Hurdles lie ahead for single-body metals industry wage deal

By Theto Mahlakoana

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The majority of employers in the steel and engineering sector have implemented self-determined wage increases for workers in the absence of an industry wage agreement.

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Trade unions signed a three-year wage deal with only one employer body, the Steel and Engineering Industries Federation of Southern Africa (Seifsa) in August 2017, after disagreements among employers on the amounts on offer. Employer bodies such as the South African Engineers and Founders Association, a former affiliate of Seifsa, the Light Engineering Industries Association of SA and the Kwazulu-Natal Engineering Industries Association are among the majority of employer bodies that were not party to the August agreement.

This meant that, despite the existence of an industry bargaining council, employers who had rejected the 7% wage hike had unilaterally set their own rates, watering down the functions of centralised collective bargaining.

The National Employers Association of SA (Neasa), which is opposed to the wage deal, accused Seifsa members of applying to be exempted from the agreement, citing its un-affordability. Neasa CEO Gerhard Papenfus said the applications made a mockery of the negotiations process.

"Instead of agreeing on a base wage affordable to the majority of employers in the market, Seifsa, for many years, agreed to outrageous wages, extended through unlawful means to non-parties and then advised their members - the signatories to their agreement and supporters of the extension request to non-parties - to apply for an exemption. It makes no sense at all," Papenfus said.

While the unions and Seifsa were likely to petition Labour Minister Mildred Oliphant for an extension order that would make the deal inclusive to non-parties, as had been done in the past, there were still a number of hurdles ahead.

What the unions and Seifsa have is a parties' agreement.

In order for Oliphant to intervene, the employers and labour leaders have to reach an agreement on the existing settlement in order to ratify it as a deal binding to the industry.

Even then, Neasa has vowed it would challenge applications for an extension.

"Should they attempt this, they will find that they do not have the prerequisite support for any extension. Should they attempt extension through unlawful means, we will do whatever we deem necessary to prevent them from doing so," said Papenfus.

Solidarity said the employers were not acting in the best interests of the industry, describing as worrying the impasse that had led to the agreement and continued to stalk parties months after its signing.

"We have to go through all the internal processes in council. What we had is a party agreement and we have to draw up an industry deal that has to go through the management committee and then we can start the process of going to the minister and extend it to parties," said Solidarity deputy general secretary Marius Croucamp.

Seifsa had failed to respond to questions at the time of going to press.

Source: Business Day