

# **SOUTH AFRICAN LABOUR BULLETIN**

**Jobs . Britain . Germany . Spain . Gautemala . Frame . UIF Charter .  
RAWU . TAWU . Uniply . The Law on Retrenchment .**

## **FOCUS: RETRENCHMENT**

**Jeremy Keenan**

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**The B & S Closure**

**Ingrid Obery**

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**Retrenchments in the Metal Industry**

**Mark Swilling**

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**MAWU**

**Volume 10 Number 1  
Aug - Sept 1984**

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## **THE SOUTH AFRICAN LABOUR BULLETIN**

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## Editorial Note

### SALB AGM

At its AGM in July the Editorial Board confirmed the appointment of Jon Lewis as managing editor. Jon brings to bear a knowledge of South African labour history and contemporary labour issues overseas. The main decisions of the AGM to affect our readers are: the appointment of a research officer; a greater emphasis on briefings; and a commitment to upgrade the presentation of the Bulletin. These objectives together with rising costs mean that the price of the Bulletin is to go up. This has been done in such a way as to minimise the burden for those least able to pay (see the back of the Bulletin for details).

The composition of the editorial board has again changed. Jon Lewis becomes an ex officio member and Ian Macun joins the Eastern Cape Committee. Charles Meth and Eddie Koch have resigned as editors, and the Board would like to express its appreciation to both for all their work in the past. Charles has written for the SALB over a long period and in the days after Merle Favish (former managing editor) was detained he stepped in, together with the Durban editors, to produce and distribute the Bulletin. We look forward to a continuing relationship.

### Retrenchments

The recent drop in the value of the Rand and the resulting rise in interest rates have intensified the recession and reduced the prospects for economic recovery in the longer term. The banks expect a surge of bankruptcies and consequent retrenchments. In 1983 more than 25000 companies closed, 28% up on 1982. During 1984 firms are going bust at the rate of 12 every day. The effects of the credit squeeze



- editorial -

(plus increased GST) on the car industry have been particularly dramatic with most firms already on short time working and thousands of new cars stockpiling outside the assembly plants. In August, Amcar (formerly Sigma) announced the closure of its Pretoria plant and the retrenchment of 330 employees. Thousands more jobs hang in the balance.

Retrenchments and economic crises are neither an act of God nor part of the natural order - but a direct outcome of the capitalist system itself. Crisis is inherent in the process of capital accumulation which entails increasing capital intensity, a declining rate of profit and problems of inadequate markets - although theorists may debate the precise mechanisms and relationships. In addition the present crisis - which for capital is a crisis of profits - is intensified by the presence of an organised trade union movement determined to protect the conditions of its membership.

This last point marks the great advances that have been made since the Bulletin published its "Focus on Structural Unemployment" in 1978 (SALB 4.4). Then we analysed the structural determinants of unemployment - particularly the trend towards more capital intensive labour saving technologies. But the struggles of South African workers themselves is absent from the analysis. In the editorial comment for that edition the Bulletin made its usual call for recognition of African trade unions. By contrast this edition focuses on workers' struggles for jobs.

The argument that South Africa's unemployment is structural - the result of long-term restructuring by capital - is borne out by the available statistics. Charles Simkins has shown that during the 1970s unemployment rose from 13,7% to 20,6%. The upswing of the late 1970s only served to halt rising unemployment not reverse it. By 1983 unemployment was standing at 25% (other estimates put current unemployment and underemployment as high as 30%).

The focus on the structural effects of accumulation has remained at a macro level and has also perhaps led to a neglect of cyclical factors. Our knowledge of the sectoral distribution of structural unemployment is very limited. Also in the present recession - faced with a credit squeeze, reduced demand, increased competition and in some cases international competition - weak firms are simply going bankrupt. Moreover we need to know a lot more about which industries are in long-term decline. These questions are of more than academic interest. They are of crucial importance for informing trade union strategies. A trade union faced with proposed job losses as a result of new technology in a financially sound company or strong industrial sector will be able to put forward much greater demands for employment protection, job sharing etc. Faced with retrenchments in a declining industry the union will only be able to slow down the rate of job loss and negotiate compensation and perhaps retraining. But this kind of detailed research remains to be done.

One thing is clear employers will attempt to use the recession to force back the gains made by trade unions and to impose their will on workers. The response of Gold Fields of South Africa to a possible legal strike by NUM was to threaten mass dismissals: "We can replace striking mineworkers readily from the thousands of unemployed former mineworkers in the homelands." (RDM Business Day 15.8.84). One management commentator believes that the threat of unemployment has a more general application in industrial relations and as a means of increasing productivity: "When workers realise they can lose their jobs it smartens and sharpens them up." (Star 18.8.84)

It is also clear that the present climate of recession is an important factor in the divisions within some unions - a theme explored in the article on MAWU.



## **SPAIN: Struggle of the Sagunto Workers**

In February 1983 the Spanish government ordered Blast Furnace No 2 at Sagunto to be extinguished as the first step in closing this section of the complex. But the orders were not to be carried out until March 1984. It was a year of militant struggle by the 4000 blast-furnace workers and the entire population of this small city.

The economic recession highlighted the traditional weaknesses of the Spanish economy - outdated technology, low productivity and inadequate finance. With the election of the right-wing Democratic Centre Union in 1979 the attack on organised workers began in an attempt to "modernise" Spanish capitalism. However the unity and strength of the working class movement forced the government to adopt compromise solutions. The workforce was to be cut by means of early retirements, whilst massive financial aid was given to businesses in crisis. This aid intended for modernisation was largely used up in compensation to workers laid off and in order to meet interest charges on huge bank debts.

In the 1982 elections the Spanish Socialist Party (PSOE) was returned to power promising "change" and more jobs. But from the beginning it adopted capitalist solutions to the industrial crisis - axing jobs and eliminating "unprofitable" sectors. Faced with overcapacity in the steel industry (in terms of EEC quotas) the government selected Sagunto for closure - where it was expected that workers resistance would be weakest.

### Heroic struggle

Sagunto was built around the steel industry. The closure would turn Sagunto into a ghost town. A few days after the announcement, the people of the town



organised their first march on the capital, Madrid. The year long struggle included 20 general strikes in the region, 6 or 7 marches on Madrid and innumerable demonstrations and clashes with the police. In December 1983 police opened fire with machine guns on one of the demonstrations. Diverse forms of struggle were employed: 700000 signatures were collected on a solidarity petition. At the same time the works was occupied and a director of the enterprise "kidnapped".

In the works itself, unity was based on a worker assembly that became almost a standing body embracing both full-time and casual workers. This unity spread to the city and gave rise to the organisation of co-ordinating committees of women and youth. A united leadership was assured by the joint action of two bodies: the factory committee and a trade union co-ordinating committee representing the three different trade union federations.

One of the methods of struggle deserves attention. The workers themselves drew up an alternative plan to management. They showed clearly that a relatively modest investment of 100 million dollars would make it possible to keep the threatened blast furnaces going on a profitable basis for the medium term.

### Defeat

The Sagunto struggle ended, nonetheless, in the defeat of the workers with two-thirds voting to accept an agreement that dismantled the enterprise with all the job loss which that entailed. What then were the weaknesses?

Firstly, there was very little solidarity from outside of the Sagunto region. Partly this was due to the fact that most of Spain's industrial centres were involved in their own mobilisations. There were signs that these local battles could become general-

- Spain -

ised. On February 2 and 3, 1984 a half million workers were involved in struggle against the state's industrial policy. At this point the government was cornered. It's response was to negotiate a compromise with the socialist trade union federation (UGT) using the old solution of early retirement, knowing that 15% of the Spanish workforce was over 55 years old.

For the Spanish working class and the workers of Sagunto the problem was a political one - their relationship to the Socialist Government. The workers' challenge had been confined to resisting layoffs. They could see no alternative government to the PSOE. In Sagunto itself the workers voted to accept the closure of the No 2 Furnace with the loss of 2200 jobs (900 of which were early retirements) in return for a formal commitment by the government to create 500 new jobs. The compromise shattered the previous unity built in struggle. Temporary workers, and the people of Sagunto who had participated in the struggle were denied a vote in the final decision. It also appears that many of those who voted for the compromise were workers close to 55 years of age who had therefore opted for "individual solutions"

Evenso there is no doubt that the lessons learnt at Sagunto and the tactics used will be applied in other struggles to come. In this way future victories will owe a debt to the 400 days of struggle waged by the 4000 workers in Sagunto and by the people of the town as a whole.

(SALB correspondent)



## **GUATEMALA: Victory at Coca Cola**

Workers at the Guatemala City Coca Cola plant have saved 350 jobs after a four-and-a-half month occupation. Their union (STEGAC) was formed in 1975 after earlier attempts were violently suppressed by the military regime (in 1954 and 1968). Since then eight union officials have been murdered. The union was finally recognised by management in 1980 after an international boycott organised by the International Union of Foodworkers (IUF) forced the American multinational to take responsibility for its local franchise operation.

The workers' troubles did not end there. Alarmed by this successful display of international trade union solidarity, Coke then laid plans, the IUF believes, to destroy the union in Guatemala and with it the credibility of the IUF. The plant in Guatemala City was run down from 1981 and work transferred to non-unionised areas. In February 1984, the plant declared itself bankrupt and retrenched its 450 workers. STEGAC workers immediately occupied the plant to prevent damage or removal of machinery. They were immediately subject to military intimidation. Fearing more bad publicity Coca Cola pressed the Government to restrain any outright military attack. Coke attempted to buy off opposition with attractive redundancy payments, but only 96 workers accepted these. The strategy was now to starve out those remaining in occupation.

That the workers eventually triumphed is a tribute to their determination and to the solidarity action of workers around the world. During, May Coca Cola production was halted in Norway, Sweden, Italy and Mexico. Trade unions worldwide, gave their support. From South Africa CCAWUSA and the Wits Tearoom Union sent money in a concrete gesture of solidarity.



- Guatemala -

More than anything else Coke feared the long-term damage to its image which the dispute was having. They wanted the dispute settled before the Olympic Games in which the company had a substantial financial interest. By the end of May Coca Cola had conceded most of the workers' demands. The Guatemala City plant was to be transferred to a local company and work restored, with the 350 workers who stayed in the occupation keeping their jobs and receiving substantial back payments.

Within Guatemala itself STEGAC's struggle became a symbol of hope for the labour movement and those opposed to military dictatorship. Despite all the risks support came from students, peasants and the surviving Guatemala unions. Provisions came in from other food plants, a sugar mill, chemical and textile factories, a laundry workers union, bank employees and other organisations. According to one STEGAC leader: "The leaders of other unions say that if we don't stand up to the employers their own unions will be destroyed within two months." In fighting for their own jobs the STEGAC workers were defending trade unionism itself and in the process have advanced the struggle of the Guatemala people for freedom.

(SALB correspondent)

## **BRITAIN: Coal Not Dole**

For workers the world over the struggle of the British miners is a source of inspiration. In the face of mass unemployment, police intimidation and a reactionary anti-working class government the National Union of Mineworkers has dared to resist pit closures which would mean the loss of 20000 jobs and the certain death of some mining communities. Already during the strike thousands have been arrested, hundreds injured and 2 miners have been killed. The government has cut social security payments to starvation level and now the courts are threatening to confiscate union property bought with the contributions of the workers. But every act of repression has simply increased the resolve to win. In effect the miners have challenged the Thatcher government's entire economic strategy which depends upon breaking the power of organised workers. The stakes are very high. The outcome of this strike will determine the future course of the British labour movement as well as the fate of the government itself. The lessons learnt in the strike are of vital interest wherever workers resist anti-union governments and demand the right to work.

The last five years had seen a severe weakening of the British trade union movement. Recession has brought mass unemployment - officially over 3 million, but realistically nearer 4 million. Widespread job insecurity undermined organisation and militancy at a time when workers were faced with a hostile government. Since 1979 the Thatcher government has passed a series of laws to take away workers' rights. Her strategy has been to avoid all-out confrontation with the unions and to allow market forces to erode their strength.

Evenso groups of workers have continued to struggle to defend their living standards and jobs, resulting



- coal strike -

in a number of very significant strikes: the steelworkers (1980), civil servants (1981), health workers (1982), train drivers and print workers (1983) and now the coalminers. However at a time when the labour movement was increasingly on the defensive the government has been able to sit out each strike, in effect picking off one group of workers after another. With the re-election of the Thatcher government in 1983 the demoralisation of the labour movement seemed complete. The defeat of the Labour Party was followed by a shift to the right and a concern with improving "image". The Trade Union Congress moved from caution to tacit acceptance of the government's anti-union laws and refused to support the train drivers and print workers in struggles which increasingly came into conflict with the courts. If nothing else the miners' strike has halted this demoralisation and forced the Party leadership and the TUC to stand by workers in struggle.

### The strike

In March the Coal Board announced it would be closing 20 pits and shedding 20000 jobs. The timing was not accidental. With winter over, the consumption of coal and power is dramatically reduced and there were already high coal stocks. The NUM leadership faced another problem. Their own membership was affected by fear of job loss and the general climate of insecurity. In previous strike ballots the leadership had failed to secure the necessary 55% support. Given these conditions many in the labour movement believed that any strike action to defend jobs would be suicidal. The government and the capitalist press held the same view and in the early days of the strike sought to emphasise the divisions amongst the workers. The right-wing called for a national ballot charging the NUM with being undemocratic.

The NUM President, Arthur Scargill responded immediately: "Nobody balloted the 20000 who will loose



their jobs". The task was to defend jobs and resist what was clearly an attack on the union. To achieve this it was necessary to mobilise the membership and secure active participation in the struggle. It was the job of the leadership to overcome the divisions which had been fostered amongst the members. In the late seventies the Coal Board had succeeded in introducing area based productivity schemes resulting in different levels of earnings from area to area. Again in 1984 the closure programme was designed to only affect some areas and not others. The NUM's strategy therefore was to give the go-ahead to those areas affected by closures and those areas with a militant tradition to take strike action. The task was then to spread the strike into the more hesitant coal fields, to argue the case and demand the support of fellow miners. The strategy was highly successful with 130000 out of 175000 heeding the call and stopping 80% of coal production.

The only widespread resistance to the strike has come from Nottinghamshire, an area of high wages, where many workers are new to the industry and lack traditions of solidarity and militancy. For the rest, after being out for 6 months the strike is as solid as ever with strikers now digging in for a long battle. What the government had not calculated for is that in some areas demoralisation has now turned into desperation. Faced with unemployment, and in some cases the death of communities, and what is perceived as an all out attack on the union many miners would endorse Scargill's words: "We have nothing left to lose." For them and many fellow trade unionists the strike has become a life-and-death struggle. In the words of the welsh miners' leader: "We will win or we will die in the attempt."

The strike itself has been characterised by an unprecedented level of mobilisation. On any one day tens of thousands are on picket duty or otherwise involved in strike activities. The NUM has used what funds it has to finance transport. The object has

- coal strike -

been to picket where scabs are still working and to prevent the movement of coal and iron ore. Police tactics have included phone tapping, surveillance and following of miners, preventing pickets from moving freely, and curtailing the right to peacefully picket and demonstrate. The NUM refuses to be intimidated and has responded by intensifying its pickets, organising clandestinely where necessary, and simply blocking approach roads when stopped by the police or moving overland to avoid police road blocks. Local mining communities have dealt with scabs in the traditional way.

### Solidarity

The NUM knows that it cannot win the strike alone and has called on other unions to give support. Vital has been the agreement of the transport union to prevent the movement of coal and iron ore. Seamen, dockers and train drivers have been particularly active, although supplies are still getting through by road. Some of the unions are talking of blocking fuel supplies to scab hauliers and mine workers are threatening to block the coal trucks when they return to work. The two week dock strike in July alarmed the government to the point where it is believed the Coal Board was on the verge of conceding defeat. Internationally the NUM has secured the support of unions in other countries including the Mineworkers International Federation, to which the South African NUM is affiliated. The British NUM has received commitments from miners in West Germany, Australia and Poland that they will not produce coal to break the strike.

In Britain itself the NUM has asked the steelworkers to stop production and support the struggle for jobs. Whilst steel production has been reduced, the steel union has not complied fully as many steelworkers fear for their own jobs. Print workers have taken action against the national newspapers whose coverage of the strike has been totally biased in



support of the Coal Board. The bakers' union has provided mining communities with free bread. There have been regional solidarity strikes by public employees in Wales, bus and train drivers in London, firemen in Manchester and mass meetings of workers all over the country.

In the light of this rank and file activity the response of the TUC leadership has been slow. Nonetheless militant action forced the TUC to formally support the miners' struggle. The Labour Party has called on its members to pay a weekly levy to the miners hardship fund. Amongst union leaders - including so-called moderates - there is a realisation that if the miners are defeated it will be a set-back for the entire labour movement. At its annual conference in September the TUC gave overwhelming backing to the miners' fight. With the Labour Party and the major unions all holding their annual conferences in the near future, it is to be expected that the NUM will use these occasions to build links and extend organisation to ensure concrete solidarity takes place.

### The community

In the mining communities, the level of support for the strike is high. Shopkeepers have lowered their prices to miners' families. If the community dies their businesses die with it (and they know that if they don't support the strike they will be boycotted). Labour-controlled local councils are helping out where possible, for example they continued to provide miners' children with free meals during the long school holidays, in July and August. Local Labour Parties have been "twinned" with local pits to provide support. Food parcels and donations are still flooding in from trade unions, workers and sympathisers all over the country. By the end of June the miners had received some R10 million worth of donations. This level of material support has made possible the setting up of a whole alternative



- coal strike -

system of "social security" in the mining areas - and here the role of miners' wives has been crucial.

Miners' wives were incensed when they read newspaper stories which said that wives were opposed to Arthur Scargill. Their response was to organise mass demonstrations culminating in a march of 10000 people through Barnsly, the seat of the NUM headquarters. Two-thirds of the marchers were women carrying banners from every mining area in Britain. To start with women in the mining communities ran canteens, saw to it that food was fairly distributed and provided other support for families. From there they have moved into the frontline of the struggle. Women's support groups have sprung up in every mining area. These have evolved into democratic women's organisations that mobilised and politicised women. They have been organising women to go and speak at support meetings up and down the country, touring workplaces, organising women's pickets and marches and joining picket lines along with the miners. The arrest of Anne Scargill (whose husband is Arthur Scargill) on the Nottinghamshire picket lines was a graphic illustration of the leading role now being played by women.

In South Nottingham they say that women are better pickets than men for three reasons: Firstly, a lot of miners have already been arrested and released on bail on condition that they do not picket again. Secondly, the police find it harder to identify and stop women as "potential pickets", and it is harder for the police to appear to be "keeping the peace" when they arrest women for simply standing and arguing with scab miners. And finally, the scabs themselves are embarrassed to walk into work past women they know are struggling to care for and feed their families.

### The challenge to Thatcherism

Whatever the final outcome of the strike the British

miners have already halted the demoralisation and retreat within the labour movement, and have severely shaken the Tory government. Economically the long strike and its effects on government revenue and the balance of payments has reduced the chances of economic recovery. The direct costs of the strike in lost revenue and policing is estimated at R130 million per week. This and the generally volatile labour scene has drastically reduced business confidence. The industrial battle has been accompanied by an ideological struggle against Thatcher's policies. The NUM has consistently argued that these policies create mass unemployment, and that where coal and energy are concerned the profit motive is particularly short-sighted. The British miners can point to their own history for support. Many of the pits, closed in the 1950s and 60s, would have been "profitable" in the 1970s after the rise in oil prices. Also, Scargill points out that British coal is less subsidised than most coal production in Europe. More fundamentally it is argued that the exploitation of natural resources must be carried out in a planned way and not in response to short-term price movements and competitive pressures.

Politically the mineworkers are in the forefront of resistance to the Tory government. Their leaders and the highly politicised rank and file have never hidden the fact that their aim is to bring down the government. It is government policy after all which is responsible for proposed closures and in the background the fear remains that "profitable" pits will be sold off to private owners further weakening the nationalised sector.

However, Thatcher's problems do not end with the mines. Economic recovery - long promised - remains fragile, and will not have been helped by the sterling crisis and the rise in interest rates. On the broader political front left-wing Labour controlled metropolitan councils have successfully pursued a high-spending policy to maintain local services and



- coal strike -

jobs - with popular support. Other sectors of workers have drawn confidence from the miners' struggle. The rail unions have planned strike action to protest at line closures and job losses, whilst the Transport and General Workers Union has called a second national dock strike after non-dock union labour had unloaded "blacked" iron ore. On the legal front the threat of the courts has not prevented "secondary action". Organised workers determined to act in solidarity with fellow workers have not been deterred by the new anti-union legislation. Above all else the outcome of the strike will depend on the continuation and extension of this solidarity from the rest of the trade union movement.

(SALB correspondent, September 1984)

## FRANCE: The Battle for Steel

In April this year the province of Lorraine was sealed off from the rest of the country by steelworkers protesting against proposed redundancies. Between 1977 and 1979 the right-wing government of Giscard d'Estaing put nearly 40000 steelworkers on the dole leading to frequent and sometimes violent demonstrations in defence of jobs. Despite the election of the leftwing government of Mitterand, the steel industry was again facing major redundancies by the beginning of 1984.

In April a general strike was called by all the union federations throughout the steel-producing region of Lorraine. Perceiving a threat to the very existence of local communities the call was answered by shop keepers, cafe owners, self-employed and the unemployed - as well as by union members. In Longwy - a town of 60000 - 25000 turned out for a mass protest demonstration. Thousands more demonstrated in surrounding towns. One hundred and forty road blocks, manned by strikers, sealed off the whole of Lorraine.

Despite the united action of the trade union federations - two of which were linked to the governing coalition - there has been some dissatisfaction with the leadership given. As a result the group "79-84" (representing the link between today's struggles and those of 1979) has been formed by some workers in the steel mills of Longwy. Again, as in Sagunto, workers are faced with a political problem: their continued relationship to a socialist government which in the depths of recession has been forced to implement capitalist solutions.

(SALB correspondent)



## **WEST GERMANY: Towards a 35-Hour Week**

Steelworkers in West Germany have won a 38-hour working week with no loss of pay. Although the original demand was for 35 hours, the outcome represents a victory in the face of attempts by government and employers to prevent any reduction in the 40-hour week. For the unions, led by the 2,5 million strong I G Metall, a shorter working week is essential to create jobs for the country's 2-3 million unemployed. For the government and managements any reduction in the 40-hour week was seen as a threat to profits and to Germany's competitive position.

The campaign for a 35-hour week began with a series of short "warning strikes". By June nearly 1,4 million, largely metal workers, were involved in the country's worst strike for 27 years. I G Metall's strategy was to hit the motor components industry, thus placing pressure on the car assembly industry itself. At the same time the print workers union, I G Druck und Papier, was leading a series of "guerilla strikes" which closed many national newspapers. In June the 1,5 million strong public workers' union, OTV, also demanded a 35-hour week. I G Metall was now assured of support from other unions and from the Federation of German Trade Unions (DGB).

With large sections of the car industry paralysed and the industry's suppliers beginning to feel the pinch, production losses were running at DM200 million per day. In the face of mounting losses the employers abandoned their rigid defence of the 40-hour week in return for trade union agreement to limited wage rises over the coming period. Although the 35-hour week remains some way off, the struggles of 1984 mark a milestone towards a reduction in the working week and a fairer sharing of work for all.

(SALB correspondent)

## Two White Drivers Join TAWU Ranks

Mr L V Esterhuizen and Mr G van Rooyen, both Port Elizabeth Tramways bus drivers, signed up for the 15000 strong Transport and Allied Workers Union (TAWU) on May 24 this year, despite having previously been members of the Port Elizabeth Bus Workers Union (PEBWU), which at the time had a closed shop agreement with P E Tramways. Earlier in May, Mr Esterhuizen and Mr van Rooyen - together with 12 other P E Tramways drivers - were dismissed for having accidents. TAWU gained the support of the two white drivers by winning back the jobs of 13 of the 14 dismissed workers, including themselves. Most of the workers were TAWU members. Evenso, "TAWU agreed to negotiate for the white drivers even though they were not members. They realised that TAWU was the right union for them after we won back their jobs for them" said Mr Moses Louw, assistant secretary for TAWU's Eastern Cape region.

After long negotiations, the existing closed shop agreement which P E Tramways had with PEBWU (for coloured and white workers) and the Bay Bus Workers Union (a parallel union for african workers), was officially cancelled on May 29 and TAWU was admitted to the industrial council. This was done with as much fanfare as possible by the P E Tramways management, who wanted to show off their new "liberalised" labour policy. Now a new "closed shop" agreement is in operation and workers are allowed to choose between the three union - TAWU, PEBWU and BBWU. All three are now able to recruit on a non-racial basis.

A number of other white workers have also shown an interest in joining TAWU. But according to one TAWU worker (who asked not to be named), "one man from the PEBWU is trying to prevent the white drivers from signing up for us. He has stopped them from attending our meetings". Meanwhile Mr Esterhuizen



- TAWU -

and Mr van Rooyen continue to be involved in TAWU's activities and about 10 other white drivers have shown an interest, according to Mr Louw.

By the end of July TAWU's membership at P E Tramways had grown from 715 to 909, and according to the union will be "well over the 10000 mark" by the end of August. The PEBWU now has 420 members and the BBWU, 138 members. TAWU's Eastern Cape membership is now "well over 2000" according to the chairperson of the Eastern Cape region, Mr Nelson Kweleta. They have members in at least six Port Elizabeth firms, as well as in East London, Grahamstown, Uitenhage, George, Mossel Bay and Oudtshoorn. Earlier this year TAWU's East London branch also recruited a white member.

Asked to comment on the fact that a union which has a principle of black leadership admitted white members, Mr Piroshaw Camay, CUSA general secretary, said this represented no change in the union's policy. He said some CUSA unions limited their membership to blacks, but others had been open to all races since their formation.

According to the July issue of Izwelethu, CUSA's national newsletter, members of the Food Beverage Workers Union recently struck in support of a white woman worker at Unilever's Boksburg plant. She had allegedly been sexually harassed by a manager. Mr Camay said the Food, Beverage Workers Union admitted white members at a Coca Cola plant last year. He said the admission of white members did not affect CUSA's stand on black leadership. "Our position has never been black exclusively. If the whites who have joined CUSA unions win the support of black workers, they could be elected to senior positions, including the presidency of a union. We have no objection to that. This would mean they would have won these positions on merit.

(Gavin Evans, Port Elizabeth, July 1984)

## **RAWU Victory at Dairybelle**

At the beginning of July 685 Dairybelle workers went on strike for three days. As a result there were no home milk deliveries in Cape Town, Goodwood, Thornton, Bothasig, Atlantis and several other major residential areas. Dairybelle is the biggest dairy in the Western Cape. It employs 750 production and delivery workers, of whom nearly 700 are African. The other two large dairies in the area are Van Riebeeck, with 450 workers and Union, with 100 dairy and 100 farm workers. The rest of the industry consists of several much smaller concerns.

The Dairybelle strike attracted a great deal of attention in the press. A dairy strike has a very tangible effect on white and black middle class consumers, a grouping not renowned for bearing "hardships" silently. However, this was not the first strike of its kind. Both Van Riebeeck and Union experienced similar strikes earlier this year. In these strikes, as in Dairybelle case, the main demand was for a call-in card system.

The call-in card is given to an individual to take with him on leave. At any time in the next three months he can take the card, go to any office in the bantustan, and return immediately to his job. However most employers in the Western Cape use the "403" - a mass recruitment form, to facilitate influx control. The worker can still be guaranteed his job back, but the document is in the possession of a recruiter, rather than the worker himself. The recruiter will be sent from the firm and arrive at a specified place at a specified time. The worker loses all control over when he will return to his job. He incurs extra expense in travelling to the specified place. There is no guarantee that he will in fact have his contract renewed. Many mistakes or



misinformation can occur as to time and place. There are also many stories about victimisation - where those seen as "troublemakers" are not recruited - and bribery - where workers without a "green page" in the form of a R10 note in their pass book, are not given a contract. If the worker is not recruited, he can still travel to Cape Town and look for a job there, but in this case he will have to pay his own travel costs, and there is no guarantee that he will find a job.

The lack of call-in cards also affects wages. Management can - and in the case of Dairybelle, workers allege that this is what happens - give even those workers who have worked for them before only the starting wage each year. Although legally workers on a 403 can still obtain permanent urban rights under Section 10(1)(b), it is much more difficult than with an individual call-in card.

What made the strike at Dairybelle different was partly the larger size of the firm, but also the recalcitrance of management. In the other two cases workers only had to strike for one day to win their demand. Dairybelle's Mr Martin Henning did not give in so quickly. He refused to negotiate until workers returned to work. He gave repeated warnings that he would sack all those who did not return. He said that recruiters had already been sent to the Transkei to find replacements. He attempted unsuccessfully, to obtain scab labour through the unorganised Joyce's Dairy in Lansdowne. He then obtained the help of white schoolchildren who were on holiday. There were reports of chaos at the plant.

Meanwhile the Retail and Allied Workers Union (RAWU), the union involved, attempted to apply pressure through the parent company, Imperial Cold Storage in Pretoria. The black Western Cape and Cape Town and Sea Point Traders Associations came out in support of the strikers and threatened to boycott Dairybelle products. The national and local UDF also

lent their support, by contacting the national and local managements. With threats of further "practical support" should the dispute not be settled satisfactorily management finally agreed to implement call-in cards and to investigate complaints about insulting behaviour by the recruiter.

Workers at Dairybelle first started organising in January of this year, when they set up an "underground" committee in opposition to the existing liaison committee. After a one-day strike in April, management was forced to sign a standard recognition agreement which was also signed by the other two large dairies. This provided for regular consultation with the committee, no victimisation and stop order facilities. After the most recent strike further clauses dealing with retrenchment and dismissal were added to this agreement.

RAWU has now been in existence for one year. Having gained this level of representation and recognition in the three major Western Cape dairies, the Union appears now to have established a solid foothold. RAWU officials see this strike as having wider significance. Although the call-in card is used more widely in other centres, it is usually in those industries employing a relatively skilled workforce and a smaller proportion of migrant workers. These industries have felt the need for the continuity and savings in training costs which the cards provide. In the Western Cape, however, where african workers are mostly confined to unskilled jobs, and in those industries such as dairy, where the greater part of the workforce is unskilled, employers have a smaller need of continuity and more incentive to keep wages down. It is for unskilled workers like those in the dairies that job security and a place to live are so crucial in recession. This is the significance of the RAWU victory.

(Debbie Budlender, Cape Town, August 1984)



## Uniply Revisited

In volume 9.7 we reported the dismissals of members of the Paper, Wood & Allied Workers Union from Uniply - a Barlow Rand subsidiary - for holding a May Day demonstration. In the first of two cases before the Industrial Court two shop stewards - Thomas Makhathini and Isaac Mkhizi - have been refused interim reinstatement. The case of some 450 other workers is still awaiting judgement. In the meantime the company have gone ahead and employed approximately 350 new workers.

The judge found that as Makhathini had been absent from his work post for 30 minutes the company was entitled to dismiss him. Mkhize's dismissal was upheld because he had been involved in a work-stoppage, a decision which seems to open the way to individual victimisation.

The evidence presented points to an insensitive approach on the part of management and a general deterioration in relations with workers. Evidence of this was the fact that workers believed that management was unwilling to take seriously suggestions made by union reps about housing, changing rooms and protective clothing. Workers found it difficult to believe that no money was available for these vital items when at the same time a private car park was being built.

For management what was at stake here was the "outrageous" proposal that workers might claim the right to demonstrate at any time. Clearly as the recession proceeds more companies will revert to union bashing in an attempt to maintain profits. As unemployment expands the reserve army of labour, dismissals are being used to discipline workers and smash trade union organisation. When its profits are threatened "liberal" capital is unmasked.

## The Law and Retrenchment

The continuing recession had made retrenchment a major issue of dispute between employers and trade unions. This is not the first recession suffered by workers in South Africa but what is significant is that the new unions, such as those presently engaged in unity talks, have for the first time won important rights against arbitrary dismissal and retrenchment. They have done this primarily through making demands on employers and negotiating fair dismissal and retrenchment procedures. It is only when employers refuse to bargain or to retrench fairly, that some of these unions have made use of the Industrial Court to protect the job security of their members. It is important to realise that the unions have themselves extended worker rights through negotiation and sometimes by resorting to industrial action. The Industrial Court has rarely done more than give its stamp of approval to what has already been agreed to between unions and employers.

The new unions have demanded that employers follow the universally accepted principles of fair retrenchment. They have during and after negotiating recognition agreements presented employers with draft retrenchment procedures and negotiated and compelled employers to conclude such procedures. The basic terms that have been included in such retrenchment agreements are: proper notice to the union; negotiations with the union over the need to retrench, and alternatives; fair selection criteria; severance pay; and an undertaking to re-employ. There are eight points that have generally been included in such agreements and ought to be borne in mind when negotiating a retrenchment procedure. They are:

1. The employer must take the necessary steps to avoid retrenchment, the moment it first became



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aware that the retrenchment might be possible.

The employer must stop employing new workers the moment it becomes aware that retrenchment is a possibility. The employer should retrain workers if one part of the factory becomes redundant while there are vacancies in another part. If the employer is part of a group of companies, steps must be taken as early as possible to place potentially redundant employees at other factories.

2. The employer must give proper notice to the union of their intention to retrench.

What constitutes proper notice usually depends on the nature of the employer's business. Some businesses have orders long in advance, which means that a good management should foresee the necessity to reduce the workforce a long way ahead, maybe even six months to a year ahead. Other businesses may only be able to foresee a necessary reduction in the workforce a month in advance due to the quick turnover of orders. It is for this reason that the periods of notice to the union vary from two weeks in some cases and much longer in others.

Where the reason for the retrenchment is due to a re-organisation of the factory due to the introduction of new machines, then the notice should be given before the employer makes that decision. The introduction of new machinery should be something that the employer should discuss with the union, especially in view of the serious consequences that such decisions have on both the work security of employees and their health and safety. Even if the employer has not negotiated the introduction of new machines with the union, the employer will have had knowledge of the impending retrenchment when he purchased the new machinery, which is often years in advance.

3. The employer must meet with the union representatives and shop stewards at the earliest opportunity.

The first purpose of such meetings is to explain the necessity to retrench. The employer must give the union the information necessary to show that the reduction is necessary. Many employers refuse to do this even though they have agreed to consult the union on the retrenchment. Labour lawyers believe that it may be an unfair labour practice to refuse to give such information. Unless the employer does everything reasonably possible to persuade workers that the retrenchment is necessary, the relationship between employers and employees will get worse and labour unrest may be unnecessarily caused thereby. This is what the unfair labour practice is designed to prevent.

The second purpose of the meetings is to consider alternatives to the drastic step of retrenchment. Workers are often prepared to work short-time, to stop working overtime, to reduce the number of shifts per week, to be laid off, or to accept transfers to other departments or factories owned by the same employer. Employers who have subcontracted work should terminate those contracts in order to provide alternative work for redundant workers.

The third purpose of the meetings is to discuss the application of the agreed selection criteria. The employer must supply the union with a list of the employees to be retrenched with details of their seniority and their occupation. The employer must also give information on request of those employees not being retrenched in order to check that the agreed selection criteria are properly applied.

4. The employer agrees to the principle of "last in first out" (LIFO)

This is the universally accepted criteria for fair retrenchment. The reasons why it is the fairest to workers is because it rewards length of service, and because it is objective, allowing no possibility for favoritism or anti-union discrimination. It also minimises disputes over selection. Some agreements



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allow an exception for special skills. In such cases the employer will not have to retrench a skilled worker or a worker with special skills, even though that worker might have shorter service than those selected for retrenchment. This exception will only apply if there is no one among the retrenched workers who could do the job done by the skilled worker, or could have trained for that job had the employer given proper notice to the union in the first place.

Because the retrenchment may unduly prejudice workers seeking to qualify for permanent urban rights under s10(1)(b) of the Blacks (Urban Areas) Consolidation Act, many unions have now reached agreement with employers that, notwithstanding LIFO, those workers with permanent residence qualifications will be retrenched first.

Workers close to retiring age are also retrenched first. It is however important for unions to ensure, before such employees are retrenched, that they will not lose their pension benefits and more particularly that the employer has applied and received the pension fund's consent to early retirement.

5. The employer must take special personal circumstances into account

The employer must meet with the union in order that the union can make representations in the case of special personal circumstances such as certain workers whose family situation is such that a retrenchment would work a great hardship. There are also those workers who are close to retiring age who would lose their pension rights if retrenched prematurely. There are also cases of employees who are close to qualifying under s(10) of the Blacks (Urban Areas) Consolidation Act.

6. There must be proper notice to the retrenched employee

The employer must give proper notice to the

retrenched employee. The employee should be given ample time to try and find alternative employment and should during his notice be entitled to look and make application for jobs. The employer should also give as much assistance as possible to those employees such as processing all the necessary documentation for the purposes of the Unemployment Insurance Act; endeavouring to find other jobs; and agreeing not to eject migrant workers from their accomodation pending their search for alternative employment.

7. The employer must pay severance pay

Severance pay is normally linked to length of service. The purpose of severance pay is to make it expensive for employers to retrench workers with long service. It is in this way that it becomes cheaper for the employer to adopt and vigorously apply the principal of LIFO. Some unions have been able to negotiate severance pay of one month's pay per year of service while other unions have had to be content with less. Most retrenchment procedures provide for at least two weeks per year of service.

8. The employer must undertake to re-employ

Because retrenchment is not caused by the employee's misconduct, the employer will not have had any reason to dismiss that employee but for the downturn of the economy or the re-organisation of the company. As soon as a vacancy becomes open, the employer must inform the trade union of the vacancy and allow a reasonable period of time for the trade union to contact the relevant retrenched employees in order that they may present themselves for re-employment. In the case of migrant workers it has been the experience that certain administration boards have frustrated such agreements to employ by refusing to permit the worker to re-enter the urban area. In such instances the employers should write to the administration board and advise them of the agreement to re-employ and that they do not intend to recruit through their offices should a vacancy



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arise.

In the case of laying off workers it is normal for the period of the lay-off to be agreed. Lawyers believe that a lay off will not disentitle a worker from acquiring s10(1)(b) qualifications. This is because the employee will remain in the service of the employer during that period even though he may be absent from either work or from the area for a time.

Many employers have entered into agreements with terms such as those described above. However there are many employers who refuse to recognise trade unions or to negotiate with them on any matter. There are also those that believe that it is their managerial prerogative to retrench without negotiating a fair retrenchment procedure or consulting with a union representing their workforce. In such cases the unions have used the Industrial Court effectively.

In the case of *United African Motor and Allied Workers Union v Fodens (Pty) Limited* (reported in the *Industrial Law Journal* 1983 vol 4.3 at p231), the company refused to recognise the union despite the fact that the union was overwhelmingly representative of its workers. The case is very important for a number of reasons, but for the purposes of retrenchment, it held that the company did not follow the generally accepted principles of fair retrenchment. It had therefore committed an unfair labour practice. The Industrial Court looked at what was accepted in South Africa, England, and elsewhere. It stated the important principles to be:

1. The employer must give proper prior warning to the union of proposed retrenchments;
2. There must be prior consultation with the representative trade union before retrenchment;
3. The employer must negotiate selection criteria

- and if there is no agreement, adopt the LIFO principle;
4. The employer must employ the agreed retrenchment criteria fairly;
  5. The employer must take adequate steps to look for alternative employment.

The Company did not satisfactorily explain why it did not follow these principles and because of all the other circumstances in the case the Industrial Court declared the retrenchments to be an unfair labour practice.

In the case of *Shezi and others v Consolidated Frame Cotton Corporation (Pty) Ltd* (reported in the *Industrial Law Journal* 1983 vol 5.1 at p3), the Company retrenched several workers in terms of a declared retrenchment policy. The policy which the Company said was "fair in a capitalist society" was as follows:

Whenever the management of the Company thought that it was necessary to reduce workers in a department, it would;

- (a) In the case of unskilled workers select workers on the LIFO principle per department,
- (b) In the case of skilled workers, decide on the basis of efficiency who should be considered for retrenchment; if there were workers who were of equal efficiency, then the principle of LIFO would be adopted.

Before retrenching the skilled or unskilled workers the Company would see if it was possible to transfer the workers to another department; if there was a vacancy in another department then the worker isolated for retrenchment would be transferred to that department; however, in accepting the transfer the worker would be forced to give up his or her length of service.

This is how the policy worked in practice. One worker had worked in the winding department for twenty years without a break in service. The foreman



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selected her as a candidate for retrenchment on the grounds that she was less efficient than other workers in the department. She was then transferred to another winding department. She had only worked eight days in that new department when she was selected for retrenchment in that department on the grounds that she had the shortest service. The Company said that she had the shortest service, namely eight days, because when she accepted the transfer, she lost her length of service, namely twenty years. The retrenched workers applied to the Industrial Court for reinstatement under section 43 of the Labour Relations Act. The workers argued that the application of the retrenchment policy was unfair.

In assessing the Company's retrenchment policy the Industrial Court again stated the general principles of fair retrenchment. This is what the court said:

1. The employer must consider the possible ways to avoid retrenchment such as transfers, eliminating overtime, working short time.
2. The employer must consult with the representatives of the workers with regard to criteria to be applied in selecting the employees to be retrenched.
3. The criteria for selection must as far as possible not depend solely on the opinion of the employer but must be objectively checked against such things as attendance records, efficiency at the job or length of service.
4. The employer must give sufficient prior warning to the employee representatives and employees who may be effected.
5. The employer must ensure that the selection is fairly made in accordance with the criteria and after considering of any representations, the employee representatives may make as to such selection.
6. The employer must consult the employee retrenched.

The Company argued that it did not consult the National Union of Textile Workers because it did not recognise the National Union of Textile Workers. There is a major labour dispute between National Union of Textile Workers and the Frame Group in respect of recognition. The Industrial Court held, however, that the Company had not properly consulted with the existing works committees or the employees themselves. The Industrial Court put a great deal of reliance on the fact that two of the retrenched workers had over twenty years service and that on the average, they had been in the Company's employment for eleven years. The fact that there were still many employees with shorter years of service indicated that the universally accepted criteria LIFO had not been followed. The Industrial Court accordingly decided that the employees should be reinstated.

The Company has taken this decision on review to the Supreme Court. They argue in their papers before the Supreme Court that their retrenchment policy is a fair one in the context of a capitalist society. They also state that the Industrial Court cannot reinstate a worker where that worker has been made redundant. Their argument is that the Industrial Court can only re-instate a worker where there is a position for him to fill. Because the position no longer exists, there is no job for a re-instated employee to do. This case is to be heard in the Natal Supreme Court in November this year.

While many employers are conforming to the universally accepted principals of fair retrenchment, there are always those employers who will not comply with the universally accepted fair labour practices and will challenge the Industrial Court rulings in that respect.

(Halton Cheadle, Centre of Applied Legal Studies)



## **UIF: Memorandum to the Minister of Manpower**

In September 1982 some worker advice centres in the Transvaal invited unions to a series of meetings on the problems of unemployment. One meeting - attended by IAS, Black Sash, Industrial Aid Centre, the East Rand Community Advice Bureau, SAIRR, GWUSA, AFCWU, NAAWU, EAWU, CUSA, Almagamated Black Steel and Allied Workers Union, MGWU and the OVGWU - drew up a list of objectives for an Ad Hoc Committee on Unemployment. One of the objectives was to produce a memorandum on the Unemployment Insurance Fund. The reason for focusing on the UIF was that it is a concrete issue facing unemployed workers and both the unions and the advice centres had experienced common problems in helping workers claim UIF benefits.

### Background to the meetings

The broader context of the meetings on unemployment was the large scale retrenchments that had begun in industry and the problems faced by the massive army of unemployed, estimated to be over 2 million people. However the majority of these did not receive any form of unemployment benefits. In 1981 only 2,4% of the total contributors to the UIF received benefits. In addition thousands of workers are not allowed to contribute to the UIF and receive nothing from the Fund. The majority of unemployed workers can only survive with the help of relatives who have jobs. The huge burden of unemployment is carried almost entirely by the working class.

### Problems with the Unemployment Insurance Fund

The problems experienced by the centres and the unions were: the UIF is badly administered and inefficient. Workers who claim benefits often face an unhelpful, racist bureaucracy. There are lengthy delays in payments. In the "homelands" it is

especially bad. Workers sometimes find that they don't receive any benefits. At other times they just give up trying to get benefits. The time, trouble and money spent on transport becomes too much. Even if the administrative problems were all solved, the present benefits from the UIF are too small and they last for too short a time. Workers receive only 45% of their last maximum for 6 months. Many workers are unemployed for longer than 6 months.

The problems with the UIF begin with the bosses. Workers need a blue UIF card in order to claim benefits. Many bosses don't get their workers the blue cards or they don't fill out the cards correctly. This causes a lot of delay when workers most need their benefits. Some employers just don't bother to deduct money for the UIF.

On top of all these problems large numbers of workers are excluded from the UIF. Domestics, farm, seasonal and most workers employed by the government are excluded. So are unemployed school leavers and people who have never worked before.

As the advice centres and the unions were meeting, a massive wage strike developed in the Port Elizabeth car factories. The Minister of Manpower responded to the strike by transferring R2 million from the Unemployment Insurance Fund to a strike fund for workers who wanted to work but couldn't because of the strike action, i.e. the UIF money was being used to undermine worker solidarity.

### The Memorandum

In this context a group of people from the advice centres started drafting a memorandum on the problems of the UIF. After months of work a draft was finished and sent to all branches of the independent unions and their federations. Letters were sent with the draft asking for any feedback or criticisms. In the Transvaal a number of further



meetings with the unions took place. All the independent trade unions were invited. Changes to the draft were suggested by the unions. These were incorporated into a second draft and again sent to all the union branches. On the basis of further feedback a final memorandum was written and sent to the Minister of Manpower in July 1984. The final copy was endorsed by the following unions: African Food and Canning Workers Union, Almalgamated Black Workers Union, Cape Town Municipal Workers Association, Council of Unions of South Africa, Food and Canning Workers Union, General Workers Union, Municipal and General Workers Union of South Africa, Orange Vaal General Workers Union, Paper Wood and Allied Workers Union, South African Black Municipal and Allied Workers Union, South African Scooter Drivers Union, and Teammates Workers Union.

### The "Benefit Charter"

The advice centre that drafted the memorandum realised that sending the memorandum to the Minister was not by itself going to ensure changes to the UIF. These can only be won if the demands of the memorandum were popularised and struggled for. To help the process of broader popularisation a "Benefit Charter" was drawn up. The charter included all the main demands in the memorandum, is written in a form that is accessible to workers and has been translated into Zulu and Sotho.

The Charter can be used as an educative document in different types of organisation. It contrasts what exists now to what is demanded; this enables people to use it to explain or discuss the present operation of the UIF. Then building on this, organisations can discuss problems with the UIF and consider solutions to these problems.

### Organised labour

The Charter raises issues that organised labour can

begin to take up right now:

- making sure workers know about the UIF and how they can claim benefits.
- Acting as a watchdog. Making sure the bosses get their workers the blue cards. Checking that the correct deductions are made for the UIF. Making sure that workers leave their jobs with their blue cards filled out correctly.
- If union members experience delays in getting their benefits or they get benefits irregularly, workers at the work place could put pressure on the bosses to find out what the problems are.

#### Further work by the advice centres

In the advice centres discussions have been held with unemployed workers on the particular problems and experiences they face. When workers don't understand how to get unemployment money we explain this. We have tried to encourage workers to be trained in practical methods of helping other workers claim their UIF money. The idea was to get small committees of unemployed workers to set up unemployed advice centres in the areas where they live. At these centres people could try and maintain contact with workers they helped, in order to monitor progress with their claims. In time if a number of committees grew they could be brought together to discuss ways to further a campaign for a decent unemployment insurance system.

But we have a long way to go. No committees have formed. Apart from the more obvious problems of encouraging workers to do this, there is a definite problem when advice centres are not located in townships - especially financial problems with transport. So we have started thinking about making contact with a few community based organisations. We would offer practical training and encourage them to consider setting up unemployed worker committees to offer help and practical advice to the unemployed.



In the short-term the unemployed need a decent UIF. In the long-term the only solution is jobs for all who want to work. The unemployed can't win these things without building closer relations with unions and other organisations.

Copies of the memorandum and the draft benefit charter are available for a small donation if you write to: The Ad Hoc UIF Committee, P O Box 261119, Excom, Johannesburg 2001. We would also welcome any comments or criticisms on this article.

(Representatives from the Industrial Aid Society, the East Rand Community Advice Bureau)

#### A DRAFT BENEFIT CHARTER

1. WE WANT ONE FUND FOR ALL WORKERS IN SOUTH AFRICA
  - \* Now domestic, farm, seasonal and most government workers can't get money from the UIF.
  - \* Now the so-called "independent" homelands have got their own funds.
  
2. WE WANT MORE UIF MONEY FOR A LONGER TIME
  - \* Now we get 45% of our last wage for not longer than 6 months. This is not enough. We want at least 60% of our last wage for one year.
  - \* Now we get one week's UIF money for every 6 weeks we have paid to the fund. We want one week's money for every 4 weeks we have paid to the fund.
  - \* Now workers over 50 can only get money for 6 months. We say the unemployed workers over 50 must get one week's money for every 4 weeks they have paid to the fund. They must get this until their money is finished.
  - \* Now we get our money by cheque.

- \* We must decide if we want our money in cash or by cheque.
3. WE MUSTN'T WAIT FOR MORE THAN ONE WEEK FOR OUR UIF MONEY.
- \* Now we often wait for a long time before we get our UIF money.
  - \* Now if we don't have a blue card then we can't get our UIF money.  
We say that the bosses must fill in forms when we leave our jobs. Then we can get our money even if we don't have a blue card.
4. WE MUST DECIDE WHERE WE WANT TO COLLECT OUR UIF MONEY.
- \* Now many workers must travel long distances to get their money.  
We say that the government must open more offices where we can get UIF.  
Workers must not travel more than 25 km to get their money.
  - \* Now migrant workers must get their money in the homelands.
  - \* We say that workers must decide where they want to get their money.
  - \* Now all workers must sign for their money every 2 weeks.  
We say that workers in rural areas must get their money once a month.
  - \* Now we can't send someone else to collect our money.  
We say that if there is a problem then a worker must sign a letter in front of a magistrate or commissioner of oaths explaining why they can't collect their money.
5. THE GOVERNMENT MUST TELL THE BOSSES WHAT TO DO ABOUT THE UIF. CHARGE THE BOSSES IF THEY DON'T LISTEN.
- \* Now many bosses don't get blue cards for their workers. Often bosses fill in the wrong reasons on our blue cards. While we suffer the bosses are never taken to court.



6. WE WANT BETTER, MORE EFFICIENT ADMINISTRATION OF THE UIF.

\* Now many people in the claims offices (the offices where we get our money) are rude to us. They don't help us when we have problems and they don't tell us how much money we will get and how long we will get money for.

We want the committees that control the fund to employ complaints officers in all big claims offices. The officers must speak our languages and help us.

\* Now the Department has forms and letters in English and Afrikaans.

We want to get forms and letters in our languages.

\* Now if we are sick and can't get to the Department to sign on or collect our money, the Department makes us start again.

We say that if we have a good reason for not going to sign we must not start again.

7. WE DON'T WANT NUMBERS ON OUR BLUE CARDS.

\* Now many bosses will not employ us if they see number 3 on our blue cards.

We say that the bosses mustn't put the numbers 1, 2, or 3 on our blue cards. They must put the numbers on a form.

8. OFFICIALS MUST LISTEN TO US BEFORE THEY GIVE US A 6-WEEK PENALTY.

\* Now officials in the claims offices can give us a 6-week penalty if they think it was our fault that we lost a job. This means that we can't get our unemployment money for 6 weeks. Often they don't listen to the worker's story. We say the officials must listen to the worker's story.

\* Now we only have 1 month to fight the penalty. If we don't fight in 1 month, we don't have another chance. And many of us don't know how to fight the penalty.

We want three months to fight the penalty.

- \* Now when we want to fight against penalties we must first write to the Department, but many of us can't write.

We say the government must let us talk at a meeting if we can't write.

- \* Now we are not allowed an advisor or representative when we are talking about the penalty.

We must be allowed an advisor or representative to help us fight the penalty.

9. WE NEED ANOTHER FUND TO HELP WORKERS WHO HAVE FINISHED GETTING MONEY FROM THE UIF AND FOR PEOPLE WHO HAVE NEVER WORKED.

- \* Now many students finish school and can't find jobs. They can't get money from the UIF because they have never given any money to the UIF.

- \* Now many workers stay unemployed for a long time. But they can't get money from the UIF for more than 6 months.

We say the government must start a new fund for these people. The government has laws that say how much money unskilled workers all over South Africa must get. We think that the government must pay at least 33-45% of these wages to people.

In Johannesburg this would be R26-R35 every 2 weeks.

10. THE BOSSES AND THE GOVERNMENT MUST GIVE MONEY TO THE UIF.

- \* Now the bosses pay less money than the workers to the UIF. For every 5c the workers give, the bosses give 3c.

We say that the bosses must pay the same money as their workers. This means if a worker pays 5c then his boss must also pay 5c.

- \* Now the government is giving R7 million to the UIF every year. But in 1982 workers gave R75 million and the bosses gave R45 million.

We say that the government must give at least



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the same money that all the bosses and the workers give together.

11. WORKERS MUST HAVE MORE CONTROL OVER THE UIF.

\* Now the committees which control the UIF do not represent most of the workers who pay money to the UIF.

We say that the Minister of Manpower must call meeting of all worker representatives to discuss who must sit on the committees.

The government must give full reports to the public about the decisions, meetings and investments that the committees, who control the UIF, make.

THIS CHARTER IS NOT FINISHED. WE WANT YOU TO TELL U ABOUT ANYTHING YOU DON'T AGREE WITH AND ANYTHING YO THINK WE MUST PUT IN.

WHAT CAN YOU DO?

If we want to win our demands we need a big campaign of employed and unemployed workers.

DISCUSS THE CHARTER in your factory committees and shop steward councils. And in your trade unions, community and student organisations. And with group of unemployed workers.

FIGHT FOR A BETTER UNEMPLOYMENT INSURANCE FUND

Ask your organisation for more information or contact any of the organisations listed below.

ISSUED BY: Industrial Aid Society, Room 14 Chester House, Jeppe Street (cor Simmonds), Johannesburg. Tel: 8364422; Industrial Aid Centre, 312 Trevor Building, Voortrekker Street, Vereeniging. Tel: (016) 221700; East Rand Community Advice Bureau, Roman Catholic Church, 270 Mokoena Section, Katlehong. (Saturdays only)  
DATE: June 1984.

## Working For Frame

The Frame Group is the largest textile manufacturer in South Africa, employing 33000. For 10 years the National Union of Textile Workers (NUTW) has fought a battle against Frame for union recognition. Despite a hostile management and the presence of a rival union favoured by the company (Textile Workers Industrial Union - TWIU), NUTW is confident of majority support in Frame's New Germany complex and has repeatedly called for a ballot to test their claim.

More recently union members are facing a new problem - the threat of retrenchment. Below we publish a copy of Frame's retrenchment policy and an interview with retrenched workers and the NUTW organiser. The union has brought numerous cases against the company both over recognition and retrenchments. The results of these cases are still awaited.

### NOTICE OF INTENTION TO RETRENCH AND RETRENCHMENT PROCEDURE

It is with regret that Notice is hereby given that a certain number of employees are to be retrenched. Group retrenchment procedure is set out below.

1. UNSKILLED EMPLOYEES
  - 1.1 Unskilled employees will be selected for retrenchment on the basis of last in first out but will be offered a transfer within the Group where possible. Acceptance of the offer is voluntary.
  - 1.2 Where no transfer is possible, or a transfer is not accepted, the employee concerned will be retrenched.



2. OTHER EMPLOYEES

- 2.1 All other employees will undergo a competency test.
- 2.2 Retrenchment will take place on the basis of least competent first out but where vacancies exist, offers of transfer within the Group will be made to employees in order of competency. Acceptance of the offer is voluntary.
- 2.3 Where no transfer is possible, or a transfer is not accepted, the employee concerned will be retrenched.
- 2.4 As between employees of equal competence the principle of last in first out will be applied.
- 2.5 Any employee declining to undergo a competency test will be regarded as having accepted retrenchment.

3. TRANSFERS

- 3.1 Any employee accepting a transfer does so on the understanding that he will be regarded as "last in" in his new department.

4. TERMINATION OF SERVICE AND COMPENSATION

- 4.1 An employee being retrenched will be paid one weeks wages in lieu of notice of the termination of his contract of employment.
- 4.2 In addition, long service employees will be paid compensation for retrenchment according to their length of unbroken service within the Frame Group, as set out in the applicable section of the following table:
  - 4.2.1 Those with more than one years service but not more than five years service - two weeks wages.
  - 4.2.2 Those with more than five years service but not more than ten years service - four weeks wages.
  - 4.2.3 Those with more than ten years service - six weeks wages.

4.2.4 Pension fund members being retrenched will receive from the Pension Fund an amount equivalent to twice the total of their own contributions to the Fund.

5. RETRENCHMENT FORM

5.1 Employees who are retrenched will be requested to sign a Notice of Retrenchment.

INTERVIEW

The SALB met with Jabulani Gwala (NUTW organiser) and women members of the NUTW who have been retrenched from Frametex. Their story is told below. (Pinetown 28.7.84)

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JABULANI: There have been redundancies at Frametex, Nortex, Pinetex and NKM. The Nortex retrenchments were understandable because departments were closed and machines scrapped - although the policy of retrenchments is not acceptable to us. Nortex is installing new machines and they will employ completely new people. FOSATU is not strong there. The Pinetex retrenchments were accepted by the TUCSA union. When our members are retrenched at Frametex they are being replaced by new people including TWIU members from Nortex. Fourteen workers were retrenched from Frametex yesterday.

FRAMETEX WORKERS: We were dismissed without any warning. Some of us have worked for Frame for 13, 14, 15, 16, and 19 years. We worked as spinning operators, as cleaners and in dispatch. New workers are taking our jobs - some TWIU members from Pinetown. The union will have to take out a case against the management.

SALB: What is it like to work for Frame?



- Frame -

FRAMETEX WORKERS: The management is very unfair. Dismissing workers without warning. Employing and retrenching at the same time. The wages are low. Normal pay is R54 but with overtime we can come up to R64 a week. Normally we work a 6.00 till 6.00 shift 4 days a week. The shift system is bad. You can work very hard and still be retrenched. There are no overalls. You must buy your own. And there is only a small sink inside the toilets for washing. The company food is expensive. Sixty-eight cents for soup. Seventy-eight cents for 2 pieces of meat. Tea costs 16 cents - 13 cents for the tea and 3 cents for the container!

SALB: How will you manage?

FRAMETEX WORKERS: Buying and selling goods will help. Our kids won't be able to continue at school. There will be no money for rent - no shelter for our families.

SALB: Why do you think Frame retrenched you?

FRAMETEX WORKERS: For no reason. Just to oppress us. It is clear that Frame is fighting against our organisation, against FOSATU.

\*When I was transferred from Seltex to Frametex, I was told by the Labour Office that I should not change to FOSATU. This is the reason I am being retrenched.

\*I was in TWIU but there was nothing - no meetings. They did not discuss with us. They did not ask for questions or ideas. They speak for themselves. When we were retrenched we were called to the training room. Red Card (TWIU) shop stewards are present to represent you and witness you signing the form.

\*When you are transferred between departments you have to sign that you are a new employee and then you lose your LIFO rights.

\*As workers we realise that Frame is using retrenchment to attack us but we strongly believe

that we should stick to the union until we win.

JABULANI: Six out of 32 workers retrenched are involved in the recognition case. They have made statements to the court that people were forced to join the red card union. Then they were retrenched. Our brown lung campaign found that 30 out of the 2000 workers tested had been affected by dust. This is important because of the new retrenchment procedure. There is a competency test as a basis for retrenchment. This hits older people, weaker people who cannot run to obey management's orders. Workers don't know what criteria are used and they don't see the results of the tests. So after a lifetime working for the company you can be given a 3 minute test and then dismissed. The tests are administered by the spinning teacher. This person was promoted after the 1974 strike and crossed to support the TWIU and is now pro-management.

Frame are intensifying work. People are often doing two-and-a-half jobs instead of one. They reduce staff but not production. This increased pressure leads to more illness.

SALB: What are relations like between NUTW and TWIU?

JABULANI: There is no conflict at Frametex where we have a huge majority. At Pinetex management caused bad feeling by continuing to deduct stop orders for TWIU despite the fact that workers had resigned from that union. This is the subject of a court case. Frame is trying to provoke a strike in an attempt to defeat us. They are starting to retrench the cream of the union. They fear they will lose the legal battle in the end. Police and dogs have been called in three times but there has been no strike. We don't want a strike. The management will try to divide the workers as they did in the 1980 strike. They will then try to force the red card union onto the workers.



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Since that interview members of the South African Allied Workers Union (SAAWU) have also received rough treatment at Frame's East London factory. Most of the 4050 workers rejected the TUCSA union. But when SAAWU members handed notes to management asking that their stop orders to TWIU be halted there was no reply.

When a delegation went to see management, workers were told that they had been fired and had 3 minutes to leave the factory. At that stage "police entered the department and started assaulting people with sjamboks (whips) and let loose the dogs". According to one SAAWU official - Boyce Melitafa - this was followed by assaults on workers who had gathered at the SAAWU offices. Frame has since reemployed workers selectively.

(East London correspondent, August 1984)

## Letter: AF&CWU in Queenstown

Dear Editors

I write in response to a briefing in your edition of SALB 9.6 May 1984. Whilst not wishing to become entangled in the details of that specific dispute, it certainly raised an interesting point about union organisation and, ultimately, union strength. It is this which I want to focus on, rather than all the issues raised, as I believe this can become a major issue in industrial relations. I would appreciate comment from other readers of SALB.

Perhaps I am naive but I find the union strategy at KSM in Queenstown puzzling. When Ngoma, an employee at KSM, attempted to undermine AF&CWU by establishing a rival union, AF&CWU turned to management to have Ngoma "transferred". I do not know where AF&CWU envisaged Ngoma be transferred to, given South Africa's influx control laws, and I doubt KSM has other mills in Queenstown. Did the union mean to have him dismissed?

But be that as it may, why turn to management to solve what is essentially a union problem? If Ngoma, a union member, was effectively recruiting for a rival union surely AF&CWU had to deal with him themselves. Expulsion from the union and exclusion from the benefits of union representation, seem to me to be the appropriate way of dealing with the problem, not removal from his job by management.

As for the rival union - again I do not understand why Ngoma should be removed from his job by management for this. Can AF&CWU not present a convincing case to its existing members why they should choose to remain with AF&CWU, rather than join an alternative?



- AF&CWU -

We must also ask why members were leaving AF&CWU and joining this alternative? Ngoma must have been succeeding - that is why the issue was raised - but the union itself must confront the problem of member dissatisfaction rather than get management to intervene on its behalf.

If Ngoma was misleading the workers and misusing his position, again, it is up to the union to expose him and his tactics, not management.

Those unions who turn to management to solve their problems and who support intimidation to maintain loyalty will not survive. Union strength is not based on repression of internal problems with the aid of management, or intimidation of rivals. It comes from real commitment of members to the union and what the union stands for. AF&CWU of all unions should know that dissension is not cowered by intimidation. Would Oscar Mpetha, Ray Alexander and Neil Agett, have asked management to get rid of Ngoma?

Finally, the writers ask what is recognised in a recognition agreement. I have not seen a copy of the agreement in question, but all other such agreements include a clause committing both parties to Freedom of Association. This is an important clause for both parties. It protects union members by preventing management from favouring sweetheart unions and victimising militants. It should protect management from potential outbreaks of violence when union officials "take direct action" and "forcibly eject" those workers they disapprove of.

I look forward to comments.

Yours faithfully

R de V.

## **REVIEW: Directory of South African Trade Unions**

paul Lundall, Ighsaan Schroeder, and Gordon Young,  
(Southern Africa Labour and Development Research  
Unit, Univ of Cape Town, July 1984. Price: R50)

Trade union membership in South Africa grew by 58,5% between 1980 and 1983 according to the *Directory of South African Trade Unions*, published by Saldru. African union membership increased the fastest - from 220000 in 1980 to 670000 in 1983, or 200%. But white, coloured and asian unionists have also increased in number, by 6,0% and 8,7% respectively. Total union membership, now stands at 1545824, of whom 271934 are in unregistered unions. African workers are now the largest group of union members, at 43,4% with whites standing at 33,9% and coloureds and asians at 22,7% of total membership. In 1983, about 15% of the economically active population in South Africa was unionised. This is double the figure for 1970. If "unregistered" workers only are counted, 1 in every 4 are in unions, and four-and-a-half million workers remain to be organised.

The *Directory* lists 194 registered unions and 46 unregistered unions. Summaries of union registration certificates which lay down their scope and geographical area - are published for the first time ever. Also listed are head office and regional office addresses and telephone numbers, office bearers, union affiliations, and industrial councils and closed shop agreements. There are four major federations of unions among 18 listed in the *Directory*. There are entries also for a number of industrial relations research bodies, and trade union support groups.

The 420-page directory also lists unions by size, industrial sector and geographical area.



## **Recession and Retrenchment in the East Rand Metal Industry, 1982**

**Ingrid Obery**

This article is a case study of the responses of management and workers in the East Rand metal industry to the current recession. The evidence gathered suggests that while the state of the economy certainly impinges on the type of strategy unions have to employ during a recessionary phase, and while unions certainly tend to be placed in a defensive position during this time, the relationship between cycles of capital accumulation and worker organisation is not a mechanical one. Thus during the early 1980s, despite a recession, there was a substantial increase in the amount of strike activity particularly in the metal industry. (1)

The first section looks at management's responses to the recession and the role which retrenchments played in this process. In the sample of companies interviewed there were three large foundries, two steel merchants, three producers of non-ferrous metal products, three producers of electrical and electronic products and one producer of heavy duty transport equipment. These companies employed a total of approximately 28500 workers of all races at the end of 1981. By the end of 1982 this figure had dropped to 23000. The number of black workers employed at the end of 1981 was 16500, and this had been reduced to 13600 by the end of 1982. A total of 18% of the black workforce was affected by the retrenchment. In individual companies retrenchments accounted for a reduction of the workforce from as little as 5% to as much as 25%.

Section two examines the response by the Metal and Allied Workers Union (MAWU) to the retrenchments.

During 1981 and 1982 the union grew tremendously, both as a result of the geographical concentration of metal workers, and as a result of the spreading militancy generated by the strike wave. Data on the union was gathered through a series of semi-structured interviews with 120 retrenched MAWU members. Interviews were also done with shop stewards in a number of these factories. Further in-depth interviews were done with the MAWU organiser on the East Rand, the MAWU National President and the MAWU National Secretary.

## I MANAGEMENT STRATEGIES AND PROCEDURES

### Capital restructuring, productivity and training

Retrenchments in the metal industry occurred within the framework of firstly the current recession, secondly the process of capital restructuring and rationalisation, and thirdly new forms of management industrial relations strategies which seek to incorporate and neutralise the threat of the rapidly emerging black trade unions. In most of the factories in the sample the recession was viewed as a time appropriate to rationalisation and consolidation of new production methods, i.e. streamlining both machinery and the labour process as a whole, in anticipation of annexing a larger share of both the local and international market during the following boom period. Companies therefore looked to machinery which allowed them to concentrate on the production of a specific specialised product or plant which produced new products, i.e. diversification of their market.

Over the past two decades South African industry has undergone a rapid process of capital intensification. With state emphasis on the expansion of the industrial sector and the need to enter the international capital goods market on a competitive basis, the metal industry has turned to increasingly sophistic-



- retrenchment -

ated technology. Reasons cited for the need for such developments included: increased speed of production (46% of the sample); improved quality of products (36%); reduced costs of production (9%); and potential expansion of the export market (9%).

Productivity assumes more and more importance for capital as it attempts to rationalise. In the metal industry where the labour process is changing rapidly from one heavily reliant on cheap unskilled labour to more sophisticated processes, the drive for increased productivity has been particularly great. This has included training programmes for workers on new machinery and improved channels of communication and command between workers and supervisors/management. Productivity improvement has involved the recruitment of "better quality workers", improved work motivation, the National Productivity Institute's "realist Audit scheme" which indicates where productivity can be improved in the plant as well as the introduction of specialised work study departments.

Training programmes are a corollary of the mechanisation process. While the costs of such training may be high, particularly in the phase of economic slump, most companies interviewed regarded this cost as necessary, arguing that it would pay dividends in the subsequent boom period. Firstly, a recessionary period allows companies greater choice as to the "type" of worker they employ and many have used this period to weed out "inferior", "unsuitable" or "bad" workers. This results in revision of recruitment and induction programmes to recruit higher calibre workers. These training programmes contain an implicit ideological content which seeks to instil in workers a loyalty to the firm and an acceptance of the capitalist system itself. As one employer put it "We encourage them to put forward ideas about how we can make the company better and how communication can be improved all round." (2)

### The role of retrenchments in the recession

The need to reduce manpower is a product of both the recession and capital restructuring:

- (i) retrenchments have served to rid companies of excess unskilled labour. Since the industry is becoming relatively more mechanised there is a declining demand for large numbers of unskilled labourers and an increased need to develop semi-skilled workers with basic literacy and a specific training appropriate to operating certain types of machinery.
- (ii) while there may be a certain degree of re-employment when the upswing comes this will most certainly be selective, i.e. if we go by the present trend of companies retaining the better workers and recruitment of workers with an aptitude for training.
- (iii) the recession has resulted in companies needing to reduce their wage bill, but it can also be argued that it was a good time to streamline production and organisation and therefore get rid of excess labour: "To utilise people better, if you take away five here maybe you can work better with just three." (3)
- (iv) retrenchments served to undermine organisation and militancy and provided a strong incentive to workers to co-operate with employers and protect their jobs.

### Management procedures for the retrenchment of black workers

Most companies claimed to have retrenched across the board. From the survey it was clear that while proportionately more white, coloured and asian workers were affected by retrenchments than might have been anticipated, the majority of workers affected were african unskilled and mainly contract workers.

In the 1960s and the early 1970s South African employers did not have an organised and united workers movement to contend with, and therefore could rely on coercion. With the emergence of black trade unions capital has had to adapt its methods of



- retrenchment -

control and its mode of industrial relations. Thus simple retrenchments were not the only way in which employers reduced their headcounts. The following reasons for the termination of employment of black workers were given:

Retrenchments	60% of the sample
Retirement	4%
Early retirement	5%
Natural attrition	13%
Dismissed after strike	18%

Almost all of the firms interviewed had adopted a policy of natural attrition from as early as January 1982 when they froze recruitment. A variation of this procedure adopted by one company was to automatically dismiss all workers who did not return from Christmas leave on the due date. To complement this type of strategy companies have generally tightened up their disciplinary and dismissal procedures:

When you are faced with a situation like the present economy and you don't want to formally retrench then everybody is given the chance to work efficiently and those who don't are moved out. Since March last year we have got rid of about 20% of the workforce through all these methods. (4)

Because of the emphasis on productivity older workers are often seen as a liability. Many companies called for volunteers for early retirement (the age of voluntary retirement has been dropped to 55) or chose people involuntarily to go on early retirement. Because many older workers are uncertain about their age many of the companies sent these workers to doctors who were instructed to determine their age and whether they were physically able to produce. Many of these workers were unwilling to be pensioned off, but in one case they were threatened with retrenchment and hence no pension if they persisted in their demands to be kept on. (5) Pensioning then can be seen as part of the employers' over-

all programme to reduce the number of workers and particularly as a means of increasing efficiency since younger workers can be pushed to produce more quickly. Also employers are more eager to train younger workers since the company has a longer period in which to reap the benefits of this training. Where companies have not employed this practice it is usually because they have a fairly high labour turnover and thus tend to keep the average age of their workers fairly low.

If workers are dismissed after strike action they are not eligible for any redundancy payments. At Scaw Metals, a large foundry on the East Rand, hundreds of workers were dismissed after strike action around wage demands in April 1982.

#### Criteria for retrenchment

Degree of skill	33%
Last in first out (lifo)	33%
Productivity	12%
Poor attendance/discipline	12%
Not retrenched	10% (6)

A firm's attitude to industrial relations was a central feature in the way it dealt with its retrenchment programme and the way it communicated the news to workers. Firms which had signed formal agreements with the union tended to stick to the letter of the agreement, although often these agreements were not sufficient to protect worker interests fully. Those who had informal agreements with the union varied. Some reformed battlelines and attempted to win back ground lost in the previous year during the period of burgeoning union strength. Others sought not to impair relations more than was necessary.

Few companies actually cited skills as a criterion for retrenchment, however all were careful not to undermine their skills infrastructure and workers



- retrenchment -

with valuable skills were protected from retrenchment. Thirty-three percent of the sample said that life was the primary consideration when retrenching. One employer regretfully said, "We didn't have very many people who we could really lay something on to retrench them, so the short service people went."

(7) But those workers with skills, even if employed for a short period were spared the axe.

Productivity and poor attendance/discipline as a criteria for retrenchment involved evaluation of workers' job records, productivity and performance on the job, discipline and absenteeism.

### The procedures

SEIFSA, the giant federation of metal employers in South Africa, has issued guidelines for retrenchment procedures. These include employers informing SEIFSA of the company's decision to retrench two weeks in advance, as well as the reasons for retrenchments. They also suggest that two weeks' notice be given to employees. They do not suggest, however, that retrenchment is an issue for negotiation with workers or their representatives.

Sixty percent of the companies interviewed had no negotiation with workers or their representatives over retrenchments. Twenty-three per cent of the employers had negotiated procedures with MAWU. Seventeen percent had not retrenched and it varied as to whether they had formal procedures on hand for retrenching workers or not. All companies considered their retrenchment procedures minimised the possibility of any worker disruption of the production process. Significantly, in no cases at all was there negotiation over whether or not to retrench workers.

No negotiation at all over retrenchments.

That's purely a financial matter and purely up to management. The employees' answer to any question about whether retrenchments were necessary would obviously be "No". (8)

Only one company utilised its relationship with the union in a positive way - allowing them access to lists of people to be retrenched. The union investigated length of service of all these people and where they found longer service records than the company computer had shown, requested that the company remove these workers from the retrenchment list. However, most companies kept their lists confidential until the day on which they gave the workers notice, or immediately retrenched them. This prevented both the union and the workers from taking any prior protective action against the company.

Extent of notice given to retrenched workers

None	36%
24 hours	17%
Two weeks	17%
Four to six weeks	7%
N/A	23%

The figures above reflect only the official policies of the companies interviewed. In subsequent interviews with workers it was apparent that many employers had not abided by their policies. For example, a large iron foundry (TMF) claimed to have given workers two weeks' notice of retrenchment. However, workers retrenched were only told on the morning that they were retrenched, and were then locked out of the factory. Another company admitted, "We do have a formal policy but we didn't apply it." (9) Many companies indeed felt that no notice was the best procedure:

Retrenchment was an immediate procedure, with no notice. We feel that if a person is going to be retrenched he would be told and allowed to leave immediately - from a morale point of view. (10)

Compensation

One weeks' pay	5%
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- retrenchment -

Two weeks' pay	12%
Four weeks' pay	5%
Pay for each year's service plus holiday pay and bonus	49%
None	12%
N/A	17%

The above figures reflect the total compensation paid to retrenched workers and does not differentiate between pay in lieu of notice and compensation paid out after notice time served by workers. The figures also reflect management claims. It was difficult to ascertain how accurate these claims were since on many workers' final pay envelopes there was no breakdown of payments. If companies were to make full redundancy payments the cost must be considerable. To some extent these costs may represent a subsequent overall saving for the company when compared to the reduction of the wage bill. This enables maintenance or stabilisation of the rate of profit and/or a relocation of these funds in more profitable areas, e.g. new machinery or skills training programmes.

Beyond retrenchments

Other strategies adopted by management to deal with the recession included cutting down on overtime, cutting unnecessary costs and implementing a shorter working week. However for many employers, these measures were resorted to only after they had retrenched workers mainly because they were unwilling to cut down on hours of work since this meant that capital equipment lay idle and the most cost effective measure was to retrench.

(i) Short time: only 17% of the companies interviewed went onto short time in 1982. Short time usually involved a reduction to a three or four day week. This measure was regarded as a last resort after all other methods had been exhausted. Reasons for this reluctance included the financial loss if expensive

machinery was left idle, the difficulty of stopping and starting the production process for shorter periods (particularly foundries and production line based factories). A few companies also felt that they were obliged to pay workers for the days they did not work, fearing that if they did not these workers, and particularly those with skills, would look for jobs elsewhere.

(ii) Overtime: at the end of 1981 when companies had not yet begun to feel the full effects of the recession, overtime worked by black workers ranged from 5% of normal time to 100% of normal time. The companies interviewed together worked a rough average overtime of 27% of normal time at the end of 1981. By the end of 1982 this average dropped to 5% of normal time, with many companies having cut out all overtime and others working overtime only in maintenance and emergency sections and security. However, once again these figures are a reflection of management statements. From subsequent interviews with workers it was evident that some companies had in fact maintained fairly substantial overtime hours while at the same time retrenching a number of workers. In these cases workers were pushed to produce more efficiently and quickly and both quality and speed of production were emphasised. Workers not meeting acceptable standards were in jeopardy of losing their jobs.

(iii) Transfers: many companies transferred workers internally to avoid pushing up numbers of retrenchments and to maintain realistic levels of employees in anticipation of the boom period. These transfers could take place either within the company or between companies in the same group. Where a company transferred workers internally, they usually used this as a method of protecting the more "valuable" workers.

### Relations with trade unions

Retrenchment procedures were discussed at a 1983 management conference which was open to all sections



- retrenchment -

of industry. (11) A fairly clear division emerged. On the one hand were those who would prefer to retain the old fear and smear tactics against the emerging unions and took a hard line on retrenching without consultation or negotiation. Those who adopted an "enlightened" approach accepted that independent black unions are here to stay and that open confrontation with such unions could only have detrimental consequences for capital. Emphasis by this group was on defining new areas of negotiation which would not erode management control over crucial issues such as what, how much or when to produce, or whether to reduce the workforce. Thus according to one speaker:

Retrenchment procedures should be negotiated, not when a company is faced with having to retrench, but rather as one of the "structures" necessary to regulate the relationship between employer and the union, and updated or renegotiated on an annual basis as circumstances require. (12)

The motivation behind this approach, however, remains the maintenance of productivity, high worker morale and the wellbeing of the company and of course, profit. It reflects as well, the attempt to shift the confrontation between capital and labour away from the factory floor and into the board room.

Management/worker relations varied during the period of extensive retrenchments. In the companies interviewed there was the following breakdown of worker representative bodies:

Only works councils	53%
Only shop stewards	18%
Works council and shop stewards	12%
"Boss boy" committee	5%
No worker representatives	12%

Companies which sported works councils generally believed that retrenchment had not affected communications with workers irreparably. The works coun-

cils were used to communicate the fact of retrenchment to workers, and there was no negotiation over procedure or benefits. Companies who relied only on works council worker representation tended to regard union intervention over the retrenchment issue as unnecessary and presumptuous. However, companies with established relationships with MAWU recognised that retrenchments could be a potentially disruptive issue in the workplace:

Retrenchments must have had an effect on trade union thinking and strategy. I think they have sorted out who they consider the good, the bad and the indifferent employers, and this could affect their dealings with employers in years to come. (13)

Also while many saw the potentially disruptive effects retrenchments could have on smooth workplace running, they maintained that retrenchment would serve to keep workers in their place:

Retrenchments had a positive effect on company/worker relations, they are now a little more worried about their jobs, and productivity has improved a lot because they know that can happen to them as well. (14)

Thus the struggle over retrenchments has been one where employers sought to push back the frontiers gained by previous militant worker action. Management sees as its goal the containment and ideally the co-option of workers and worker representatives into bodies which fall within its control.

Employer attitudes to the activities of MAWU during the retrenchments varied. The majority of employers interviewed (60%) believed that the union had lost credibility - both with workers and management. One employer with a clearer view as to the nature of the development of trade union organisation in South Africa stated:

In general, the classic idea that in a recession trade unions find it more difficult to



- retrenchment -

organise than in a boom, I think retrenchments in this country will enhance organisation because you are knocking at the very core of the unions' reason to exist, to secure job tenure. (15)

## II UNION ORGANISATION AND WORKER RESPONSES TO RETRENCHMENT

Retrenchment is caused by an economic system that cannot meet the needs of workers. To lose one's job through no fault of your own and for reasons over which you have no control is very unfair. Even worse is the fact that when profits are high and business is good then workers did not really benefit as much as they should have. But now that times are bad then it is workers who are the first to suffer. To lose your job is always a problem because in our economic system wages are what keeps the worker and his or her family alive. (16)

The power workers wield in terms of pressing demands and winning victories depends on a number of factors. Firstly the state of the economy. In a boom period managements can give in to worker demands without cutting into profit margins. In a recessionary phase capital seeks to reduce costs including wages. At the same time capital will seek to undermine the power of the working class to prevent labour action in response to these cuts. During boom periods union victories will encourage new membership and support. During recession victories will be much more difficult to win, worker confidence in trade unions may be shaken, job insecurity and fear of management victimisation of union activists tends to increase and of course, retrenchments deplete and undermine union membership. The ability of trade unions to ride out the adverse effects of a recession to a large extent depends on the accumulated power of the movement and the extent to which it has entrenched itself as a force.

### The emergence of MAWU

The formal establishment of MAWU in Pietermaritzburg in April 1973 was a direct result of the wave of mass strikes of 100000 African and Indian workers that took place in the Durban-Pinetown area in January and February 1973. (17)

By 1975 MAWU leadership saw the need to consolidate the membership. It was felt that while expanding membership was desirable, the union also had to ensure maintenance of its base. To do this the union concentrated on building up shop steward structures from 1977 onwards. Only by becoming more factory based with trained shop stewards would the union be able to survive managerial resistance to the unionisation of black metal workers. This strategy is very similar to the one being adopted by MAWU at present, i.e. consolidation of shop steward and other local committee structures with an emphasis on education and mobilisation of union membership, rather than mass recruiting drives. In the 1970s this tactic was crucial in counteracting management's attempts to pre-empt union organisation through liaison committees and tactics of "fear and smear". Today the tactic is as crucial, to counteract management's attempts to undermine the growing credibility of the union and also to equip workers and their leaders in the factories with an awareness and understanding of the pitfalls of management's new sophisticated strategies of co-option.

### Developing new union structures

A number of organisational problems became apparent to the union in the aftermath of the 1981 East Rand strikes, problems which delayed effective action in the face of the subsequent spate of retrenchments of metal workers. The two most crucial problems were the lack of trained organisers and the way in which many workers became impatient with slow processes of



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negotiation between union and management resulting in spontaneous and often undirected action.

The strikes played an important function in highlighting these problems and MAWU then undertook to reassess its structures and decentralise organisation beyond the official organisers. It is here that the shop steward councils and the local shop stewards committees on the East Rand began to function as vehicles for organisation and education of the general MAWU membership. The shop stewards councils were seen by the union and the workers as structures which would provide training for shop stewards in the workings of the union, as well as a forum for discussion of general problems and common strategies. The main functions of the shop stewards councils were defined as follows: to organise workers; to educate workers about the workers' struggle; to represent workers to management and the union; to provide clear leadership to the workers' struggle. Although the shop stewards council structures were not fully operational when the wave of retrenchments first hit the metal industry, in subsequent months the councils played a large role in maintaining organisation and worker morale, and began to discuss strategies which would challenge employers' unilateral decisions to retrench large numbers of workers.

#### Union organisation during recession

Unquestionably, the most demoralising effect of a recession is the advent of retrenchment. Many of the progressive unions have made public proposals aimed at ameliorating the worst effects of a retrenchment and with strong organisation it is undoubtedly possible to reduce the scale and consequences of an intended retrenchment. But it is extremely difficult to prevent retrenchment altogether... redundancies do not arise directly from declining volumes of work but rather from declining rates of profit... fighting redundancies is not merely a

question of fighting through an aberration, a bad patch in the business cycle. Rather it is a question of fighting an inbuilt tendency in the economic system which manifests itself in the perpetual displacement of workers from the labour force. It is extremely difficult for the union movement, or a single union in a single factory, to take on this task single handed. And that is why there is something depressingly inexorable, something rearguard, about negotiating a retrenchment programme. (18)

Nonetheless, two factors helped to maintain and in some cases spur on organisation during this time when there was the danger of mass disillusionment: the generally appalling working conditions in most metal factories and the often strong political imperative behind workers' decisions to join the union.

#### Union guidelines on retrenchments

While retrenchments are not a new phenomenon, 1982 was the first time in recent South African trade union history that the trade unions were in a sufficiently organised position to respond. Many unions had reached the stage of negotiating recognition agreements with employers, and retrenchment procedure became an important part of these negotiations. Negotiating these procedures was not a simple process. As one organiser stated:

The first retrenchment agreement that I was involved in we let slip an important definition regarding the transfer of workers inside the plant. We have to tighten up, it is not sufficient to just talk about procedure in terms of last in first out. For example we must talk about numbers to be retrenched, the amount of redundancy pay, recalling workers, etc. (19)

In a document put out by the Federation of South African Trade Unions, of which MAWU is an affiliate,



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retrenchment procedure recommendations were outlined. The first step would be to avoid retrenchments by:

- (i) freezing recruitment
- (ii) redirection of workers through training in new techniques or jobs
- (iii) shorter working week
- (iv) elimination of overtime
- (v) staggered unpaid leave.

One of the most glaring points about the issue of retrenchments is that the union is almost immediately in a defensive position. This can be seen in the nature of the union proposals which all mean some sacrifice on the part of workers as forfeit for retaining their jobs. While it is important to remember this, it is as important for the union, at a time when their base and security is so threatened, to be able to win some measure of control over their members' job security.

The second step, if retrenchments are unavoidable, is to ensure an equitable dismissal of workers by:

- (i) Giving workers sufficient notice of termination of employment. MAWU proposes 1 month's notice.

Employers seem to feel that if they give a person no notice, but a day's wages at the end of a week, this will avoid problems. There are numerous instances of strike action the following Monday often resulting in all workers going back to work. I also want to question the attitude of employers which states that a worker must, after some service, be suddenly faced with going home to his/her family on the weekend, knowing that they do not have a job. The absolute desperation of this situation is one no manager can begin to imagine. (20)

- (ii) That the last in first out system be used to choose those workers to be retrenched. This avoids the possibility of retrenchments being used as a "productivity exercise", i.e. getting rid of so-called unproductive workers.

(iii) Adequate compensation for retrenched employees: all outstanding leave and pension pay and also one month's pay for each year of service. This measure would also serve to further protect older workers, since the price of retrenchment would increase dramatically for the employer.

(iv) Those workers who are due to retire should receive their pensions. The MAWU organiser said:

We feel that those pensioners could get something and go to eat, and then the young men could also keep their jobs so that they don't just starve because there are no jobs for them anywhere. (21)

(v) That companies should keep lists of those retrenched and give a list to the union so that those workers have first option on jobs which become available during the next economic upswing.

(vi) That retrenchments should be discussed with the shop stewards and the union to discuss alternative means of cutting costs.

### The effect of retrenchments on workers and the union

For a trade union retrenchment means firstly a loss of membership, secondly retrenchments place the union in a defensive position, and thirdly result in problems of organisation and mobilisation of membership. As one organiser put it:

We can see that the recession is not the fault of the employers, but on the other side the employers are taking advantage. They are weeding out people and trying to push workers to do double jobs. So you can see that the recession is really only a pain to the workers and not so much to the employers. The employers benefit in the long run because even now the employers are pushing their money into training, they don't want to lose at all, instead of taking that money and putting it for the workers. Retrenchments have affected our organisation, because in factories where we were strong, we are no longer strong, so it becomes a matter of keeping going. (22)



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Much of the militancy of the 1981-82 period was undermined by these cutbacks. Once the union had recognised that retrenchments were occurring on a large scale, the shop stewards council debated tactics to deal with the issue. Statements from these meetings attempted to place a new perspective on the issue for workers:

We blamed retrenchment on the employers. Employers always blame the retrenchments on the workers, saying no it is because they have to pay more to workers. We then said the local shop stewards had to take our proposals to employers and say they rejected the retrenchments and they must talk to us about it. (23)

In an attempt to establish some sort of industry wide agreement on retrenchment procedures MAWU called a meeting of all East Rand employers in October 1982. SEIFSA strongly opposed this move and advised its members not to attend saying that this would be bypassing the Industrial Council. Only one employer turned up at the meeting.

Certainly, not all retrenchments were cases of "union bashing" by employers. However, there was a significant amount of victimisation of union members and shop stewards. The most severe cases of worker victimisation, i.e. retrenching union members and shop stewards before other workers, tended to occur in factories where the union had failed to consolidate or alternately, was unable to establish a working agreement with the employer. Some companies in fact broke down any informal agreements they had established with MAWU during the retrenchments. As one organiser said:

I think many factories are trying to get rid of union members. They want to kill the strength of the workers on the shop floor. So they say no there is no work, it is not because they are union members. Also they will say no this guy has skills or he has a special job and we can't retrench him. And the workers

know it is only because he is not a member of the union. (24)

Thus many workers' experience of retrenchment was one of confusion and little information as to why they were being made redundant, and from interviews with workers it was clear that many companies had in fact not abided by their set procedures as they had claimed. A worker from a large foundry which had claimed to have given workers two weeks' notice of retrenchment described his experience:

I arrived on Monday afternoon for the night shift. I looked at the clock station for my clock card, it was not there. We stood outside because we didn't have the tickets and waited for boss Willen (foreman). We went to his office. There were eight from my department. When he arrived he came to his office, went in, and came out to say there is no more job for us. I asked him how he can dismiss me like that, I have worked since 1970. He said he can't do nothing there is no job. We came the next day to get our money. I went to George to complain about the retrenchment and he said I did not work well and that I became drunk. He did not want me to answer and then he just walked away. What he said was not true. (25)

Contract workers, those with the most tenuous hold on the urban areas, tended to be hardest hit by the retrenchments with usually more than half the numbers retrenched in each factory being contract workers. The question of retrenchment of contract workers raises very particular issues of management control over workers. Firstly, as contract workers are seen to be a more militant grouping, they are workers whom management regards as a disruptive influence in the factory. Secondly, with management threats to reduce the time period of the contracts (they traditionally have run for 12 month periods), control increased. There was some debate over the legality of retrenching contract workers before the



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expiry date of their contracts. Some firms were forced to reinstate contract workers they had retrenched when the union threatened to take legal action. However, many firms avoided this by not renewing contracts at the end of the year and, in one case, dismissed workers, but failed to enter a discharge stamp in their pass books. These workers were then still registered as working for the company and were ineligible to seek other work.

Worker perceptions of what the union's role should be in the face of retrenchments varied according to the experience and understanding of the limitations of trade union organisation. The majority of the workers interviewed were not disaffected and did not blame the union for retrenchments, but they told of other workers who felt that the union had not done enough.

Most of the shop stewards interviewed had taken up the issue of retrenchment with their employers and attempted to put forward the union proposals. The role of the shop stewards and union organisers therefore, when there was no hope of avoiding retrenchments, involved ensuring that workers received compensation and Unemployment Insurance Fund payments. Although all workers have UIF payments deducted from their wages, many companies fail to inform their workers of the existence of UIF benefits and many do not bother to organise UIF cards for them. However, it was necessary for the union to do more than assist workers with problems of UIF and redundancy payments after retrenchment. There were two issues which demanded action from the union. Firstly, union demands needed to be posed in a forum where employers would be forced to consider them, and secondly worker mobilisation around these issues had to be thorough and directed. After much debate within the union, it was decided that the best tactical move in beginning to achieve both of these aims, was to apply for membership of the Metal Industries Industrial Council.

### Entering the Industrial Council

The decision to enter the Industrial Council did not arise purely because of the problems the union experienced over retrenchment negotiations. With a rapidly expanding membership in many factories and subsequent difficulties of organisation, as well as the difficulty of dealing with employer decisions which affected workers nationwide, the union felt that it had to situate itself in a position where these decisions could be challenged. As the MAWU president said:

We have already tried to negotiate with employers on a company and national level outside of the Industrial Council. However, when we discussed our demands with employers, they would hand them over to the Industrial Council. The Industrial Council would take them and change them as it suited them and we were not present to argue those proposals. (26)

MAWU's entry into the industrial council in no way meant the sacrifice of their main organisational principles, those of building shop steward structures, factory level bargaining and worker control, and the move is seen very much as part of the union's overall programme of consolidation, education and mobilisation of general membership.

We will take the issues that arise and those demands that the union puts forward and we will use them as mobilising issues on the shop floor. Workers will be involved in all decisions... The Industrial Council will be a focus around which workers from many factories could unite in their demands. (27)

MAWU set certain terms by which it would enter the council. They reserve the right to withdraw at any time. They demand the right to refuse to sign any agreement which the membership does not agree with. And lastly they demand the right to continue to negotiate at any level - plant, branch, regional or



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national, over any issue. The first set of demands put forward by MAWU to the industrial council included: "one month's notice on termination of service", and provision for "a proper lay off procedure which should be an alternative to retrenchment in the industry."

### Conclusion

This article attempts to demonstrate that the movement of capital and the development of trade union organisation have both independent as well as interdependent dynamics. Trade union organisation is affected by boom periods where organisation may prosper, and by recession where organisation is more difficult. However, the research undertaken for this article suggests that the respective power of the combatants, capital and labour, and in particular the consciousness, combativity and organisational strength of workers is crucial in determining the nature and boundaries of this struggle.

By their very nature trade unions operate within the defined and limited framework of capitalist relations. In times of recession these limitations tend to come to the fore, as we have seen in the discussion on union responses to retrenchments. The union had to take as its starting point the fact that there would be retrenchments, and negotiation took place around the most equitable method of retrenching workers, and where possible saving workers' jobs. But they were not in a position to stop retrenchments per se, and while certain gains were made in the form of negotiating retrenchment procedures with employers, the union remained essentially in a defensive position.

### Footnotes

1. J Baskin, "The 1981 East Rand Strike Wave", SALB 7.8 : argues that the rolling strikes on the East Rand were generated by both general and

particular worker grievances - (eg. the high rate of inflation at 14.2%) - with contract workers particularly feeling the economic squeeze; a growing worker interest in trade unionism; a political climate of increased militancy and numerous popular political campaigns such as the Anti-Republic Day campaign; and a general broadening of worker demands which challenged fundamental principles of management control.

2. Interview with employer A quoted in I Obery, "Recession and Retrenchments - Responses by Capital and Labour in the East Rand Metal Industry 1982", (University of the Witwatersrand Honours dissertation 1983), p57
3. Interview with employer L, *ibid* p73
4. Interview with employer H, *ibid* p61
5. *Ibid* p62
6. Three of the companies interviewed had not retrenched employees. Of the three, two had no need to reduce staff, the third managed to reduce sufficiently through processes of natural attrition and pensioning. Only the third company had a formal retrenchment procedure which could be utilised if necessary.
7. Interview with employer P, Obery, "Recession and Retrenchments", p73
8. Interview with employer C, *ibid* p75
9. Interview with employer B, *ibid* p76
10. Interview with employer N, *ibid* p76
11. Conference on Industrial Relations entitled "Critical Issues in Employment Law" 28 June 1983 held at the Sandton Holiday Inn, organised by the Institute for International Research.
12. Stuart Pennington, Director Stuart Pennington and Associates, unpublished paper presented at conference on Critical Issues in Employment Law entitled "Retrenchment - An issue for negotiation", p6
13. Interview with employer Q, Obery, "Recession and Retrenchments", p82
14. Interview with employer N, *ibid* p82



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15. Ibid p81
16. *Fighting Retrenchment*, (Fosatu Printing Unit, Durban 1983), p1
17. E Webster, "The Labour Process and Forms of Workplace Organisation in South Africa", (University of the Witwatersrand PhD 1983), p257
18. D Lewis, "Trade Union Organisation and Economic Recession", SALB 8.5, p24
19. Interview with Taffy Adler, NAAWU organiser, December 1982.
20. Ibid
21. Interview with Moses Mayekiso, MAWU East Rand organiser, January 1983.
22. MAWU organiser.
23. Statement issued by Fosatu East Rand Shop Stewards Council 1982.
24. MAWU East Rand organiser.
25. Retrenched worker, March 1983.
26. Interview with Andrew Zulu, MAWU president, and David Sebabi, MAWU National Secretary, SASPU National, May 1983 p16
27. E Webster, "MAWU and the Industrial Council", (unpublished paper 1983), p5

## The B & S Closure: Rationalisation or Reprisal

Jeremy Keenan

A recent examination of plant closures in Europe and America concluded that America is the only major industrial country to violate the most important canon of the ILO constitution: it treats its workers as commodities to be employed or discarded depending on business conditions. (1) The study in question does not consider S Africa to be a major industrial country. It is therefore timely, in view of S Africa's current "reforms" and new labour dispensation to see how S Africa would stand up to such scrutiny.

### The South African experience: the B & S case

On March 28th of this year B & S, the major steel furniture producer in the country, closed one of its two plants (B & S Steelbrite) at Brits. Two-hundred-and-forty workers lost their jobs. The closure focuses attention on a number of issues which have implications which go far beyond the B & S case itself. At face value, the closure of the Steelbrite plant would seem to be a fairly straightforward case of economic necessity as the plant, according to management, had been making a loss throughout its fourteen years existence.

On closer inspection, the closure, particularly the way it was effected, and coming as it did only six months after a large proportion of the company's workers had won a significant legal battle at the end of an eighteen month struggle against the company, raises a number of questions. But before we can raise these questions we have to know a little of the background history of the workers' prolonged struggle at the two plants at Brits.



B & S was founded as a family business in the 1940s and moved to Brits in 1969 to take advantage of the decentralisation concessions granted to companies locating in the "border areas". In 1974/5 Lennings Holdings, which belonged to JCI, decided to compete head-on against B & S and built its Westvaal factory adjacent to the B & S plant. It too obtained decentralisation concessions. The Westvaal plant never made a profit and on February 12th 1982 it was announced that it had been acquired by B & S and would henceforth trade under the name of Steelbrite. The declaration of B & S's annual results in April 1982 marked the company's financial zenith. Net income after taxation expressed as a percentage of turnover had risen from 6,7% in 1979 to 11,5% in 1980 and 14,2% in 1981. The company which had been ranked 6th in the "Sunday Times Top 100 Companies" in 1980 rose to 3rd place on the basis of its 1981 results.

### The workers' struggle

The apparent financial success of B & S was rather like the icing on the cake. What lay underneath was distinctly rotten. Workers in the two B & S plants (B & S Engineering and Steelbrite) were subjected to physical assault, verbal abuse, searches of private belongings and persons, and underpayment in terms of industrial legislation. In addition there was complete disregard for workers' safety and failure to issue safety equipment even where it existed. Neither was there any recognised disciplinary procedure or consultation between workers and management.

The workers' struggle against the company began in the first half of 1982 when the Metal and Allied Workers Union (MAWU) began enrolling workers at the two B & S plants. The initiative to join the union came from the workers themselves who wanted the union to take up their many grievances on wages and working conditions in the plants. From April onwards management made it abundantly clear that it would not countenance the presence of a union. Finally, on

September 7th, 1982, in an attempt to rid itself of MAWU members, management switched off the machines, alleged that the workers had gone on strike and dismissed the entire workforce of 825 weekly paid workers, 796 of whom were African.

Management announced that the factory would be closed for three days until September 10th, when workers could apply for re-employment. As it became clear that the management was re-employing selectively in order to rid the company of union members, sympathisers and other supposed "trouble makers", 300 MAWU members demanded reinstatement en bloc and were summarily dismissed. As a result of the high level of unemployment in the Brits and surrounding regions of Bophuthatswana (approx 40% of potentially economically active Africans) and the fact that union organisation in Brits at that time was still in its infancy, the company had little difficulty in replacing the dismissed workers with scab labour.

The next twelve months witnessed an extraordinary demonstration of worker solidarity and determination to resist and rectify the injustice of their dismissal. Blacklisted at the local Brits labour bureau and unable to find alternative employment, the workers met together each day in the Catholic Hall just outside the Brits old location. Many of them had to travel considerable distances from villages in Bophuthatswana at considerable cost and sacrifice to themselves and their families. Within a few months most of their savings and other assets were used up and it became increasingly difficult for their families to maintain themselves. Many children had to be taken away from school with several of them being sent away to live with relatives elsewhere. Many families were broken up. By the winter of 1983, nearly 12 months after their dismissal, many of the workers and members of their families were showing visible signs of malnutrition and the strains of increasing poverty and desperation.



Armed with an almost religious but naive conviction that justice would be dispensed in the law courts and that they would eventually be given back their jobs, and buoyed by their extraordinary depth of solidarity and organisation, the workers were finally able to bring their case of unfair dismissal to the Industrial Court on July 1st 1983. They also put forward a back-pay claim of over R850,000, the biggest ever to come before the court.

Over the course of the preceding years several companies had tried unsuccessfully to buy B & S from Back (Sr), the Chairman and through the Back family holding the majority shareholder in B & S. When Back (Sr) saw the papers filed by the unions's lawyers and realised what he was in for, and not wanting his son, Gary Back, the "general manager" at the factories, to be dragged through the courts, he sold the family majority share-holding (50,12%) to Clifcor (formerly Gundle Industries, largely owned and controlled by Clifford Gundle), for a relative give-away cash price of 341 cents a share. A subsequent offer was extended to minorities which resulted in the Clifcor holding being increased to approximately 71% of the issued share capital in B & S. (2) At that time Gundle Industries was sitting on a substantial amount of cash following the sale of its plastics division, Gundle Plastics, to AECI. Gundle Industries retained their several furniture factories and interests. Their purchase of B & S now gave them an effective monopoly in that sector of the industry.

Gundle realised that he faced enormous financial costs in defending the case and consequently decided to settle with the union before the case came to court. On September 19th 1983, more than one year after the dismissal, B & S and MAWU signed an Agreement of Settlement in which the company agreed, amongst other things:

- 1) to recognise MAWU as the sole collective bargaining representative of its employees as soon as

MAWU showed itself to be representative of more than 50% of the company's employees eligible for membership of MAWU.

- 2) to re-employ all employees dismissed in September 1982.
- 3) to pay R200,000 to MAWU as compensation for the workers for loss of earnings.

The agreement was heralded as a major victory for the workers. But on March 21st of this year, only six months later, B & S gave notice that it would be closing down its Steelbrite plant the following week. After their long struggle and subsequent victory, the 240 workers retrenched from Steelbrite now found themselves worse off than during the struggle of the preceding year as they had had insufficient time back at work to clear their debts and re-establish any savings or other material assets on which to survive.

### The closing of Steelbrite

Why was the Steelbrite plant closed? According to the company the reason was quite straightforward: the plant had always run at a loss, was operating well below maximum capacity and, in short, was a drain on overall company and group profits.

While there is evidence to suggest that the company may have had good economic reasons for closing the plant, there is much evidence to indicate that the company had planned to close the plant a long time before giving notice to that effect. There is also very substantial evidence to suggest that the closure was used by the company as a means of ridding itself of certain union members and other "selected" workers. Moreover, it appears that the company, intent on closing the plant, may have deliberately reneged on its agreement to recognise MAWU in order to be able to effect the closure unfettered by considerations of LIFO (last in first out), reasonable severance pay, and other procedures that the union



would have built into its recognition agreement and which would ultimately have made the closure much more expensive for the company.

On Monday March 19th workers were informed that the company was going on to short-time which would be introduced as from Wednesday 21st. On Wednesday morning management called a meeting of the shop stewards. The workers presumed that the meeting was to discuss the procedure regarding the working of short-time. Instead, management announced that it was going to close the plant on the following Wednesday. At no time did management call a general meeting of the workers to put them in the picture and discuss the company's problems with them. The workers were informed that those with more than ten years with the company would receive three weeks severance pay (+/- R175), and those with five years experience would receive two weeks pay.

#### Failure to give adequate notice of closure

There is little doubt that the company delayed giving notice of closure to its workers until the last possible moment. Even then it talked of short-time. Some workers claim that in view of the shift system they only had three days effective notice. One reason for this is that it prevented workers from organising against the closure, either through action within the plant, or in the wider community.

It seems likely that Gundle was contemplating the closure of Steelbrite when his company acquired B & S back in August 1983. Gundle Industries knew the furniture sector well, having widespread interests of their own. It must be presumed that they would not have bought B & S without doing their own research on the company. This research would have shown them that Steelbrite was running at a loss, or very close to it, and that its closure should be seen as a distinct possibility. The fact that Gundle either had planned the closure of Steelbrite at the

time of its acquisition or was at least considering its closure, probably goes a long way to explaining the reallocation of labour that took place between the two plants following the company's settlement with the union and the reinstatement of the 279 dismissed workers on September 20th.

Of the 279 workers reinstated only 40 had come originally from the Steelbrite plant. The remainder had all worked in B & S Engineering. When the company settled with the union the agreement stipulated that workers, on being taken back, might be allocated to either factory. Obviously it would have been virtually impossible for the company to give all 279 workers their original jobs and so the union, recognising this fact, agreed to this clause in the agreement. The company took this opportunity to draft a considerably greater proportion of these workers into Steelbrite. On taking back the 279 workers the company laid off only 190 of the "scab" workers. An estimated 89 scab workers remained in employment. Most of these 89 were in B & S Engineering while most of the scab workers laid off came from Steelbrite. Through this action 104 of the reinstated workers were moved into Steelbrite compared with only 40 before the dispute.

During the last week in February and the first week in March several dozen workers were switched between the two plants. Moreover, there is the testimony of several workers given before the Xmas break that "Bull" Christie, a white supervisor in the B & S Engineering press shop, told workers on September 27th, shortly after their reinstatement, that union members would only be employed for three months. The shop stewards even went to the personnel manager, Mr Erasmus, to query Christie's "threat". Erasmus said, "If we listen to rumours we'll get nowhere".

The clearest evidence that the company had decided to close Steelbrite several months before it gave notice emerged in January when management approached



the shop stewards with a request that workers work night shift as it wanted to finish its substantial order of metal rifle boxes to Armscor before March 16th. The company did not meet the shop stewards' requests regarding night shift and over-time pay and night shift was not introduced. Later, when the company had announced the intended closure of Steelbrite, and when workers asked management if there were not enough orders to keep the plant going, the workers claim that management told them that there were enough rifle box orders to keep going until September, but they were now going to be transferred to the B & S Engineering plant. It would seem that the reason for the management's attempt to introduce nightshift in January was because it had already decided at that time to close Steelbrite in March and it wanted the rifle box orders completed by then in order to avoid the cost of having to transfer them over to the B & S Engineering plant. In their attempt to speed up rifle box production management employed "floaters" on these lines - that is workers who would step in immediately a worker went to the toilet or stopped for a break.

#### Getting rid of MAWU

During the second half of February and first week of March, three to six weeks before the closure, several workers were switched between the two plants. On February 23rd, for example, seven skilled workers in the office furniture department, five of whom were MAWU members, were transferred from B & S Engineering to Steelbrite. Workers have also claimed that several alleged "trouble makers" and "stubborn" workers were singled out and transferred to Steelbrite. On the other hand, an estimated 40-60 workers were transferred from Steelbrite to B & S Engineering. Of these, 50% were union members. Far from being indicative of the impartiality of these switches it should be noted that MAWU members transferred to B & S Engineering were skilled workers who the company needed to work the machines which were to be trans-

ferred from Steelbrite to B & S Engineering. Moreover, it should be born in mind that MAWU had a majority in the Steelbrite plant which means that a disproportionately lower number of MAWU members were transferred to the "safety" of B & S Engineering. Furthermore, not only did the company refuse to adopt the LIFO principle in the retrenchment of workers, which enabled them to get rid of proportionately more union members as many more of the recently employed workers had not yet become members of the union, but workers also allege that those workers who had only been at Steelbrite for a year or so were given the opportunity of transferring to B & S Engineering, while longer service workers, most of whom were union members, were not transferred. Further evidence to suggest that management singled out MAWU workers was provided in February when the company brought in casual workers who had had earlier training as spot welders. These casuals were first employed in general cleaning work but after a week were transferred to spot welding in B & S Engineering to replace union members who were then transferred to Steelbrite.

In addition to "Bull" Christie's threat already mentioned, the workers have given numerous examples of incidents and practices to show that the company was trying to both undermine the union and provoke union members. The company tried to present itself to the workers as being able to help them more than the union could. It did this in a number of ways, most of which took the form of offers of grants or loans to individual workers. It also went to considerable effort in trying to co-opt union members by promoting them to supervisory and foremen positions. Management also tried to provoke union members to react in ways that would lead to their dismissal. For example, the company kept at least sixty of the original "scab" labour force in employment with the result that there was a substantial surplus workforce on the factory floor. When the reinstated workers were told to go back to their old jobs they



often found someone already in that position. This meant that there were often two workers on one machine leading to the reinstated workers being forced to stand around idly with little or no work to do. This placed them in positions where they could be dismissed for "loitering". It is significant that the workers were fully aware of these strategies and did not react to them in the anticipated way with the result that none were actually dismissed. Several union members who were welders claim that they were obliged to work in extremely uncomfortable conditions. They interpreted these actions as being deliberately designed by management to provoke them into action for which they could be dismissed. Similarly, union members in the press shop reported that the white supervisors tried to take women, notably those who were active in the union, and transfer them, on the same rate of pay, to heavy jobs done by men with the intention of making them resign. This particular practice was stopped after the intervention of the MAWU shop stewards.

Given the considerable evidence to suggest that the company was trying to undermine the union, whittle down its membership, and weed out its more active members, it is not surprising that the company refused the workers' request that jobs be shared between the workers of the two plants. The reason the company gave for not being able to do this was that the work in the two plants was different and job sharing would consequently disrupt production. This, as the workers themselves said, was "rubbish", as evidenced by the fact that the company itself was transferring workers almost willy nilly between the two plants, and, as they knew from their own experience, the work in the two plants was virtually the same. The company's strategy of using the closure to get rid of union members was relatively successful. Although the Steelbrite closure resulted in only 240 of the 900 workers at the plants being dismissed, the company succeeded in getting rid of nine of the sixteen original union committee members.

The deferment of union recognition

B & S, in its settlement with the union on September 20th, agreed to recognise MAWU as the sole collective bargaining representative of its employees as soon as it showed itself to be representative of more than 50% of the company's employees who were eligible for membership of MAWU. This was an extremely significant clause in the settlement agreement in the context of Steelbrite's imminent closure. If the company had been obliged to sign a recognition agreement with MAWU the agreement would have made provision for severance pay and other procedures to be followed in the event of closure which would have added to the company's overall costs of closure. As we have seen, the severance pay offered was almost nothing: a maximum of three weeks pay for workers with ten years with the company. To be able to get away with paying so little it was necessary that there was no recognition agreement with the union, and that workers not be notified of the closure until the last possible moment.

The first strategy adopted by the company to avoid having to recognise the union after the September settlement was to bring in additional workers in order to keep union membership below 50%. When the union was able to show that it had the necessary 50% membership the company was able to produce a few extra workers, rather like a magician producing rabbits from a hat, to show that the union's count was incorrect! As I have already shown, this was done by first of all keeping on about 90 of the original scab labour that had been dismissed in September on the re-instatement of the original workers. It is difficult to calculate the exact cost of this exercise to the company. But on the basis of an average wage of R300 per month and a "surplus" labour force of 90 from the end of September to the beginning of the new year, and then an additional 64 from November until Christmas, this would have amounted to an additional wage bill of about



R120,000. It is possible that the actual figure may have been less, but whatever it was, it was certainly preferable to a retrenchment bill which would probably have amounted to at least a quarter of a million rand had the union been able to negotiate severance pay on behalf of its members.

By Christmas most of this scab labour had joined the union, and was consequently no longer serving its purpose. And so, in January, the company retrenched 105 of them on a LIFO basis, a principle which the company refused to adopt three months later when the workers of both plants requested it. The company explained the January retrenchment as part of its rationalisation plan to get numbers down to 740. In spite of this stated desire to cut the size of the workforce, the company had no hesitation in taking on 8 casuals in February who were used to replace union members in B & S Engineering who were in turn transferred to Steelbrite for ultimate retrenchment.

No longer able to beat the union on the numbers game, the company successfully delayed recognition through the new year by adopting a second strategy namely querying the validity of signatures on membership forms by suggesting that workers had been coerced into joining the union. The company requested that the union submit fresh membership forms. This wrangle gave the company sufficient time to stall the recognition issue until after the Steelbrite closure at the end of March.

### Was the closure economically justified?

The question of whether the closure was economically justified cannot be answered easily as the company has not revealed sufficient financial data, nor has it discussed its economic problems frankly with either its workers or the union. In short, there has been a dearth of meaningful communication between the company and its workers. The workers' answer to this question is therefore based on their own limit-

ed knowledge of the company's finances and their knowledge of the situation on the production line. In their eyes the closure was not economically justified. Or, at least, they were of the opinion that the plant could have been kept going. Their reasons for this assessment are:

1. Workers on the production lines claim that output was roughly the same as in 1980/81 when B & S was being acknowledged as one of the most profitable companies in the country.
2. The company was clearly not short of funds if it was able to afford the luxury of a "surplus" workforce as described above, and could afford to tolerate the low productivity ensuing from the company's harrassment and provocation of union members since their reinstatement.
3. The workers knew from their knowledge of what was happening on the factory floor that their dismissal in 1982 led to a considerable drop in profit as a result of the company not being able to adequately replace the overall loss of skills; continued general dissatisfaction amongst the workers and consequent low productivity; and the considerable costs involved in trying to train the replacement scab labour. The dismissed workers knew that several of B & S's customers were sending back goods as inferior in quality during that period. This was more or less admitted by the company itself. In the 1982 Chairman's Report, presented in April, 1983, the Chairman (Back Sr.) attributed the drop in profits to (i) labour unrest and strikes and (ii) reorganisation and rationalisation problems as an aftermath of the Steelbrite takeover. "These factors", he said "resulted in a loss of production and a subsequent inability to supply customers during peak periods. An additional adverse factor was the high training costs incurred for the new labour force which we had to employ after the strikes." (3)

Now that they were back, with their skills and



experience, the workers saw no reason why the pre-1982 situation should not be re-established. In short, they questioned how such an apparently profitable company could so suddenly no longer justify the operation of one of its plants. If the company had taken the workers into its confidence and shown them the overall financial situation, it is possible that they might have altered their perception of the situation. It would seem, without having access to the company's accounts, that the company's earlier profitability was built on very shaky ground.

B & S, under the Back family was an example of appalling management. Production lines were badly organised, there was marked under-utilisation of capacity, productivity and efficiency were low, and labour was subjected to extreme mismanagement and malpractices. Profits were based heavily on government concessions and after the takeover of Westvaal, on a monopoly situation. The 1982 Chairman's Report admits that much of the increased profits in 1981 came from decentralisation concessions registered retrospectively for expansion undertaken in 1979 and 1980. Moreover, it appears that the high profits made in 1980 and 1981 were not re-invested on improving productivity and efficiency but were drained off to the shareholders through dividends. With the onset of the recession sales stayed flat as costs increased with no commensurate increase in productivity. By August 1983, at the time of Gundle's takeover, it seems that B & S Engineering may only have been breaking even, while Steelbrite may have been running at a loss.

#### Reasons for the takeover of B & S

If B & S was so unprofitable, why did Clifcor buy the company? There seem to have been four main reasons:

1. Clifcor, formerly Gundle Industries, had considerable interests in the furniture industry. The purchase of B & S along with a few other compan-

ies such as Cecil Nurse (purchased in 1984) gave Clifcor an effective monopoly.

2. Clifcor needed a public listing, namely B & S, into which Clifcor's existing interests could be sold.
3. B & S was seen as a turnaround opportunity.
4. The price, at 341c a share (i.e. +/- R7 m) was reasonable.

From Clifcor's point of view, it appears that there were reasonable financial grounds for closing the Steelbrite plant. Be that as it may, such reasons provide no justification for the way in which the closure was effected.

#### Comparison: the European experience

Although there are moderate variations from country to country, Brian Turner's review of dislocation policies in European countries shows that we can talk of "a general European economic dislocation policy" in that each national system represents a variation on a common set of themes. Turner lists these as: adequate advance notice to workers, their representatives and government agencies; consultation and negotiation over possible alternatives; and the development of a "social plan" and focused government action to minimise the impact on the community where redundancies cannot be avoided. (4) How does the B & S case compare with the European experience? In contrast to the four main features of dislocation policy in Europe we can see that:

1. Only 1 weeks notice was given compared with the minimum notice of 30-90 days required in every European system.
2. There was no consultation or negotiation between management and workers. Nor at any time did any government service or agent intervene on behalf of either the company or its workers to ascertain whether the closure was necessary or to help with suggestions that might have solved or alleviated the problem.



3. The company not only made no "social plan", but effected the closure in such a way as to cause the workers, and their families and the community the maximum amount of hardship and inconvenience. On the company side, severance pay was kept to the least possible amount. On the government side there is an unemployment insurance fund (UIF) but in the case of these workers, as in the case of many black workers in South Africa, they are either not entitled to it or its payment is delayed, of short duration and frequently just not given.
4. There was no form of government action to help the laid off workers.

This cursory comparison indicates the virtual absence of any sort of dislocation policy in South Africa, compared with Europe, and suggests that the South African situation is somewhat akin to that in the U S A where workers, as Brian Turner noted, are treated as commodities. This, however, ignores one fundamental dimension of the South African system which makes it doubly abhorrent, namely South Africa's system of racial capitalism. While "petty apartheid" may be dying on the park benches, "grand apartheid" is now working better than ever, especially in border areas such as Brits.

#### Racial capitalism and the "Free Market"

Many of the black workers at B & S come from Bophuthatswana, and are therefore in a system of dual control. While in South Africa they are both "foreigners" and "blacks". As "foreigners" they have no rights to pensions, UIF, etc. and always face the threat of "deportation". As blacks they are subject to the apartheid laws operative within South Africa and the actions, often quite arbitrary, of the South African authorities. In the case of the B & S workers, the state machinery, far from assisting them, has been used to harass and blacklist them from further employment.

Control within Bophuthatswana is perhaps even more insidious. The majority of the population in this part of Bophuthatswana is non-Tswana. Although the Bophuthatswana constitution gives them the right to apply for citizenship after 5 years residency, many of the workers either do not want to be citizens of a bantustan, or if they do, find that their applications are rejected. The way in which Bophuthatswana is currently exerting pressure on its million or so non-citizens cannot be dealt with in detail here.

(5) Suffice it to say that workers who fall into this category, and it is the majority in this region, are not entitled to pension and UIF. Moreover, the Bophuthatswana authorities frequently refuse to endorse their reference books with a residence permit which makes it impossible for them to get a work-seeker's permit. Without such a permit workers cannot legally seek work in the R S A. As "illegals" they tend to be subjected to extreme exploitation by unscrupulous employers who take advantage of the fact that the likelihood of their ever finding alternative employment is remote. Such workers, in turn, are often frightened to join unions for fear of further reprisal action against them in Bophuthatswana. Even if these workers have their passes in order work seeker permits are usually only given after a bribe, unreceipted, which is currently in the order of R30-R40, and in the case of women, sex. Many women in Bophuthatswana villages in the Brits hinterland have stated that they will no longer seek work due to sexual harrassment by officials at the labour bureaux and by personnel officers in the factories.

How do these extraneous forces and forms of control effect the work situation and managements' decisions and actions in effecting closures? In short they provide the framework in which "free market forces" can be allowed to operate. They allow the entrepreneur the freedom to operate as a true "capitalist" by giving him the freedom to make decisions in economic isolation, subject only to the demands of



capital itself. Two features of the prevailing "free market" ideology which affects closures demand attention, namely South Africa's current adherence to the principles of free trade as pronounced in the General Agreement on Tariffs and Trade (GATT) and the extent to which the "free market" provides management with both a rationale and a legitimisation for decisions and actions such as those taken by B & S management.

### GATT

The government's current policy of adhering to the principles of GATT require the lowering and eventual dropping of import tariffs which have hitherto provided some protection for certain industries. During the brief period of working on this topic, a number of industrialists have put forward strong evidence to show how the current open market policy has necessitated the closure or "mothballing" of plants, as well as cut backs in labour in attempts to lower costs and increase productivity and competitiveness.

### The "Free Market" and the "Reluctant Capitalist"

The dominance of "free market" thinking is having many significant and closely related effects. First, it provides legitimation for the state's withdrawal from certain areas, not only in the economic, but in social and political spheres as well. Secondly, capital itself is also able to absolve itself from certain social and political responsibilities. By arguing that "the market rules", management can legitimately make its decisions in "economic isolation". In other words, it need only consider "economic" or rather "market" factors. As a senior executive at B & S explained, in the context of the B & S closure:

We are not in business to make a loss. When a plant is uneconomic you close it... When you are not prepared to back the industry anymore you are quite at liberty to sell it or to get

out and say "I don't wish to be the owner of this enterprise anymore!"

You can put money in the bank and get 18% on it. Or you can be an entrepreneur. But as an entrepreneur you take a risk, so you deserve more than what you can get on the money market. You need to get 20%. You see, you must understand me that we want a return on our investment. If we are unable to get that return on our investment we mustn't invest.

We have a responsibility. Firstly, to protect jobs and secondly to earn a return on our capital that is satisfactory. We can only protect jobs by closing a factory. Because by keeping it open makes other factories non-viable. Whatever the hardship to those retrenched it is very small in relation to the hardship that would have been brought about had we decided to close the entire operation.

The basis of contemporary free market theory is the work of the American economist Milton Friedman who has argued that all government restrictions and controls should be abandoned and that the market mechanism be left on its own to work freely. For Friedman, "government intervention merely usurps individual freedom and therefore capitalism and the market are necessary conditions for political freedom". (6) The fallacy in Friedman's thinking is that capitalism is not a necessary condition for political freedom since the market does not inherently lead to the offsetting of political power by economic power. In fact, "what can be shown is an inherent probability in the other direction, i.e. that the market leads to political power being used not to offset but reinforce economic power. (7) Where the legal and political institutions give land, capital and control of labour to one sector of the population, market forces will only consolidate that power. In Chile, Brazil, S Africa, and else-



where, the dominant classes have been able, under the ideology of the "free market", to turn the patterns of accumulation to their own interest. (8) In all countries "monetarist" and "free market" policies over the last decade or so have been directly responsible for an increase in the inequality of the distribution of wealth. The convenience of the "free market" system, at least for capital and the state, is that it relieves politics and property of any responsibility for the existing division of earnings and patterns of consumption. In S Africa the "free market" system is doubly beneficial to both capital and the state, for by consolidating the existing power structure, it at the same time enables both capital and the state to distance themselves from that structure while at the same time benefitting from it.

As we have seen in the B & S case, management was able to operate "freely", in that the decision to close was made in economic isolation. However, that freedom was largely dependent on the extraneous controls exercised over their workers by the structures of the apartheid state. The objective for the B & S management was to effect the closure with the least amount of severance pay. This could be best achieved if a recognition agreement with the union was delayed until after the closure. As we have seen, this was done by employing a surplus labour force of non-union members. This was only possible because of the relative weakness of unionisation in the area at that time, a weakness which stems from both the historical pressures, both "legal" and "extra-legal" on organisation; the consequent availability of "scab" labour, particularly in a relatively impoverished "border area", and the ongoing legacy and practices of intimidation of workers by the state agencies. On top of those pressures are the controls exercised by the Bophuthatswana government. Without these pressures and controls the B & S management would not have been able to make its decision to close Steelbrite with

such total disregard and contempt for the well-being of the workers involved.

### Conclusion

The B & S closure is a clear example of management's abrogation to itself of what it sees as the "right to manage", to be able to make decisions in complete economic isolation, with the only reference being the demands of capital accumulation itself.

While management may continue to argue that social issues are not its concern, and that market forces will decide, there are two lessons which management might learn from this particular case. The first is that the B & S struggle over the last two years has left deep scars and much bitterness over a widely spread community. It has also done more than anything else to generate worker consciousness in the Brits and neighbouring Bophuthatswana regions, and to both politicise and conscientise much of the surrounding population in Bophuthatswana where resentment and dissatisfaction with the Bophuthatswana authorities is increasing considerably. It is perhaps significant that people in many of these villages now address their own gatherings as "babereki" (workers) and not in the customary way of "Lekgotla lel tlomphegang" (respected gathering).

Secondly, management in S Africa would do well to learn from the experience of more advanced industrial countries. The three countries with the highest rates of productivity growth are the three countries with the highest levels of security for their workers, namely Japan, Sweden and W Germany. (9)

### Footnotes

1. Brian Turner, "Plant closings and Economic Dislocations: European Experience and American Prospects", in Nancy Lieben (ed.), *Eurosocijalism and America*, p124



2. At the general meeting held on 13 December 1983, a further 3 602 000 ordinary shares were issued by B & S to Clifcor in consideration for the acquisition by B & S of Gundle Cupboard Systems, Republic Kitchens and Mr Cupboard... Simultaneously with this, Clifcor extended its offer to minorities to acquire their shareholdings on the same terms and conditions as had been offered in the earlier transaction. (Chairman's report 1983, p8). This gave Clifcor approximately 96% of the issued share capital of B & S. Clifcor has given an undertaking to the JSE to reduce this holding to 85% by November 1984.
3. Chairman's report 1982, p4
4. Turner, ppl22-4
5. see J Keenan " A place for All: Citizenship and Control in Bophuthatswana", ASSA Conference 1984
6. Fuad Cassim, "Criticising Conventional Economics", *Work in Progress*, 26, 1983
7. C B McPherson, *Democratic Theory: Essays in Retrieval*
8. Cassim, op.cit.
9. Turner, op.cit.

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## **Workers Divided: A Critical Assessment of the Split in MAWU on the East Rand**

**Mark Swilling**

During the past year the independent labour movement has been seriously weakened by the number of splits that have occurred within its ranks. Workers in MWASA, SAAWU, CCAWUSA and now MAWU have been divided from one another as these unions have split into competing factions. While unity is being discussed on a national level, this is not always being built on the factory floor. This situation requires a critical re-evaluation of the problems in building a strong and democratic workers movement. While this must surely be underway within the ranks of the union leadership most directly concerned with the issues, the broadest and widest possible discussion must take place concerning the situation with which workers are presently faced. Without taking sides on the issue of the split, this article then attempts to examine the emergence of the Shop Stewards Councils, trace the sequence of events leading up to the present split and undertake a critical assessment of the split in the light of the nature of trade union organisation on the East Rand.

### Workers struggles on the East Rand and the rise of the Shop Stewards Councils: 1980-1982

Metal workers only began to be seriously organised on the East Rand in early 1980 following the harsh police action which had crippled the young MAWU in 1976. The story of how the union became a mass force of 30000 workers by April 1982 is in some ways the story of one of the key factories in the Germiston area, Scaw Metals. For metal workers Scaw was the "pillar of the working class" in Germiston, if not the whole of the East Rand. (1) It is also consider-



ed to be the stronghold of the bosses organisation, SEIFSA, which has successfully dominated the industry for the past 40 years.

### Organisation at Scaw

When two organisers began recruiting workers into MAWU in April 1980 it was natural to move towards the largest of the factories on the East Rand. In the course of the next few months over 800 workers of the 2800 strong workforce at Scaw joined the union. Once half the factory was organised, MAWU made moves to obtain recognition, but a letter sent to management was simply ignored. Shortly after this workers decided to take things into their own hands.

A strong shop steward was dismissed by the Scaw management. The department where the worker was employed immediately stopped work. Within fifteen minutes all 2800 workers had gathered at a pre-arranged place in the factory. They demanded the immediate reinstatement of the dismissed worker and recognition of their 82 member workers' committee. Taken completely by surprise by the unity and organisation of the workers' direct action, management were forced to concede. (2)

Workers at Scaw immediately started to strengthen their victory by going out to organise workers in factories nearby. Similar actions were soon taken at Hendred Freuhauf, Litemaster and GEM Industries. This ensured that the Scaw workers were not left isolated in attempting to develop union organisation. As a result of the direction provided by Scaw workers, MAWU's organisation on the East Rand experienced a major surge forward. Shop stewards from the first three or four organised factories started meeting together in order to organise more workers into the union. The MAWU organiser Moses Mayekiso in the area keenly developed this organisational strategy of encouraging shop stewards to take on responsibility of organising other workers. By the end of

the year MAWU had grown considerably and could boast 10000 members nationally, many of whom were recently organised workers on the East Rand.

### A Shop Stewards Council is formed

The shop stewards continued meeting on an informal basis until April 1981 when the decision was taken to form a council of shop stewards. (3) The idea had been discussed some years before in 1976 within MAWU but now for the first time really took root. The shop stewards in the Germiston/Wadeville area organised the Katlehong Shop Stewards Council for the sole purpose of extending the organisational drive they had already begun. Now shop stewards more actively began to take responsibility for organising local areas and built the Councils to do this. (4) Workers soon began joining MAWU in greater numbers. It has been shown that there were more than sufficient reasons why workers were keen to belong to an organisation to fight for their needs. (5) Food prices were high. Bread prices had just been increased by 30-40%. House rents had risen by 30% and rents in the hostels had shot up by 70%. There was drought and massive unemployment in the countryside and ERAB was implementing influx control laws harshly, particularly for workers living in shacks. (6)

Militancy grew and developed as workers became aware of the metal union. Workers now began to challenge their low wages and arbitrary handling and victimisation by management. "There were rumblings of discontent in June." (7) By July workers began to move out on strike. The strike waves which followed proved to be the most significant since the re-emergence of the independent labour movement.

### The July to November 1981 strike wave

After a long struggle at Colgate Palmolive workers there came out on strike on the 14 July 1981. This action opened a floodgate as workers at Salcast,



Hendler and Hendler, Bison Board, Langeberg Co-op and Vaal Metals soon followed. Four-thousand miners at ERPM then came out in support of their wage demands. Workers were discovering the strike weapon. Twice during this period the Scaw workers fought successful strikes.

Between July and November over 24000 workers came out in over 50 different strikes. (8) Workers went on strike for wage increases, for recognition of their union, MAWU, and against managerial control. Strike after strike was successfully waged as workers stood up against victimisation and sackings. (9) But by no means were all the strikes planned and co-ordinated by the Shop Stewards Councils, which became during this period, centres of often frantic working class activity. Despite a general lack of co-ordination of these strikes, it is no accident that the metal workers were by far the best prepared for this mass mobilisation as a result of the work of the shop stewards in the SSC's during the previous few months. Metal workers stood at the centre of this struggle, engaging in 24 strikes involving roughly 11000 workers. (10)

In this wave of strikes workers threw up their own leaders. The Shop Steward Councils swelled and the general meetings they held attracted crowds of 1000 to 2000 workers. Workers began to lead, co-ordinate and plan their own actions. Whereas "in most cases workers took action and then contacted the unions" (11), "the unions generally played a cautious and disciplining role". (12) Although it was clear that the SSCs constituted active organisational foci for collective working class action, it must be noted that they were the product of mass worker insurgency rather than a long-term strategy to build sound organisational foundations. This meant that the leading role of the SSCs was not necessarily rooted in well organised shop steward committees. The SSCs reflected the insurgent rhythm of the strike waves instead of guiding and co-ordinating them towards coherent

objectives based on sound factory organisation.

By the end of 1981 MAWU had doubled in size after over 24000 workers joined its ranks. Although this was testimony to MAWU's commitment to fighting for working class interests, the union organisers and leading shop stewards were totally overwhelmed and unable to find ways of ensuring that the mass of new members were trained and effectively incorporated into the structures of the union. As far as the shop stewards in the SSCs were concerned, all they could offer was a forum for discussion where general regional strategy could be debated. This, however, was no substitute for the careful and lengthy process of developing durable democratically controlled shop steward committees within each and every factory. This was the most important organisational weakness in the SSCs whose leaders were more concerned with regional strategies and the problems associated with mass worker insurgency.

Despite the organisational problems, the results and achievements of this strike wave were enormous. A number of small bosses had broken ranks with SEIFSA and had been forced into granting small wage increases at plant level. (13) This was the first evidence of MAWU's principle of shop floor bargaining being shown to work. SEIFSA itself recognised that it "would have to become more responsive to the shopfloor if it were to survive". (14)

### The second strike wave: February/March and April 1982

By this time the Katlehong SSC was meeting every two weeks and leading shop stewards were holding planning meetings every week in between. (15) Guidelines for the Shop Stewards Councils had now become clearer. Two of the objectives of the SSCs were "to organise a recruitment campaign to organise all workers into FOSATU unions" and most importantly "to forge links with community organisations to encour-



age solidarity between the community and the workers struggle." (16) Neither the Shop Stewards Councils nor MAWU were, however, able to guide and co-ordinate the fresh set of strikes which were to break in two distinctive waves in early 1982.

Meanwhile workers had returned from the bantustans prepared to move into mass action once more. They had found terrible poverty, disease, hunger and the worst drought in living memory when they had returned home at the end of the year break. (17) Now 14000 workers went on strike in the Germiston/Wadeville area alone. The two strike waves of 1982 were of shorter duration but far more intense than the strikes of the previous year. During the first few months of that year workers demands became clearer: an end to the National Industrial Council (NIC) and a minimum R2 an hour "living wage". Workers were standing firm on the MAWU principles of worker control and shopfloor bargaining and were challenging the bosses where their strength was greatest - on the factory floor.

At one point in early 1982 over ten factories were on strike at the same time and workers marched through the streets to the MAWU offices. A thousand workers or more were attending the general meetings organised by the Shop Stewards Councils. The situation was becoming increasingly tense as workers appeared to be moving towards open confrontation with the SEIFSA bosses. This situation was fuelled by the breakdown of talks between management and predominantly white artisan unions on the NIC. This meant that black workers did not even get the customary annual increase. A month later 4000 workers at the MAWU AGM were to solidly reject the Industrial Council system. But "now thousands of workers decided they could wait no longer and downed tools at Haggie Rand, National Bolts, Screentex, Frys Metals, Defy and Scaw." (18)

In addition workers began to argue that the SSC must

also take up issues beyond the factory floor. There are more people living in shacks in some of the East Rand townships than in houses due to the serious shortage of hostel beds and houses. These shacks were being threatened with demolition. The SSC began to discuss ways in which it could lead resistance to demolition. These discussions were a logical outgrowth of the expansion of factory organisation and the sense of working class power that was being generated by the strike waves.

### Strike at Scaw

At the time Scaw looked to most observers and participants like just another strike. Workers decided to openly challenge the form of collective bargaining in the metal industry. (19) On the 27 April the workers at Scaw came out on strike. This was the third time they had been out in the past eighteen months and now they demanded a nominal 10 cents an hour increase. Workers made this demand instead of their central demand of a R2 an hour living wage and even said that this "could be taken off the industrial council increase when it was given". (20)

It is difficult to interpret the action of workers at Scaw other than as a fundamental challenge to capital in the region. It was clear however that workers had been moving in this direction all along according to Moses Mayekiso's assessment of the mood of workers during this period: "There were going to be these IC negotiations. They (the workers) were talking about that and said - Why should we be represented by people who are not taking a mandate from the workers. Now we are the force, but the employers can't talk to us. Let us take this issue straight onto the shopfloor - Then they started fighting." (21)

The fact that workers demanded an increase lower than that which management was prepared to concede at the NIC negotiations indicated that their primary



objective was the right to negotiate wages at plant level. According to Fosatu Worker News, "shop stewards and union representatives were amazed that a management with a liberal image like Anglo American could refuse a 10 cents an hour increase while they had already offered more than that on the Council." (22) The bosses were perfectly clear why a "liberal" line was impossible. A management representative at Scaw gave the reasons: "In the interests of long term stability, sound labour relations and an effective bargaining structure, it is vital that workers realise that stoppages during negotiations will not win concessions." (23) After three days the police were brought in and every Scaw worker was dismissed. At the time this mass dismissal was described by Bobby Godsell, Industrial Relations Consultant at Anglo, as a "symbolic sacking." (24)

The impact of this "symbolic sacking" was a major defeat for the Scaw workers and the organised working class struggle against the NIC. As far as MAWU was concerned, it was forced into a tactical retreat because "effective opposition to the NIC had been broken". (25) It was in this context that MAWU decided to join the NIC in February 1983. Coupled with the deepening recession during 1982, the retrenchment of a large number of active shop stewards and overall demoralisation as the heady atmosphere of direct action disappeared, it looked as if capital had won another round.

Two fundamental questions need to be asked: Firstly why was a regional or even a national strategy not devised to back up the Scaw workers? Secondly, has MAWU been co-opted into a bureaucratic collective bargaining structure?

As far as the first question is concerned, MAWU and the SSC in particular failed to back up the Scaw workers because of an overall weakness in MAWU's organisational structures. Despite the fact that Scaw is one of the biggest factories on the East

Rand, the Scaw workers were not playing a leading role in the SSC. They did not, for example call on the SSC to back them up in the form of a General Strike in the same way that the Colgate Palmolive workers did in mid-July 1981. Furthermore, the SSC was actually trying to restrain the Scaw workers from going on strike at that point as they believed that the necessary organisational preparations were absent. During February and March a large number of strikes had been lost when workers decided unilaterally, without consulting the SSC or the union, to go on strike. MAWU had been unable to keep up with the pace set in the strike waves. Its amorphous organisational structures were incapable of providing a framework for a strategy which could have taken advantage of the historic opportunity to smash the NIC that the Scaw strike afforded.

Despite the decision to enter the NIC, MAWU has continued to wage struggles at plant level. The best example being the struggle at Highveld Steel where MAWU has not only succeeded in organising a highly successful campaign to force management to negotiate at plant level, but it has managed to divide the white trade unions in the process. This does not mean that MAWU will never fall into the bureaucratic trap. Indeed, it is only through vigorous, systematic and continual democratisation of the union from the bottom up, that MAWU will be able to withstand the pressures in the long run.

The organisational weaknesses on the East Rand were examined by the Fosatu Congress in April 1982. It was decided that the trade unions needed an organisational focus that would increase direct worker participation in the structures of the trade union as well as democratise and rationalise the co-ordination of organisation in specific local areas. This was accomplished by amending the FOSATU constitution in order to incorporate the SSCs into the structure of the Federation and extending their application nationally. The SSCs are now referred to



as "locals" and include the members of all FOSATU unions in the area covered by the local.

Simultaneously, MAWU itself began to co-ordinate its Transvaal organisation by initiating joint SSC meetings. The first met in July 1982. However, it only began to meet regularly towards the end of 1983 when the crisis in MAWU began to surface. Throughout the first six months of 1984 it was the main body that thrashed out the issues associated with the split. In addition combine SSCs (eg. Barlow Rand) and sub-sectoral SSCs (eg. foundries) began to be set up. The establishment of these new forms of factory organisation within FOSATU and MAWU was accompanied by the employment of six new organisers between mid-1982 and late 1983. It is clear that MAWU was aware of its organisational weaknesses and was taking steps, at least at the formal level, to solve these problems. However, there were much more powerful structural forces at work that prevented these new structures from taking effect.

As the recession began to set in, a large number of workers began to lose their jobs. A major implication of this for the organised working class was that the organic organisational and ideological skills that many shop stewards had accumulated over the previous two years were either simply removed from the SSC or else they were undermined by the spread of demoralisation and the fear of unemployment.

### Defeat and division

In this context it was inevitable that the remaining workers began to depend increasingly on the organisational direction and strategic experience of the organisers as well as a small group of leading shop stewards. As a MAWU organiser said: "They still come to the offices but they dont want to fight issues... they want the organiser to do everything...they are afraid that with this recession they think - I must

not be the first one, I must be a good boy." (26) So despite the introduction of a number of organisational innovations that could have potentially facilitated greater rank-and-file participation, power began to shift towards a leading stratum of personnel within MAWU.

This cannot, however, be understood as a "bureaucratic" tendency precisely because the problem on the East Rand was not too much organisation, but rather not enough given the massive expansion in union membership generated by the strike waves. In fact, just as amorphous organisational structures during the strike waves prevented workers from increasing the impact of their actions, so during the recession they did not provide a framework for a defensive strategy that could have been less dependent on the union leadership. The inadequate relationships between the SSC's and the factory committees actually worsened as the rank-and-file were intimidated by the threat of recession, thus reducing their willingness to play an active role in the SSC's and the union. This also meant that the leading shop stewards' position became increasingly divorced from the rank-and-file as they concentrated their activities on the SSC. The SSC meetings, however, were getting smaller and hence the preconditions for greater rank-and-file participation were undermined. In fact, by August 1982, the Benoni SSC had collapsed.

The organisers and leading shop stewards that began to play a more direct role in organising the defensive strategies as the recession set in were well aware of these problems. However, as they struggled to cope with the recession, management's new hard-line approach, the despondency of the rank-and-file and the need to consolidate MAWU's structures, divisions opened up. Disagreements were to surface over questions of bureaucracy, leadership, democracy, financial management, political direction, community struggles and organisational priorities. What



follows is an attempt to record the sequence of events as accurately as possible, given that there is disagreement over "what really happened". (27)

### The beginning of disunity

In March 1983 the MAWU NEC decided that Moses Mayekiso and Bernie Fanaroff, two Transvaal organisers, should organise a large chrome factory in the Western Transvaal. The chrome workers subsequently organised the miners in the four mines that surrounded the factory. The miners, however, were not members of MAWU, but were seen as part of a special project controlled directly by the MAWU Head Office. The establishment of a separate mineworkers union was envisaged. This was opposed by David Sebabi, the general secretary of MAWU who, according to Mayekiso, saw this plan as a breakaway union that would have been an alternative power-base for Mayekiso and Fanaroff. This was the first indication of open disunity within MAWU.

Mayekiso argued that MAWU had grown too quickly and needed to be restructured. He proposed to the Branch Executive Committee (BEC) new strategies that would target and prioritise the most important factories and areas in order to concentrate the energies of the union, rather than continue to expand at the expense of qualitative consolidation. He also argued that new structures needed to be created in order to bring the organisers under greater worker control. It was these strategies that became the central source of antagonism.

Mayekiso and Fanaroff argue that workers control was a threat to Sebabi and that is why he responded by cultivating his own caucus in the BEC in order to oppose these new ideas. Sebabi, two of the other organisers and some leading shop stewards (eg. Andrew Zulu) said at the press conference that they saw these new plans, not as an attempt to advance worker control, but as an attempt by a "white

bureaucratic elite" to gain complete control over the union in order to undermine the position of those elements who had criticised the policy and direction of the union. MAWU, on the other hand, argues that these criticisms were never articulated publicly at BEC or SSC meetings and therefore they are retrospective rationalisations rather than real grievances. What is certain, however, is that there were undercurrents of discontent within MAWU from early 1983. Towards the end of 1983 the die had been cast: whatever each side said or did simply served to reinforce their respective assumptions. Within the BEC there was a total breakdown of communication. Each side accused the other side of manipulating workers in order to further their respective anti-democratic and parochial interests.

#### The divisions deepen

It was at this stage that the National Executive Committee (NEC) began to intervene. A decision was taken by the NEC, which is made up entirely of workers, that the Head Office which is based on the East Rand, was not sufficiently controlled by workers. They recommended that Sebabi's influence be diminished by making sure that the Transvaal office bearers play a greater role in the running of the Head Office. Mayekiso and Fanaroff argue that Sebabi failed to act upon this recommendation. Despite the fact that Zulu, who is a worker and vice-president of MAWU and FOSATU, was centrally involved in the Head Office, Mayekiso argues that this does not necessarily constitute workers control.

In late 1983 suspicions about financial mismanagement at the Head Office began to circulate. This led to a decision at the first NEC meeting in 1984 to investigate the Head Office's financial situation. Sebabi argues that this was the first direct attempt by the "white bureaucratic elite" to smear him. He argues that it is no coincidence that these allegations began to emerge at precisely the point when he



and his group began to openly criticise the organisational and political direction of the union. Mayekiso argues that Sebabi deliberately created these divisions, over what were ostensibly issues of principle, in order to divert attention away from the financial irregularities that were clearly evident in the management of the Head Office. Mayekiso further argues that Sebabi tried to get him and Fanaroff dismissed for manipulating the BEC meetings, whereas Sebabi claims that Mayekiso and Fanaroff were trying to dismiss him because he was not towing the FOSATU line. The BEC meetings in early 1984 degenerated into open verbal and occasionally physical fights. The division within the leadership had filtered down to the factories and had become a major issue for a large number of workers.

### The origins of the split

In February MAWU employed Jabu Radebe as the new organiser for the East Rand. Radebe - a young organic intellectual from Alexander township who is firmly committed to democratic trade unionism and an independent working class politics - became the focus of the tensions between the two factions within the BEC. Sam Thuli, one of the organisers who eventually joined UMMAWSA, said in March that Radebe was Fanaroff's "puppet" who had been hired to organise workers against Sebabi. After a number of bitter arguments within the BEC, Radebe was fired in March. He was only re-employed after the split at the end of July.

On the 18 March the annual elections for the BEC were held. Mayekiso was elected branch secretary. Sebabi, Thuli, Zulu and another organiser Enoch Godongwane, stated that the elections were manipulated by Fanaroff and Mayekiso and were therefore illegitimate. They called another meeting on the 25 March where a new BEC was elected. Godongwane was elected branch secretary. It was this BEC that emp-

loyed Zwelakhe Sipeta, an ex-PAC activist and former Robben Island prisoner. This was done while Mayekiso was overseas and, according to MAWU, without consulting the NEC.

By the end of March there were two BEC's in the Transvaal and both of them arrived at the NEC meeting in early April. This prevented the election of new office bearers to the NEC. In order to solve the problem the NEC decided to divide the Transvaal BEC into an East and a West Rand branch. It was also decided that individual factories could take their own decision about which branch they wanted to join. The Sebabi group gained control of the East Rand branch and the Mayekiso-Fanaroff section gained control of the West Rand branch. The fight that inevitably ensued between the two branches for the factories soon made this plan unviable.

In early May, Sebabi and Zulu were not re-elected to the NEC although the latter remained Vice-President of FOSATU. MAWU claims that Sebabi and Zulu never questioned the legitimacy of the NEC elections. However, Sebabi and Zulu refused to hand over immediate control of the Head Office's financial resources. They argued that this needed to be done gradually.

It was in this context that the NEC appointed a sub-committee to investigate the whole situation. According to Mayekiso, it came up with four findings: firstly, that there had been gross financial management; secondly, Sebabi was guilty of using racism to attack Fanaroff and various other white intellectuals within FOSATU and the university academics associated with FOSATU; thirdly, that the Sebabi BEC was unconstitutional because it had refused to abide by the decision of the original BEC elections; and fourthly, that Sebabi, Thuli and Godongwane did not obey NEC instructions vis a vis the union finances and the employment of organisers. At an NEC meeting on June 17, Sebabi was suspended on charges of financial mismanagement. Thuli and



Godongwane were suspended for not obeying union policy and NEC institutions. The UMMAWSA people argue that the NEC also suspended Zulu which is not constitutional since only the BEC can suspend and dismiss workers who are office bearers. MAWU claims that the NEC simply made a recommendation to the BEC which then took the final decision.

The suspended organisers and Zulu were asked to appear before the NEC on 7 July to answer the charges against them. When they did not appear on the appointed day, the NEC decided to dismiss them. Although MAWU argues that this whole procedure was in accordance with union rules, the dismissed men interpreted it as manipulation. They argue that the NEC was forced to take this decision by the same "white bureaucratic elite" who had been working against them since early 1983.

### MAWU splits

The split worked itself out in the following way:

- \* On the 16 June, in anticipation of their suspension and after they were not re-elected onto the NEC, the Sebabi/Zulu group called a general meeting for all East Rand shop stewards in Reiger Park. The divisions within MAWU were discussed and workers were urged to join the East Rand branch.
- \* A second meeting of this nature was held on the 30 June. On this occasion workers were actually asked to support those who had been suspended and the idea of forming a new union was suggested. The workers were then asked to go back to the factories in order to get a mandate from the rank-and-file.
- \* On the 14 July the final meeting was held. UMMAWSA claims that there were 38 fully represented factories, and representatives from two semi-organised factories, at this meeting. A decision was taken to form a new trade union. UMMAWSA

(United Metal, Mining and Allied Workers of South Africa ) was born.

- \* After the NEC decided to re-amalgamate the Transvaal branch, elections were held for new BEC office bearers on 21 July. Mayekiso was elected branch secretary. At least on the formal level MAWU was back to normal.

At a press conference in late July, an UMMAWSA spokesperson claimed that they decided to break away from MAWU for four "political" reasons:

(i) Bureaucracy: MAWU is controlled by a "white bureaucratic elite" that has consistently prevented working class leaders from taking control of the union.

(ii) Worker control: Although MAWU claims to believe in the principle of worker control, this has never been implemented in practice.

(iii) Political direction: "We don't want to be told by white intellectuals that we should not join UDF, Inkatha or AZAPO. We are firmly committed to a national democratic struggle for the liberation of this country. If an organisation does this, we will support it. But instead they tell us what to say to these organisations."

(iv) International links: FOSATU has a relationship with the ICTFU, but this was never approved by the workers.

The last point was not publicly reported, but it has since been pointed out that FOSATU is not affiliated to ICFTU and that Zulu himself had previously addressed workers about this question on FOSATU's behalf. The most important elements of MAWU's position, which are supported by FOSATU, are as follows:

(i) Corruption: MAWU has had no option but to follow the constitutional procedure to expel Sebabi for gross financial misconduct. Charges of fraud have been laid.

(ii) Racism: The three organisers; Sebabi, Thuli and Godongwane, as well as Andrew Zulu, used racism



to justify their actions which is contrary to MAWU's principle of non-racialism.

(iii) Support: The new union is only supported by seven factories on the East Rand because it was the workers themselves who expelled those who established it.

(iv) FOSATU does not recognise UMMAWSA as part of, or as an affiliate of FOSATU and therefore it will not be allowed to use the MAWU's offices, funds and resources on the East Rand.

### Union support

The central issue is obviously how much support each union has. Both are adamant that they are supported by most of the East Rand factories. Sam Thuli said, at the UMMAWSA press conference that "MAWU is experiencing its final death." Within MAWU, UMMAWSA is written off as an ineffectual "splinter group". The final truth, however, will only be known in two to three months when the new stop orders for the new union have been negotiated. The only thing that is certain is that although UMMAWSA is supported by at least seven to ten factories, the central division is not between factories but rather within a large number of factories throughout the East Rand.

What has happened is that some leading shop stewards have tended to support UMMAWSA, whereas the rank and file have been totally divided over whether to follow them or not. Extensive confusion exists among metal workers as a result. This means that the conflict between MAWU and UMMAWSA is not simply going to be a case of demarcating boundaries, but a fight that will be waged within approximately forty factories. The outcome of this struggle will depend entirely on how successful each union is in re-establishing strong and durable shop steward organisation within the factories. The conflicts and tensions will, however, remain until workers assert their control and demand the unity, not only of all metal workers, but of the whole trade union movement.

## The politics of worker control

The growth of the independent trade union movement has made a major impact on the South African political culture. It's rallying cry, the principle of worker control, has become a central organisational and ideological objective for the new progressive opposition movements. However, we are witnessing splits within these trade unions that suggest that although they are committed in principle to worker control, their formal structures have not always been translated into substantive democracy. Why?

There were two basic conditions that made a split possible in MAWU: (i) amorphous organisational structures; (ii) lack of political direction.

It has already been shown that although the strike waves were crucibles of worker power on the East Rand, they were not firmly rooted in sound organisational structures in a large number of factories where strikes occurred. This was recognised at a general meeting organised by the Katlehong SSC in November 1982 - as well as by the East Rand organisers. Although this inevitably reduced the effectiveness of the strikes and exacerbated the problems brought about by the recession, the more important consequence was the limited form of democracy that existed because of the lack of rank-and-file participation. This meant that the advanced shop stewards who were directly involved in the running of the SSC, or playing leading roles in the unions and/or the Federation and benefitting from education programmes, began to act increasingly autonomously instead of constantly returning to strengthen and educate their bases on the factory floor (28). It was many of these same leading shop stewards who have joined UMMAWSA out of a sense of frustration with MAWU. Although some of them managed to take the rest of the members in their factories with them, some of them have been rejected by the rank-and-file.



It was Bernie Fanaroff who highlighted that one of the underlying causes of the split was the lack of worker control when he said: "We outgrew our resources and didn't develop the structures to facilitate this. There is no real tradition that organisers are controlled by the BEC in the Transvaal." This supports the argument that mass worker insurgency and "activism" does not necessarily generate democratic participatory forms of organisation for the rank-and-file. The relationship between "spontaneity" and organisation is, of course, in the final analysis a political rather than an organisational problem because it's resolution depends entirely on the way the purpose of working class organisation and struggle is conceptualised.

Working class organisation on the East Rand tended to go beyond the factory floor. The SSCs began to address the problem of shack housing in the community and were firmly committed to getting involved in broader community struggles. A significant number of shop stewards joined the East Rand People's Organisation which was formed by Sam Thuli and is affiliated to the United Democratic Front. A worker described the role of the SSC in these terms: "So the SSC has got a role to play not only in the workplace, but in anything that affects the interests of the workers in general. In the absence of a clear-cut organisation that does take these aspirations into effect, the SSC is going to take action." (29)

It is clear, therefore, that the SSCs were a forum for wider political action, made possible by the initial form of trade union organisation within the factories. As workplace organisation is strengthened, so workers can take up community and political issues more effectively. This does not imply a "stagist" strategy whereby the political issues are not confronted and delayed until an unspecified future date. Taking up political issues does in fact

strengthen workplace organisation if this is done strategically. This is not, however, what happened on the East Rand. Some leading shop stewards became dissatisfied with the fact that MAWU and the SSCs were not formulating a practical active strategy to take up community issues. This was due to a large extent to the weakness of workplace organisation, but also to a tendency within FOSATU to de-emphasise overt linkages with community struggles. One leading shop steward said he joined UMMAWSA precisely because he was dissatisfied with MAWU on this score. He argued: "The situation of the worker in South Africa is that they are oppressed and exploited. The struggle goes beyond the factory gates. Workers must address themselves to the problem of rents, shacks, electricity tariffs, schools, recreation, etc. In FOSATU and MAWU workers have been openly discouraged from taking up these issues and political organisations have been openly criticised. We recognise that the trade unions are not political organisations. But for them (MAWU) to say no politics in trade unions is nothing else but to keep their politics of reformism inside the trade unions." The views expressed indicate a general frustration but should not be seen as the property of any one group and may not be shared by all UMMAWSA supporters

The fact that the SSCs did "provide a focus for workers around issues beyond the factory in that area" (30) suggests that something new was emerging, what some have called "working class politics". Bringing the SSCs into FOSATU consolidated and extended organisation - at a trade union level. But an adequate response to this wider working class politics implies a different form of organisation capable of representing non-factory based working class constituencies. If however, these issues are compressed into a narrow trade union form of organisation, workers begin to make a false distinction between "economic" and "political" issues. This was evident when one of the most prominent shop stewards who has remained within MAWU criticised UMMAWSA in the follow-



ing terms: "They are interested in political trade unionism. They want to take up politics in the community."

Although it is clear that MAWU cannot be called an a-political or "reformist" trade union, it is equally true that before and after the split the present UMTAWSA leadership - possibly excluding Sebabi - were and are mobilising support by arguing that they intend taking up political struggles beyond the factory. That this question of political direction has been claimed as one of the causes of the split, is reason enough to raise some of the above issues.

### Conclusion

Any analysis of the tensions within MAWU must start from an account of the union's traumatic recent history - its phenomenal growth, followed by a period of defeat and retrenchments. MAWU's record has to be measured against the prevailing conditions of recession and the paucity of organisational resources available to the union.

Important questions remain to be answered: How can regionally developed forms of struggle best contribute to the building of a national trade union and workers' movement? How do relatively new organisations achieve the kind of legitimacy which makes splits unthinkable? What is the role of a national federation in combating divisions?

In the final analysis, the process of building unions and working class organisations based on the principle of workers control is probably the most difficult and complex task that faces workers. What emerges out of this analysis of the MAWU split is that it is one thing to have a constitution and structures that are formally based on workers' control, but quite another to translate this into substantive democracy. This implies that workers con-

trol cannot be achieved through rules and regulations alone. At the same time mass insurgency has no innate autogenetic tendency towards democratic structures. Both these tendencies, however, were present in MAWU. In fact at one level, the unresolved tension between the necessary expertise of the organisers and leading shop stewards and this "activism" which went beyond the factories, provided an important condition that made the split possible.

The degree of worker control in a particular union depends on the form of leadership, its willingness to combat reliance upon "expertise" on the one hand, and the capacity of the rank-and-file to generate their own organisational and strategic resources to take control of the union on the other. It goes without saying that this entails a struggle that needs to be patiently and painstakingly conducted.

Given that this struggle against undemocratic tendencies exists in all trade unions, it follows that splitting a union compounds the problem instead of solving it. Divisions and disagreements inevitably generate emotions that lead those involved to believe that the opponents should be purged if they are the "dominant tendency", or if they are on the losing end, that they should split. Democratic organisation and practices must attempt to solve genuine differences in political strategy without resorting to either of these options. Obviously this is not applicable when the central issue is a moral one like corruption. As far as the workers on the East Rand are concerned, they are now faced with not only the problem of struggling for workers control, but they have to confront deep divisions and confusion in their ranks as well. In the final analysis, the political protagonists in the dispute, in not tackling the fundamental problems of leadership and workers control within MAWU, have simply reproduced them in another form.



Footnotes

1. M Swilling, "Umzabalazo Wabasebenzi: The politics of working class struggles in Germiston, 1979-1983", (Univ. of the Witwatersrand Honours thesis 1983 ), p115; see also J Baskin, "Growth of a new worker organ - The Germiston Shop Stewards Council", SALB 7.8, July 1982, p49
2. Swilling, Umzabalazo, p116
3. Baskin, Growth, p45
4. E Webster, "New force on the shop-floor", Management, September 1983, p67
5. J Baskin, "East Rand Strike Wave", SALB 7.8, July 1982, pp22-5; see also Swilling, Umzabalazo, pp96-9
6. Baskin, East Rand, p23
7. Ibid p30
8. Ibid p21; see also Swilling, Umzabalazo, Appendix C
9. E Webster and A Sitas, "Stoppages in the East Rand Metal Industry" (Occasional Paper No 1, Dept of Sociology, Univ of the Witwatersrand 1982 ), p2
10. Ibid p1
11. Baskin, East Rand, p32; see also Webster and Sitas, Stoppages, p6: here they state that not a single one of the stoppages they studied was initiated by the union.
12. Baskin, East Rand, p33
13. Baskin, Growth, p47: while Baskin notes that "only a few of the wage strikes were successful" he ignores the important breach this caused in SEIFSA's policy guidelines of not granting increases outside the NIC.
14. E Webster, "Mawu and the Industrial Council - A Comment", SALB 8.5, April 1983, p15
15. Fosatu Worker News, May 1982, p3
16. Ibid
17. Swilling, Umzabalazo, p134
18. Fosatu Worker News, May 1982, p2
19. Webster, New force, p68 - argues in this regard

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