

Steel industry extension of wage agreement set aside

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On 26 April 2017, following a review application lodged by the National Employers' Association of South Africa (NEASA) and supported by the Plastic Convertors' Association of South Africa, the Labour Court set aside the extension of the 2014-2017 Metal and Engineering Industry Bargaining Council (MEIBC) main agreement (covering, among others, wages and other conditions of employment for the steel industry) to non-parties.



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The setting aside of this agreement follows the setting aside of the extension of the 2011-2014 MEIBC agreement, also because of an application brought by NEASA.

Because of this judgement (in respect of the 2014-2017 agreement) and the previous judgement (in respect of the 2011-2014 agreement), the last validly extended wage agreement for the steel industry ended on 30 June 2011.

Since 2012, six invalid wage increases (not market-related and SMME hostile) were passed on to non-parties – through unlawful promulgation by the Minister of Labour – and eagerly enforced by inspectors of the MEIBC. These unlawful enforcements resulted in the closure of many businesses.

During this period, and predominantly because of these unlawful wage arrangements, which made the steel industry 35% more expensive than any other industry governed by the bargaining council dispensation, the steel industry suffocated and consequently contracted. There were no winners; both business and workers were negatively affected.

Employers who, through their federation SEIFSA, participated in these unlawful dealings, has much to answer for to the steel industry. So too does the Minister of Labour, who endorsed these unlawful actions, notwithstanding the fact that she was cautioned about the state of affairs on numerous occasions. NUMSA, a socialist movement, is not called upon to account to the industry, it simply constantly acted true to its nature, doing what one would expect them to do – and it seldom, if ever, contributes anything positive to the industry.

What is however undisputed is that the above-mentioned organisations were prominent actors, over a long period, in creating the dire situation in which the industry finds itself. The presiding judge in the 2011-2014 matter called their dubious dealings a 'sham' and the judge in the latest matter expressed surprise at the fact that they simply do not learn from their mistakes and poor judgement.

Collective bargaining in the steel industry finds itself at a crossroad. It has run out of money, its secretariat is in disarray and unless a solution is found, by which behind the scenes negotiations, unconstitutionally obtained agreements and the biased role of the Department of Labour can be completely eradicated, this Bargaining Council will soon cease to exist.

ABOUT THE AUTHOR

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