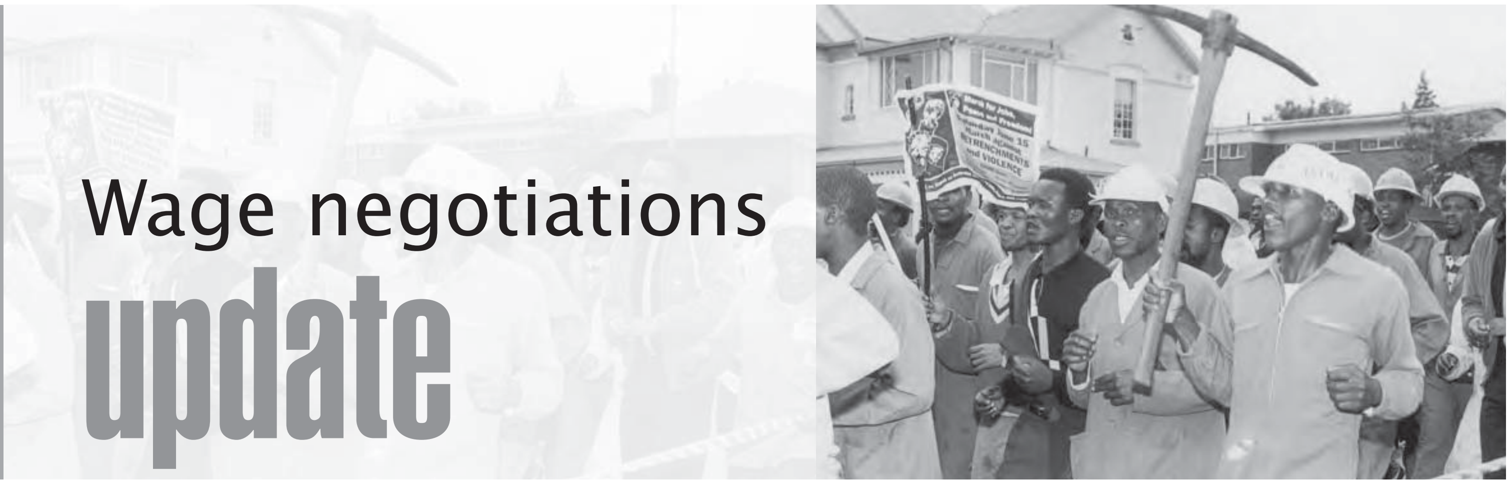
UNION NEWS



Wage negotiations update

Wage bargaining has been concluded in some key sectors such as metal, engineering and automobile manufacturing. The Labour Bulletin looks at some of these settlements and developments in the public service.

Wage negotiations in the public service got underway in the public service coordinating bargaining council close to four months ago. In a surprise move, government declared a dispute against the unions by July after a conciliation process failed to bring the parties closer. A union source says it is unclear what government was trying to prove by declaring a dispute. Government tabled an offer of 5,4% initially which it amended by 0,1% to 5,5%. This amendment was based on taking 0,1% from existing funds for housing. Government's offer also provided for a three-year wage deal with CPIX increases for year two and three. During the negotiation process the unions did revise their position down from 10% and 12% to 8,5%.

Cosatu's public service unions announced on 16 August that they planned to engage in a programme of action. This action, falling short of mobilising for a strike, appeared on the surface to be rather weak and almost non-existent. It is understood that the Cosatu unions were divided over whether to strike or not. The SA Democratic Teachers Union (Sadtu) supported a strike because the union has a number of issues, aside from wages, which they want movement on. However, the union was not prepared to strike on its own. Following a special NEC the union announced that it planned to ballot its members.

The National Education Health and Allied Workers Union (Nehawu) was not however, supportive of a strike. Firstly, the majority of its members are classified as essential service workers. Hence, only a portion would effectively be able to strike legally if proper maintenance agreements are put in place. A second factor (which government might have been relying on) is that the union has just emerged from a rather confrontational and divisive national congress which saw the ousting of its president Vusi Nhlapo. The union has in recent years lost a large number of members, some would believe, partly because of the tension in the union. It is unlikely in such an environment that the union would have been able to pull off a strike.

Aside from Nehawu being opposed to threatening a strike if it is unlikely to follow through on such a threat, the union has also been viewed as a sell out for initially demanding a much lower increase of 7,5%. This year the union took a conscious decision to table a demand which was achievable. This approach is clearly different from Sadtu which initially demanded 12%. It is clear that the Cosatu affiliates are divided over strategy. What about the dynamics between the Cosatu and Fedusa affiliates? A representative from a Fedusa affiliate said that government could see that the unions were polarised. 'None of the unions seem to trust each other,' he said. These types of dynamics makes it all the more difficult to settle.

At the time of going to press it was clear that government was prepared to move to 6% in order to settle. Some Cosatu affiliates were mandated to settle between 6% and 7%. This would however, require the unions to reduce their demand further from 8,5%. However, in order to do this government would have to be seen to be moving. A union official said: 'the problem is that most unions are angry but no union is prepared to go on strike. Therefore, the dilemma is that if they are not going on strike then how can they put pressure on government for a higher offer?'

SETTLEMENTS IN METAL AND AUTO

Workers in the steel and engineering industry received increases ranging between 7,5% for the lowest paid to 6%, and 5% for the highest paid. This settlement covering close to 300 000 workers, was agreed to during negotiations between the National Union of Metalworkers of South Africa (Numsa), Solidarity, UASA, Mewusa, SAEWA and Ceppwawu and the Steel Engineering Industry Federation of South Africa (SEIFSA) within the Metal and Engineering Industry Bargaining Council. The settlement came in the wake of a march on Seifsa offices.

Numsa and the Automobile Manufacturers Employers Organisation (AMEO) concluded a three year wage deal (covering 21 000) which provides for an average increase of 7,5%.

At the time of going to press it was unclear whether a settlement would be reached between Numsa and the Fuel Retailers Association (FRA) and the Retail Motor Industry (RMI) in the motor retail sector. The negotiations cover an estimated 180 000 workers in the petrol stations, component manufacturing, car dealer shops and panel beating shops. The union had

called for a strike over the following demands:

- A wage increase of 10% for grades 7 and 8 and 12% for grades 1 and 6.
- R10 per hour minimum wage for all workers.
- Night shift allowance of 20% and 10% for afternoon shift.
- A 40 hour week.
- Three year agreement
- Workers knocking off after 20h00 should get free transport.
- Area wage differentials must be removed immediately.
- Four weeks bonus at the end of 12 months.

Currently, petrol attendants in Johannesburg earn R5,53 an hour while those in the rural areas earn R4,42 an hour.

Meanwhile, Numsa had also threatened a strike at Eskom over its refusal to honour gratuity payouts agreed upon last year.

MINING

The NUM did not have to contend with negotiations with the Chamber of Mines this year because their two year wage deal ends next year. What the union did have to deal with was threats of further job losses as the strong rand continued to hammer the industry. As part of a campaign to highlight the unions' concerns around the rand, SA Reserve Bank governor Tito Mboweni received a 'delegation' of mineworkers who marched on the governors' officers. Mboweni should have been used to such a sight from his previous life as labour minister.

As part of an attempt to save jobs, the union entered into an agreement with Harmony Gold Mining Company on the implementation of continuous operations at its Elandsrand operations in the North West Province. The company said the agreement would benefit all. LB

WATCH OUT SCHROEDER!

German workers appear to have had a tough bargaining round with some of Germany's top companies, Daimler-Chrysler, Siemens and now Volkswagen moving to up working hours without compensation to 39 and 40 hours a week. (Working hours was in some cases below 30 but averaged at around 35.) The unions have been put on the spot – either accept or the jobs will be relocated elsewhere – including SA. Daimler and Siemens now have agreements in place to up working hours (with job security of up to ten years) while negotiations have just got underway with Volkswagen. The union, IG Metall, is demanding 4% and job security. This move coupled with government's labour reform process has led to a number of protests with the most recent one occurring prior to the start of talks with Volkswagen.

Media reports have indicated that German Chancellor Gerhard Schroeder might face a tough battle in getting support from the unions in next years' elections because of government's labour reform process. It was reported that DGB head Michael Sommer would not participate in electioneering next year. Sommer told the latest edition of the weekly magazine *Stern* that 'in 2006 there will be no election appearances, no campaigns and no electoral recommendations with me.' Does this mean that the union movement, the Social Democrats traditional ally, is withdrawing support? Sommer apparently said he saw no need to create a new political party, further left than the SPD.

'I won't run away. I would like to fight within the party for different policies. A division of the SPD could also lead to a division of the unions and weaken the left,' he said.