsizing, it remains one of the country's largest employers. Many of the subsidiaries are characterised by labour intensive operations and in PX, for example, labour costs are close to 30% of overall operating costs. Management-labour

relations, however, continue to be characterised by hostility, suspicion and conflict. At Kaserne alone, there was an average of about one serious industrial relations incident per month during 1994.

This situation is not true of the relations between the more senior management and the

officials of SARHWU, the largest union. But it is the case in the depots, where good industrial relations really count.

What the Transnet-SARHWU dispute at Kaserne and City Deep clearly illustrates is the difficulty of corporate restructuring and of achieving greater flexibility in an industrial relations situation deeply embedded in a racial division of labour, low trust, militant unionism and poor line management.

The dispute has also highlighted the tenuous nature of formal industrial relations procedures and agreements. In addition to the 1993 agreement referred to above, SARHWU also has agreements with both PX and Spoomet regarding the phasing out of private contractors. None of these agreements has been effective in regulating contentious areas. In companies and sectors that share some of the characteristics of the Transnet group, improving performance and industrial relations is going to be a complicated process. What is clear is that, without changing the substance of industrial relations, little other change will be possible or enduring. ☆

