

SOUTH AFRICAN

LABOUR BULLETIN


Volume 24 Number 4 August 2000

BH 3/1.05 300
S. 7U / 183



Public sector

What does RETRENCHMENT mean to you... unemployment or a new beginning?



Think of the word 'Retrenchment' and you immediately think of other distressing words like 'unhappy', 'fear' and 'unemployed'. It's understandable. It's what we have learnt to expect. However, while retrenchment may be a reality of the economic environment, what it means to the employee is up to you.

Career Solutions would like it to mean 'starting over', 'increased confidence' or 'a new career'. Our qualified team of professionals have the skills and experience to help employees deal with and adapt to the changes around them. We help them to develop their own goals and start them working towards achieving them. We recognize that with the current high level of unemployment, self employment (or starting their own business) has to be an option.

Our customized retrenchment retraining programme includes:

- *Dealing with the Shock*
- *Planning A Way Forward*
- *Entrepreneurial Training*
- *Money Management Skills*
- *Additional Skills Training*
- *Follow-up Monitoring and Support*

It is a comprehensive programme, dealing effectively with both the emotional and practical issues.



**CAREER
SOLUTIONS**

108 CHAPEL STREET
PIETERMARITZBURG 3201
P.O. BOX 11008
DORPSPRYT 3206

TEL: (033) 394 5416
FAX: (033) 394 5610
E-MAIL: cs@futureset.co.za

CALL NOW!

We would like to hold a free one day seminar in your area, fully explaining the benefits of the Career Solutions programme.

For more details, please call
Lara Kay (033) 394 5416

CAREER SOLUTIONS - Because People Make the Difference

SOUTH AFRICAN
LABOUR
BULLETIN

Keep your finger on the pulse of labour!

For in-depth analysis of developments in the South African labour movement, you need the South African Labour Bulletin. The Bulletin is read by industrial relations managers, business leaders, unionists, journalists, academics and politicians.

interviews

debates

analysis

profiles

campaigns

organisation

unions and politics

unions and economics

It's all in the Bulletin. Subscribe now!

Subscription form overleaf

SA LABOUR BULLETIN

Subscription Form

SA Labour Bulletin
P O Box 3851
Johannesburg 2000
South Africa

Tel: (011) 487-1603
Fax: (011) 487-1508
e-mail:
salb@icon.co.za

New Subscription Renewal

Name:

Address:

Postal code: Tel:

Occupation:

Place of employment:

Please enclose payment and tick applicable subscription

1 year subscription (6 issues)	South Africa	Rest of Africa	UK/Europe/ S America/	N America/ Australia/ Asia (US\$)
<input type="checkbox"/> Workers and full-time students	R75	N/A	N/A	N/A
<input type="checkbox"/> Salaried individuals	R130	R260	\$60/£36	\$70
<input type="checkbox"/> Trade unions, community & service organisations	R130	R260	\$66/£40	\$78
<input type="checkbox"/> Institutions	R300	R400	\$115/£66	\$120
<input type="checkbox"/> Companies	R700	R700	\$165/£95	\$180

* Please make cheques and postal orders out to:
Umanyano Publications CC

* Overseas rates include the cost of airmail postage in all cases

* Workers and students should provide proof of where they work
or study (eg photocopy of student card, union card, etc)

* Individual subscriptions cannot be paid with company cheques

South Africa's labour market and development challenges remain enormous. For example, *Nectac's Annual Report* documents a 48,9% matric pass rate in 1999 and a further 80 000 jobs being lost between September 1998 and September 1999.

This edition of the *Bulletin* focuses on the public sector. Ebrahim-Khalil Hassen outlines debates taking place around unions' contributions to development and delivery of social services, and focuses on whether unions are a selfish elite. He stresses that the debate cannot be held in the abstract and that clear examples of what unions are doing need to be examined. Brendan Martin's case study provides a practical example of how unions in Sweden are actively taking part in restructuring local government to ensure service delivery and protect their members' interests.

Other contributions in this edition highlight the difficulties in engaging the South African state as an employer. Dawn Norton and Randall van Voore's legal column, and Ebrahim-Khalil Hassen's article point to the lack of space to negotiate in the context of GEAR being non-negotiable. In an interview by Etienne Vlok, Willie Madisha slams government for what he regards as an unwillingness to negotiate in good faith. Both COSATU and FEDUSA's submissions to the Portfolio Committee on Provincial and Local Government Affairs have rejected proposals that could undermine collective bargaining and grant the minister increased powers to determine remuneration and working conditions.



Lael Bethlehem details a fascinating and complex agreement between the Department of Water and Forestry and unions on the restructuring of the state's commercial forests. One of the lessons from the experience is the need for parties to have the political will to negotiate and a commitment to co-operate.

Our final contribution to this focus is an interview with Makgane Thobeqane, ex-NEHAWU general secretary and now labour relations specialist for the Greater Johannesburg Metropolitan Council and one of the drivers of the controversial iGoli process. In the spirit of promoting debate and getting different sides to the story, I asked him to give motivations for the iGoli process and comment on why he thinks the unions are resisting. I'm sure the unions will want to respond, and look forward to publishing their responses in the next edition.

The *Bulletin* has moved to Braamfontein. Our new details are in the box below.

Tanya van Meels
Editor

Copyright © Umanyano Publications. All rights reserved. No part of this publication may be produced in any form or by any means, electronic or mechanical, including photocopying, without permission in writing from Umanyano Publications.

Published by Umanyano Publications cc 89 00595 23 • ISSN 0377 5429 • 7th floor, Heerengracht Building, 87 de Korte Street, Braamfontein • PO Box 3851 Johannesburg, 2000 South Africa • Phone (011) 403 3075 • Fax: (011) 403-9873

• e-mail: sab@icon.co.za • Editor: Tanya van Meels • Manager/Writer: Etienne Vlok • Subscriptions and Marketing: Ruygaya Rees • Dispatch and Promotions: Phulus Mkgwe • Administrator: Jacque Dintoe

• Design and Production: Warren Parker and Diane Stuart • Printed by: Natal Witness Printing and Publishing Company, Pietermaritzburg • Published since 1974

EDITORIAL BOARD • Cape Town: Johann Maree • Durban: An Sitas, Imraan Valodia, Deanne Collins • Johannesburg: Jane Barrett, Lael Bethlehem, Sakhela Buhlungu, Avri Joffe, Sarah Mosoetsa, Eddie Webster, Karl von Holdt, Bethuel Maserumule, Phil Bonner, Chris Bonner, Tanya van Meels • Eastern Cape: Roger Southall • International: Gay Seidman (USA), Rob Lambert (Australia) • Associate Editors: Wusi Nhlapo, Connie September

SOUTH AFRICAN
**LABOUR
BULLETIN**

Volume 24 Number 4 August 2000

Editorial notes 1

REDEYE 4

Obituary
Coletane Markham 5

The law at work
Essential services
assessing the wage arbitration
Dawn Norton and Randall van Voore. 6

Focus: The public sector
Social or selfish?
progressive trade unions and
public service delivery
Ebrahim-Khalil Hassen 12



'We must be doing the right thing'
interview with Makgane Thobejane
Tanya van Meelis 18

A joint approach
restructuring the state's commercial forests
Lael Bethlehem 25

Making the Impossible happen
Brendan Martin 29

Municipal Systems Bill
labour's responses
Etienne Vlok 34

Feature
Potholes in the road
overtime in the trucking industry
Etienne Vlok 37

SA Labour Bulletin would like to thank the following organisations for their generous support:
• Friedrich Ebert Stiftung (FES) • Entraide et Fraternité (Belgium) • American Center for International Labor Solidarity • Strengthening Civil Society Fund, the Department of Labour

Competition Commission
Mergers and acquisitions
how the law promotes union participation . 42

HIV/AIDS

The silence is deafening
Andrea Meeson 45

Focus on Nedlac. 52

Feature

My union experience
the best certificate of my lifetime
interview with Nelson Ndinisa
Sakhela Buhlungu 54

Feature

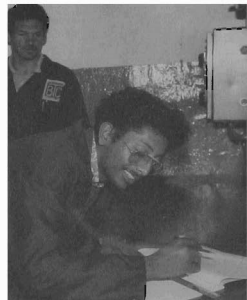
Learnerships
introducing questions for unions
Christoph Vonverk 59

SALB/FES seminar series

Striding forward on health and safety
Tanya van Meelis 64

Book review

20 Years in the Labour Movement
The Urban Training Project and
Change in South Africa: 1971 – 1991
Sakhela Buhlungu 69



Union profile

SADTU
'Workers of the mind'
interview with Willie Madisha
Etienne Vlok and Rugaya Rees 72

International

Zimbabwe
a different point of view
Peter Alexander 79

FAFO country report

Trade unions in Malawi
Sabata Nakanyane 86

NPI column

Public sector productivity measurement
JLW de Jager 91

Profile

The Pirate teacher
Mzwakhe Clay
Etienne Vlok 93

Glossary 96

Cover: Forestry workers in Mpumalanga
Pic William Mattala

All photographs by William Mattala unless otherwise indicated.

The views expressed by contributors are not necessarily those of the editorial board of Umamnyano Publications

Bosses and commies

BOSSSES' BINGO

In this, the season of bargaining, REDEYE has a little gift for all the unionists who have to sit through endless negotiations with bosses: a new game called Bosses' Bingo!

It works as follows: write down each of the phrases below on a piece of paper. Throw them in a hat. Each unionist then pulls four pieces of paper out of the hat. Whenever a boss says one of your phrases during the negotiations, mark it. The first unionist to have all four of his or her phrases mentioned, shouts 'Bingo!' and is the winner.

The phrases are: enhanced competitiveness, lines of communication, a framework for participative interaction, value added, challenge the growth curve, production efficiency, regulated flexibility, cultivate relationships, empower people, maximum potential, mutual trust, changing environment, impact on the bottom line, far-reaching implications, reach consensus, cost-effective means, rigorous consultation, financial constraints, focus on core activities, higher than the industry average, sharing the pie and open exchange of information.

Look out for the upcoming edition of the game for bosses entitled, 'We, as the union, demand...' and the return of the all-time favourite version featuring the speeches of Tony Leon.

COMMIE TRAITORS

So often in left wing circles, REDEYE hears about some former comrade who has gone to work for government or, heaven forbid, the private sector. That comrade is often fiercely

criticised. Well, REDEYE was imagining how a similar move in capitalist circles would be discussed:

Boss 1: Did you hear about X who has left multinational Y to join the government?

Boss 2: Can you believe that? I always suspected that he was not fully committed to the free market. He probably supports state intervention.

Boss 1: Rumour has it that he might have voted for the ANC in the elections.

Boss 2: That is nothing. Apparently, P left a wonderful job as IR manager at company Q to join the union she was working with.

Boss 1: That means she will be negotiating against her former colleagues. How can she live with her conscience? She is probably earning peanuts now.

Boss 2: Someone once heard her speak fondly about a social democracy and worker participation. I always thought she might be a commie. Apparently she does volunteer work for the Workers' Library. What a traitor!

(Names have been changed to protect the innocent and to stop the multinationals from suing.)

SUBSCRIPTIONS SLIP

The problem with using consultants with no union experience to do union education is that they sometimes misinterpret basic information. Like the consultant who thought when unionists budgeted for 'subscriptions' they were wanting to buy magazines!

Coletane Markham

We remember Coletane Markham as a courageous and feisty labour journalist. Her violent death in May is a major loss to independent journalism and a very disturbing reflection on a society that seems unable to curb the appalling levels of violence against women.

We first met her as a graduate student in industrial sociology at Wits in the eighties. She stood out as a person with considerable intelligence and a great passion for the underdog. She was quite fearless in her opinions and would not tolerate hypocrisy and sloppy thinking.

After graduating she was employed by the *South African Labour Bulletin* as a writer and researcher. Her article on the 1987 miners' strike remains the best account of this strike written. It was a difficult time for the labour movement, the state was on a full offensive

against trade unions and staff of the *Labour Bulletin* were harassed by the security police. Coletane was a pillar of strength during this period and was not intimidated by apartheid's bullies.

It was also a period of intense political conflict within the trade unions. Coletane was deeply troubled by this, and her article on the CCAWUSA split stands as a courageous attempt to analyse this reality with her usual unflinching honesty. It is difficult for those who were not active at the time to understand the intense pressures on intellectuals to whitewash the nastier aspects of internal union politics.

It is with deep sadness that we pay tribute to this remarkable woman. On behalf of the editorial board we would like to convey our condolences to Coletane's parents.

Eddie Webster and Karl von Holdt

**CENTRE FOR
BUSINESS
MANAGEMENT**



**UNIVERSITY OF
SOUTH AFRICA**

UNISA

**COURSE IN LABOUR RELATIONS
MANAGEMENT**

Two modules

- 1 Labour Relations Management
A macro perspective
 - Role players in industrial relations
 - Collective bargaining
 - The South African LRA
 - Trade unions and employer's organisations
- 2 Labour Relations Management
A micro perspective
 - A systems approach to labour relations
 - Worker participation and communication
 - Conflict management and negotiations
 - Managing industrial action

Registration requirements
Senior certificate or experience
Duration: 6 months
Final registration dates: 31/02, 15/06

**PROGRAMME IN HUMAN RESOURCE
MANAGEMENT**

Four modules

- 1 The Human Resource Function
- 2 Industrial Relations
- 3 Training and Development
- 4 Human Relations

Registration requirements
Senior certificate or experience
Duration: 12 months
Final registration date: 28/02

**ADVANCED PROGRAMME IN HUMAN
RESOURCE MANAGEMENT**

Four modules

- 1 Strategic Human Resource Management and International Human Resource Management
- 2 Organisational Behaviour and Renewal
- 3 Research Methodology
- 4 Research Project in Human Resource Management

Registration requirements
A certificate in Human Resource Management from Unisa or an equivalent qualification
Duration: 18 months
Final registration date: 28/02

FOR FURTHER DETAILS CONTACT

Tel: (012) 429-4586/4212/4924 Fax: (012) 429-3456/3463/3465/3468 • Home page: <http://www.unisa.ac.za/cb/m/hrm>

Essential services

assessing the wage arbitration

Last year's wage negotiations between the state as employer and unions in the public sector were particularly adversarial. Thousands of public sector workers went on strike towards the end of July and intermittently in August 1999 in support of their wage demands. However, in terms of section 74(1) of the LRA workers employed in essential services (mainly in hospitals, prisons and police stations) were denied the right to strike and therefore resorted to arbitration to settle the dispute.

The dispute concerned the parties' failure to reach agreement on wages and other terms and conditions of employment for the year running from July 1999 to June 2000. The unions demanded a 7,3% on average wage increase and the state implemented a 6,3% wage increase. The parties were thus just 1% apart. This 1% amounted to an increase in the wage bill of approximately R540-million.

History of the dispute

In January 1999, the unions in the Public Service Co-ordinating Bargaining Council (PSCBC) met to discuss their wage demands. Each union abandoned its individual demand and formulated an agreed joint demand of a 15% wage increase, amounting to R7,6-billion. In

The arbitrators in the essential service wage dispute in the public sector found in favour of the state and against the unions. Dawn Norton and Randall van Voore discuss the various arguments presented by the parties, the reasons for the arbitrators' award and some possible implications for labour:

February 1999, following the Minister of Finance's budget speech, the state tabled its offer of 5,7%. This was the amount announced in the budget and the mandated figure for government negotiators for increases in public service wages. It amounted to R3-billion. In April 1999 the unions in the public service declared a deadlock with the state.

In May the unions referred the wage dispute to the CCMA for conciliation. The parties met that month, but the dispute remained unresolved. In June the unions made a request for arbitration in terms of section 74(1) of the 1995 LRA.

During late July and early August

Column contributed by Cheadle, Thompson and Haysom

various members of the unions involved in non-essential services went on strike and those in essential services pursued the route of arbitration as the law precludes them from striking

On 12 August 1999 the state notified the unions that it would implement an average 6,3% across the board wage increase (except for employees in the education sector who received 7%) with effect from 1 July 1999. By the time the arbitration began in November 1999 the state and unions were 1% apart.

The arbitration ran for 24 days between November 1999 to May 2000. The arbitrators were Sarah Christie (chair), Mahomed Jajbhay and Lavery Modise. All in all the parties called 17 witnesses to testify.

The participants

There were seven applicants in the arbitration, divided into two main groups, namely the COSATU unions, and the 'independent unions'. The COSATU unions consisted of NEHAWU and POPCRU. The independent unions consisted of PSA, PAWUSA, HOSPERSA, the National Public Service Workers Union (NPSWU) and the South African Police Union (SAPU). The state was represented by the Minister of Public Service and Administration. All the parties are members of the PSCBC.

COSATU union arguments

During the course of the arbitration, the COSATU unions advanced the following arguments which were largely supported by the independent unions:

Increase of 6,3% lower than inflation

The COSATU unions argued that the historical inflation rate for the year 1998/1999 should be considered as that figure was known and certain, and was the only measure for quantifying how employees

had maintained or improved their real earnings or standard of living. Core inflation (the measure which excludes interest rates and food prices as they are volatile indicators) averaged 7,7% for June 1998 to June 1999 and CPI (consumer price index) averaged 8% for that same period.

Need for minimum standard of living

CASE (Community Agency for Social Enquiry) conducted a survey of just over 200 NEHAWU members working in the health sector. The results of that survey showed that:

- approximately two thirds of those members are the sole income earner in their households;
- they provide financial support to unemployed dependants;
- most of the households are in debt (to the value of approximately twice their monthly wage).

Evidence led during the arbitration revealed that income levels are such that for many lower level employees the offer of improved benefits in the public service (such as medical aid or the housing subsidy) remained an aspiration, because workers could not afford the employee contribution to those benefits.

Working conditions

The COSATU unions argued that police and prison staff are in high risk, stressful occupations and that they therefore need to be compensated for the risks they take. Evidence led at the arbitration revealed that 573 policemen had committed suicide between the years 1996 to 1999 (this is on average 22 times higher than in the civilian population). For workers in the police, prisons and health sector there had been an increase in workload due to expanded free health care services, rising crime, and a 'freezing' of posts.

Increases lower than the norm

The wage increases negotiated between NEHAWU and other health care institutions, for example Lifecare, Kenridge Hospital, Medscheme were between 7,5% and 9,5%. Furthermore (as a witness for the state conceded) the final demand of the unions was closer to the general level of wage settlements of 8,2% in the economy. Thus the wage increase of 6,3% was below the norm of wages increased for that period

Arms deal

The COSATU unions questioned the state's consistent application of its stated policy goals of reducing poverty in the light of the recent arms deal which would cost R29-billion. The COSATU unions argued that the state's suggested trade-off between conservative wage policy and social delivery could simply not be sustained in the light of defence spending. Furthermore, it was implausible for the state to seek to justify a failure to pay an additional 1% increase on the basis of the need to divert resources to social delivery purposes when resources of such magnitude had been found for purposes of dubious social value - the cost of these arms was approximately 125% the annual health budget.

Strikes - a weapon denied

Essential service workers are precluded from striking and thus could not exert pressure on the state by this means during the wage negotiations. If the essential service workers had gone on strike, services at the hospitals and security with respect to prisons would have been enormously jeopardised, and this may have influenced the state to consider granting a higher wage increase. Essential service workers who constitute a significant proportion of the employees covered by

the centralised bargaining arrangement and whose services are critical ('essential') could not bring their bargaining power to bear on the negotiations. The COSATU unions argued that the arbitrators should factor into their deliberations the fact that employees were denied the most important means of influencing the outcome of the wage negotiations.

Independent union arguments

During the course of the arbitration the independent unions supported the arguments presented by COSATU and advanced the following arguments:

Collective bargaining largely a sham

The independent unions argued that any agreement reached at the PSCBC was ultimately subordinate to parliament. It was therefore not possible for the parties to reach a genuine agreement in the PSCBC as the agreement relied on parliament's will for ultimate financial implementation. The independent unions argued that the state was duty bound to bargain collectively with the unions and failed to do so. The independent unions referred to relevant sections in the Constitution, the 1995 LRA and the PSCBC constitution which entitled the unions and encouraged or alternatively obliged the state as employer to engage in collective bargaining.

Allocation for increase in public sector wages presented as a fait accompli

The independent unions made the point that the wage allocation (known as the Improvement Conditions of Service (ICS)) was approved by cabinet as early as September 1998 and this impacted on collective bargaining as the state was constrained to contain the wage increase within the parameters set by the ICS vote. The independent unions argued that the

reasonable needs of employees could not have been considered or taken into account, as there was no union involvement in arriving at the figure of R3-billion.

State uncompromising

During negotiations the state adopted a rigid, inflexible and uncompromising approach. In this regard, the unions held that salary increases offered by the state were based entirely on macro-economic considerations and inflation targeting. The unions were critical of the state's implied assertion that the arbitrators were not competent to inquire into these policies as they fell within the realm of policy-making which was the prerogative of the government.



Unions involved in non-essential services went on strike in 1999.

State could pay 1% increase

The unions argued, for example, that the South African Revenue Service (SARS) had collected revenue in the past five years in excess of R25 billion above target. Witnesses for the state conceded that the additional 1% could be found from available resources, but that it was a policy choice to reduce personnel expenditure in the public sector.

The state's arguments

During the course of the arbitration the state advanced the following arguments:

Macro-economic policy

The amount allocated by parliament is primarily a consequence of the application of macro-economic policy and the budgetary framework, which are not matters for collective bargaining.

The state argued that it was duty bound to make choices about the distribution of resources, in a society such as ours where the needs of all South Africans (not only members of trade unions) were potentially limitless. Those decisions had to be guided by policy choices. Those policies had the endorsement of parliament and therefore (by implication) the majority of South Africans. The state argued that the goals of its macro-economic policy, best exemplified in GEAR, were the long term growth of the economy, the elimination of poverty and the creation of jobs.

Collective bargaining process

The collective bargaining process in the PSCBC is subordinate to parliament's ultimate decision-making power. The state

referred to various clauses in the Constitution, (pertaining to parliament, finances and public administration) and various statutes (such as the Exchequer Act, 1975, and the Financial and Fiscal Commission Act, 1997) which stipulate the processes of budgeting and allocating monies. The state argued that: 'The PSCBC cannot in law usurp the functions of parliament. Nor can the state abdicate its constitutional and statutory responsibility of developing fiscal policy, determining the budgetary framework, assisting parliament with the allocation of spending within the budget and implementing parliament's approved budgetary allocation.'

Final offer reasonable and fair

The state argued that 6,3% was a fair wage increase having regard to economic and fiscal policies, budgetary objectives, and employees' reasonable needs. Furthermore, the state argued that salary levels in the public sector compared favourably with various household income and subsistence levels.

Public sector employees, so the state argued, are in the top 30% of all wage earners in South Africa. The state conceded that it could, at least in theory, always afford to pay more, by increasing taxes or increasing borrowings from other countries. The limits on government expenditure on wages had therefore to be determined by policy choices that government was required to make executing its duty to govern.

Reduce personnel expenditure

The state argued that it was necessary to contain wage increases in the public sector in order to increase non-personnel expenditure, especially infrastructure, to improve service delivery. The state pointed to the fact that between 1996 and 1999

wages in the public sector had increased by 48% while inflation for the same period increased by 31%. Furthermore, employees could now enjoy benefits like pensions and housing allowances available to employees previously denied during the apartheid years.

Sector differences

Collective bargaining in the public sector is fundamentally different from collective bargaining in the private sector. In the public sector the rationale for decisions are ideological, political and social, whereas in the private sector the rationale for decisions is profit driven. The state as employer in the public sector is required to be transparent and accountable in decision-making, and these characteristics do not feature in the private sector. The government (in contrast to the private sector employer) discloses the figure budgeted for annual increases and this figure is the mandate given to its negotiators and constitutes the opening offer tabled at the PSCBC. This 'showing of hand' significantly constrains the state during collective bargaining. (During private sector collective bargaining, trade unions do not know the employer's mandate.)

Some legal issues

The nature of essential services

The essential services include the South African Police Services, correctional services, the Department of Health, part of the Department of Welfare and a small section of the Department of Justice. Employees in these departments are prohibited from striking over matters of mutual interest because the nature of their work is of great public importance. In exchange they have the right to compulsory arbitration over matters of mutual interest.



Nurses are precluded by law from striking

Arbitration in terms of the LRA

The arbitration was held in terms of section 74(4) and (5) of the 1995 LRA. Because essential service workers are precluded from participating in strike action they may, after referring the dispute to the council or CCMA for conciliation (and conciliation fails), refer the dispute to arbitration.

Any award made which has financial implications for the state requires parliamentary approval to make the award binding. If parliament decides to pass a resolution that the award is not binding the dispute must be referred back for further conciliation and arbitration if necessary. Because the award made by the arbitrators was in the state's favour, ie the arbitrators found that the state's implemented wage offer of 6,3% was fair and reasonable, the award did not have to go to parliament for their approval.

Award and reasons

The arbitrators found that the state's reliance

on its macro-economic policies, most expressly exemplified in GEAR, to justify its approach to collective bargaining was appropriate and that the implemented wage increase of 6,3% was fair.

Furthermore, the arbitrators found that 'the legal constraints on collective bargaining created by [the] parliamentary process did not undermine the employees' right to collective bargaining nor did the budgetary process make the outcome of collective bargaining unfair'.

Implications for unions

It may be desirable for collective bargaining to happen at the same time as or preferably before the budgeting process.

For the unions, the agreement reached could then be included in the budget. The advantage for the state would be that it would not be required to show its hand during collective bargaining. However, it would be unreasonable to, as it were, hold the state to ransom by prolonging collective bargaining (or instituting strike action or participating in an arbitration), and thereby delaying the conclusion of the budget.

The state's key argument (approved by the arbitrators) concerns its macro-economic policy which justified its wages in the public service. Accordingly, if the trade unions want a better wage deal for their members it makes some sense to challenge those policies. The labour movement needs to assess the efficacy of arbitration in terms of section 74 as a substitute for the right of essential service workers to strike in support of salary demands. ★

Dawn Norton and Randall van Voore are attorneys at Cheadle Thompson & Haysom

Social or selfish?

progressive trade unions and public service delivery

Today, an important debate on the role of trade unions is unfolding. Two groupings - each with many variants - are contesting this space.

On the one hand, there are those that argue that unions must sacrifice wage demands in the national interest. The best example of this was the stance adopted by the minister responsible for public service during the 1999 wage dispute. She argued that 'The amount the government pays its 1,1 million workers accounts for 51% of its budget, after meeting interest payments. If the wage bill continues to rise, we will put at risk even the meagre social services offered by the government. Very few South Africans will agree to cuts in the education budget - which will mean even greater difficulty in providing stationery and books - or the critical school building programme.' (Fraser-Moleketi, 1999)

Stripped to its essence, the quoted extract implies that a trade-off exists between wages and service delivery. Following from this trade-off, unions are urged (often with calls to a patriotic duty) to reduce wage demands. Failure to reduce these union demands leads to trade unions being accused of being 'economistic' and selfish.

COSATU unions have criticised this wage-service delivery trade-off at many levels. For instance, the wage bill has decreased in real terms (after accounting for inflation), which refutes the claim that the wage bill has been increasing

Ebrahim-Khalil Hassen examines different views on whether COSATU trade unions are contributing to public service delivery or acting as a selfish elite.

exponentially. However, unions concede that the wage bill has not decreased as quickly as spending on other social services. The unions see this as an outcome of fiscal conservatism, rather than reckless wage increases. Moreover, the sharp decline in social spending neither supports government's call to accelerate delivery or the unions' call for lifeline tariffs and a basic income grant.

On the other hand, it is argued that meeting developmental challenges requires new approaches in the public service. For instance, Smuts Ngonyama argues that: 'It (ie a new way of doing things) requires a certain level of dedication from civil servants to understand that Batho Pele is about putting people first in the delivery of basic services. It is about the clerk who volunteers to stay an hour late because social pension payments need to be processed on time. ...It is about the teacher who volunteers to offer week-end

classes, early in the beginning of the year to assist students with their studies'. It is about the policeman who refuses to accept a bribe to destroy a docket which has evidence that can lead to the conviction of wrongdoers in society because this adds to general lawlessness'.

The question posed in this manner elicits a wide agreement that service delivery needs to be improved. Moreover, posing this question in this way opens up questions of how unions mobilise their members, the campaigns that unions embark on and the nature and content of the bargaining agenda. More importantly, this approach opens up the possibilities of a joint union-government approach to public service transformation.

This approach, however, poses several issues for unions. For instance, supporting volunteer work has implications for implementing the BCEA in government. In another instance, what approach do unions adopt to improve productivity in the public service?

A central weakness of both positions being advanced is that they often do not give a substantive account of trade union strategies. Instead, we are treated to a literal reading of Marxist-Leninist classics and shoddy historical accounts of COSATU from those arguing a simple wage-service delivery trade-off. Others focus on service delivery, without scanning unions' involvement in service delivery.

New terrain – new strategies?

One of the sharpest criticisms of COSATU is that it has not grappled with improving public service delivery while meeting its members' interest. Many public sector managers argue that globalisation and its realities require the unions adopt a less strident approach to restructuring the public service. Managers in Nelspruit and Dolphin Coast – where water concessions

have been given to multinationals – go even further. They argue that vast differences exist between national union offices and locals. Unions for their part have called manager's 'unilateral', 'neo-liberal' and 'union busters'.

Beyond the cut-and-thrust of public service restructuring, COSATU had attempted to understand the new and changing economic, political and social conditions in its September Commission on the Future of Trade Unions.

The commission outlined a programme that it called social unionism. 'Social unionism is social in the sense that it is concerned with broad social and political issues, as well as the immediate concerns of its members. It aims to be a social force for transformation. Its goal is democracy and socialism. Its influence on society is based on its organised power, its capacity to mobilise, its socio-economic programme and policies and its participation in political and social alliances. It is committed to worker control and democracy, and to maintaining its character as a movement. It is proactive and effective. It is able to negotiate and monitor complex agreements with government and employers. It is able to make important contributions to national and social development.'

The term social unionism is also called strategic unionism, transformative unionism and other terms. This orientation implies at least:

- trade unions redefine their constituencies to include the broader working class,
- trade unions attempt to strengthen the interconnectedness between worker struggles and societal transformation,
- progressive trade unions seek to use a mixture of negotiations, mass action and policy interventions to advance the cause of the working class,
- trade unions have a social project to

eradicate poverty, reduce income inequality and broaden ownership of production and decision-making

Social unionism as an orientation reflects a trade union response from resisting apartheid to unions locating themselves in a young democracy characterised by acute income inequality, large poverty and concentration of ownership. This strategic orientation of progressive trade unions remains a valid one today. At the level of tactics, the exact mix between negotiations, mass action and policy intervention requires a high level of orchestration and co-ordination to be successful. For instance, one criticism levelled at COSATU is that since 1994 it has placed too much focus on negotiations within the alliance and at Nedlac. This has led to many arguing that the trade union movement is losing touch with its base as it becomes more and more institutionalised.

Others argue that affiliates have all attempted - with varying degrees of success - to build shopfloor control and to create a new layer of skilled and committed shopstewards. Today, most think that COSATU's continued role in improving service delivery lies in organisational renewal coupled to new forms of worker security and improving public sector capability.

However, applying this orientation in practice is often complicated by unilateralism by public service managers. For example, the Johannesburg metropolitan council has indicated that over 40% of the Igoli 2002 plan has been implemented. Whilst the exact nature of the plan is beyond the scope of this article, the outcome is that unions, despite their opposition, have failed to reduce the managerial discretion in implementing this plan. This raises questions on how to mobilise, organise and negotiate for developmental restructuring. Unilateralism

from government is not just a local government problem. Unions in state-owned enterprises, the public service and universities have experienced an increase in unilateral action by management. New ways of organising and negotiating are required if this managerial autonomy is to be replaced with joint union-government restructuring.

An alternative view is that under conditions where the working class is under attack it is futile to speak of negotiated settlements. According to this view, resistance to privatisation and unilateralism need to meet head-on. Moreover, this view argues that unions need to 'bring things to a crisis'. While resistance to the ideology of privatisation must be supported, the danger of this approach is that unions close spaces for creating new forms of security and work in the public sector. More importantly, adopting this approach reduces the union's role in imagining and experimenting with public sector alternatives to improve service delivery. Less esoteric is the simple reality that where resistance has been the only union weapon unions have lost these battles.

Transformatory bargaining

Since 1994, unions have made significant gains. These gains have been made when management has sought union participation in decision-making. The restructuring of water supply in Odi .. championed by SAMWU is one example. In addition, in the public service, wage agreements have been linked to productivity and promotions systems. These new and innovative agreements demonstrate the value of linking bargaining to transformation of the public service. (See box opposite.)

However, the rise of unilateralism by public sector management has made these

Social unionism in practice

Social unionism experiences are observable in bargaining, restructuring and union activity

Bargaining

Agreements that indicate a wider programme of public sector transformation include

- *Development appraisal for teachers*: This agreement provides for continued improvement in teaching. The appraisal system sought to provide a means to monitor and improve teacher performances.
- *Discipline and incapacity code*: The code provided for simplified and fair procedures in disciplinary cases.
- *Upgrades for prosecutors*: The salary upgrades for prosecutors were agreed to retain staff in the justice system. The agreement also marks the first time institutional level productivity was explicitly included in a bargaining agreement.
- *Skills, service and personnel audits*: This innovative agreement provided the means to determine a right size workforce/staff component. Unfortunately, this opportunity has not been utilised by the state.

Restructuring

Restructuring experiences have been a 'bitter experience for trade unions'. Trade unions sought to advance transformation of

state institutions and advance worker rights through framework agreements. The promise in these agreements was for consultative and open processes. Yet, the National Framework Agreement on Restructuring of State Assets and the Framework Agreement on Municipal Service Partnerships have seen the unions being marginalised, and the agreements not being implemented.

Union campaigns

Several unions have been involved in wider societal issues in the form of campaigns and programmes. These experiences include the HIV/AIDS campaign at a national level, volunteer work by police persons over the holiday seasons, training for teachers and training of community plumbers. While unions have sought to reinforce the state through these experiences, unions cannot resolve wider state failures.

Engaging parliament

COSATU has played a constructive role in the legislative process. The COSATU parliamentary office has provided input and submissions on a range of legislation. COSATU has also sought to 'open up' the parliamentary process, through calling for a Budget Reform White Paper. The process of lobbying parliamentarians has also seen the use of issue-based coalitions on the Open Democracy Bill and the Child Welfare Grants

types of agreements more difficult to reach. The public service negotiations are the best example of this. In the space of 18 months, the strong link between COSATU-affiliated unions and government - often called the 'coalition for change' - has been eroded. Only the optimistic would argue that restoring this relationship of 'win-win' negotiations is possible under current conditions.

However, the challenge remains for trade

unions to provide leadership on progressive public service transformation. Recent discussions in COSATU on a labour policy for the public service point to a willingness to provide this leadership. These unfolding experiences will provide important indicators of whether trade unions can craft a progressive agreement with management that have adopted worker-unfriendly positions. The prospects are not good as government's transformation goal seems to



COSATU public sector unions have been criticised for taking industrial action.

be a narrow commitment to reducing the wage bill. Moreover, the recent arbitration ruling has made government confident (perhaps overconfident) that it can justify its position by pointing to its economic and fiscal programme. Transformatory bargaining – which links worker security and public service transformation – will thus face its most important test in the current round of negotiations. Unions in the public service face the mammoth – but not impossible task – of ensuring that the state's narrow and non-developmental agenda is changed into a wider developmental agenda.

Good faith agreements

One area where unions have learned bitter lessons is in signing framework agreements with government. The signing of the National Framework Agreement on the Restructuring of State Assets and the Framework for Municipal Service Partnership offered much but delivered very little. These agreements have been ineffective because they have been unenforceable. Both agreements were signed at a national level by trade union federations

and government. Public sector managers in the parastatals and local government argued that government departments or associations to which they belong (ie South African Local Government Association) could not bind them. The legal argument was a persuasive one from a narrow legal point of view. Moreover, politicians that had signed the agreements often left unions to fight these legal battles. Consequently, these agreements failed to provide the necessary protection for workers in the restructuring processes.

Unions, however, need to improve in two areas. First, unions have not yet instituted processes to redefine the status of negotiating partners. For instance, changing the status of the South African Local Government Association (SALGA) from an association to an employer organisation will provide the space for negotiating national agreements that are binding.

Secondly, unions have not been effective in translating framework agreements into collective agreements at an enterprise or local council level.

Therefore, the framework agreements are correctly called 'good faith' agreements

and have little practical value. In the new rounds of negotiations unions should be better prepared to negotiate agreements that are both politically and legally binding due to these 'bitter' experiences

Campaigns

The most interesting and innovative area of union's engagement in service delivery has been in its campaigns and projects. SADTU, for instance, runs a national programme to train trainers on outcome-based education. This programme aims to give practical expression to SADTU's commitment to serving its members' professional interests. Even more ambitious is the Operation Fundisa campaign. This campaign based in the Eastern Cape is intended to improve teaching and learning through providing extra classes and strengthening school governing structures.

Unions like NICHAWU have embarked on similar campaigns. One of the most important is breaking down stereotypes on HIV/AIDS that some health professionals have. In many hospitals, health professionals still do not treat HIV/AIDS patients with the dignity and service that a compassionate public service should provide. The programme's aim of breaking down these stereotypes is ambitious, but the programme's intent and implementation require support. More ambitiously, NICHAWU has embarked upon a programme to create People's Hospitals. The vision is of hospitals as reliable, caring, democratically run and professional institutions. Other unions have also embarked on campaigns. These range from SAMWU training plumbers to stop leakage's in Cape Town's townships to POPCRU establishing a programme to combat corruption in the police force.

New challenges

The role of trade unions thus cannot be assessed in abstract philosophical debates

alone. Neither can it be reduced to a simple wage-service delivery trade-off. Instead, the practice over the last seven years indicates that unions have been willing partners in improving service delivery. This reflects COSATU's continued role as a representative of the broader working class and as a force for transformation. In this process both major advances and setbacks have been experienced by trade unions.

However, the nature of the engagement with the state now is different to the 'honeymoon period' after the first elections. Key changes include the closure of space for negotiations by managers and their will to introduce reforms without union participation. Trade unions thus face an extremely hostile environment. However, the mass base of COSATU and its improving policy capacity could substantively change the conditions of engagement. The central challenge for unions is to establish new forms of security and to build public sector capacity for transformation. ★

References

- COSATU (1997) Report from the September Commission into the Future of Trade Unions 6th National Congress*
- COSATU (2000) COSATU response for the 2000/2001 national budget*
- Kotze, R., Ferguson, A & Leigland, J (1999) 'Nelspruit and Dolphin Coast: Lessons from the first concession contracts' in Development Southern Africa*
- Ngonyama, S (1999) A new way of doing things' in Mayibuye*
- Fraser Moleketi, G (1999) 'Social services at risk if we let public servants wages run riot' in Sunday Times.*

Ebrahim-Khalil Hassen is the public sector co-ordinator Naledi. This article is a substantially shortened and revised version of an independent research paper presented at the COSATU Service Delivery Conference

'We must be doing the right thing'

Bulletin: You have a long history as a leader in the union movement and had been general secretary of NEHAWU for a number of years. Why did you decide to leave NEHAWU and work for the Greater Johannesburg Metropolitan Council?

Tbobejane: I stood down from my position as general secretary of NEHAWU in April 1998. I had been in a leadership position in the union since the 1992 congress (I had been a NEHAWU Johannesburg branch organiser since October 1988). I was elected assistant general secretary at the 1992 congress and in 1994 I was elected general secretary.

When I was in NEHAWU, our analysis was that NEHAWU had gone through a rough time with the transition. We realigned and agreed that we had put sufficient policy and machinery in place to ensure that the union would be able to tackle the future. We also decided that the union then needed a different rhythm in leadership to focus on implementation. So I agreed to step down - I had been there a long time and may have been obstructive when the organisation needed to start moving in a new direction.

One condition of my stepping down was that I remained in the organisation. The union then deployed me fulltime into the public service negotiations. The second area of work for me was policy development and research - I focused on

Tanya van Meelis interviews Makgane Tbobejane, labour relations specialist for the Greater Johannesburg Metropolitan Council.

our own employees working for the legislature.

I was completing these projects when NEHAWU was approached regarding transformation in local government and asked to assist. The union discussed it and decided that I should consider assisting. We touched base with our comrades in SAMWU. They said it was our choice, but they would not object. So in March 1999, following my application being successful, NEHAWU decided to release me.

I went to the Greater Johannesburg Metropolitan Council with two main objectives. The first was to transform the public sector - I could help on this because I understood the overall transformation agenda of the public sector, which included local government and the unions. The second objective was to bring a person with the skills and expertise in labour relations to the team that was being put together in Johannesburg. I also wanted to keep touch with NEHAWU so that we could deal with issues in a dynamic way. I signed a two-year contract with the council.

Bulletin: *Have you retained your links to NEHAWU?*

Thobejane: Yes I'm still on the NEHAWU board of trustees for the national provident fund. Because of my ex-officio position, I still attend the NEHAWU central executive committee and national executive committee to engage on issues, depending on my schedule allowing I go there with no constituency and no mandate I attend other events such as the recent political school I also relate to the Gauteng provincial structures, for example, we relate closely on the health restructuring, which will culminate on the transfer of 3 000 provincial employees to local government We have an open door relationship, and it keeps my conscience clear

Bulletin: *What do you see as your role in your position now?*

Thobejane: I have to ensure that the transformation process in Johannesburg is sensitive to labour legislation broadly We know that we are setting the trend for local government Unfortunately, what we are doing is new, so people will learn from our testing ground We will make mistakes but people will be able to learn from us and this will expedite similar processes in the future We are also testing labour law in local authorities

I have always said and still believe that labour relations in the public sector is ten years behind the private sector in terms of sophistication and being able to deal with issues in concrete terms It is thus very challenging to be working here and setting new trends in labour relations

Bulletin: *You are one member of the four-person management team for the Greater Johannesburg Metropolitan*

Council How was the team put together?

Thobejane: In 1996, the MEC established a committee of ten to find ways to deal with the financial crisis facing Johannesburg. The MEC also instructed that Johannesburg prioritise eight projects Metro Gas, Rand Airport, Fleet, IT, Emergency Management Services, Fresh Produce Market, Power Generation and Bus and introduce sustainable service delivery mechanisms including public-private partnerships The committee of ten later became a committee of 15 and today is known as the Transformation Lekgotla The committee appointed consultants to do a diagnostic study. The study found that Johannesburg was facing serious financial and institutional problems

At the end of 1988, the Transformation Lekgotla decided to appoint a dedicated management team to drive its transformation agenda To this effect they identified a need for a city manager, transformation manager, chief finance officer and labour relations specialist So the Council employed Ketso Gordhan, Pascal Moloi, Roland Hunter and myself respectively The team together with existing management capacity makes up a dynamic combination.

We all signed a performance contract together because our functions are inter-related We knew that it was not going to be easy. If it means going against the tide we will and have done so already We say that the proof of the plan will be in the eating

We said that you can't expect the team to work under the same constraints, and as such were given flexibility and latitude. This was agreed to by all the political parties Our mandate is to the 3,4 million residents of the city However, it doesn't mean that we have given up our political allegiances It just means that we must be

professional and deliver, meet our targets and be given performance bonus incentives

Bulletin: *What were the financial and institutional problems facing Johannesburg?*

Tbobejane: The financial difficulties facing the city are very deep-rooted. And by the way, they did not originate only from decisions taken after 1985. There were many decisions dating from the early 1990s, and even before, which contributed to the position we are now in.

Some of the financial problems included: we persistently overspent (operating expenditure exceeded operating income); we embarked upon an ambitious capital programme without having secured the necessary funding; we failed to collect revenues, and to make adequate budgetary provision for under-collection, and we were consistently in overdraft, which was very expensive (we spent R150-million in 18 months just on the interest on our overdraft. This money clearly should have been used for service delivery).

The city then had to put in an extensive range of belt tightening measures, to ensure financial survival. The net result has been a decline in service delivery and service quality, a failure to maintain assets such as roads, power networks and the water system. Because we could not maintain these assets, we saw water bursts, power breakdowns, potholes and various other problems.

Regarding institutional problems - we have five separate councils acting as five different legal entities and administrations. They operate independently and this results in duplication, fragmentation and competition. For example, if you had to ask who was in charge of water, 40 people

would stand up. There was thus a need for cohesion and consistency.

Bulletin: *What was the management team's analysis of the problem?*

Tbobejane: We said there was no such thing as lazy workers, you have a lack of management capacity. The council had an R8-billion budget with no chartered accountant. This reflects the entire culture in the South African public sector - the idea that if you are a good teacher you will be a good principle etc. Now this does not say anything about those people's skills, they are skilled. But you need management skills to manage.

We then went further and said that you don't have bad management, you have bad institutions. If you look at the history of local government you know that local government was to serve certain political objectives. There was no scientific design of local government to ensure that services would work. Different local authorities had different self-sufficiency rates and spending patterns. For example, white local authorities spent R3 000 per person and were self-sufficient while black local authorities spent R500 per person and were not self-sufficient. You also have got people from the 11 different authorities earning different salaries for the same work - in some cases R2 000 apart. It was set to fail. We then said that you can't blame the institutions - there was no strategy. But we have a choice, and we have developed a short-term plan and a long-term plan as part of our strategy.

Bulletin: *What strategy have you put in place?*

Tbobejane: The initial iGoli document was set out on 16 March 1999. It said that we must address the urgent financial and

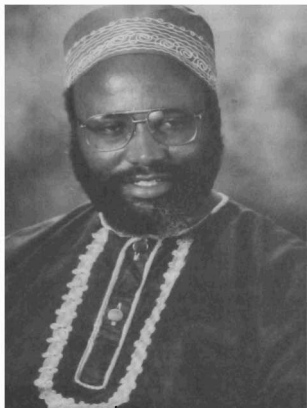
institutional challenges within three years and put a longer-term coherent strategy in place – this long-term process is called iGoli 2010. For the short term we have to turn Johannesburg around and wipe out its debt. Investment in infrastructure has been declining. We said that we must at least maintain what we have now and then link it to the long term strategy to develop it.

On the institutional side we are using the next local government elections to collapse the five councils into one entity to build a new institution. We also need to get rid of non-core activities. We are engaging with workers in a very innovative way to restructure where workers are trained and come up with ideas on how to transform into the entity.

Bulletin: Part of the iGoli plan involves setting up agencies and corporatising. These bodies will be run by a CEO and board of directors. What is your motivation for this?

Thobejane: The council engages in two types of activities – trading (for example, water and electricity sales) and social services which we are constitutionally obliged to render. These activities need to be managed effectively.

We said we need to establish entities that are 100% owned by us and we need to attract good management to these entities. We also needed to achieve flexibility for the management we attract. Local government legislation takes away flexibility for management. For example, there is a tender requirement for everything over R20 000 (now changed to R120 000). This does not work well in a



large municipalities. For example, it can take five weeks to tender for something over R20 000 and can cost R100 000 to go through the tender process. R20 000 is also a very small amount when you look at large services such as water and electricity, which are R2-billion businesses.

There is also a situation where the politicians blame the managers and the managers blame the politicians and no one takes responsibility. We want to be able to hold managers accountable. The legislation covers big and small local authorities at the same time. It may make sense to have the legislation for a small local authority, but it does not work for a larger institution such as Johannesburg.

We wanted to shift risk and operations to the managers and boards. The politicians will continue to play a political

role - make policy and measure performance. But we must leave the operations to managers. Simply put: separate referee from player; policy from operations; define the role of government as service authority and our companies as service providers. Sixty per cent of current council operations will be provided through ten companies we are establishing.

Bulletin: *Why did you decide to privatise Rand Airport, Metro Gas and the Johannesburg Stadium?*

Tbobejane: Rand Airport ran at a loss and relied on subsidies from the council (located in Germiston). Business people are using the airport. We thought it was not justifiable on ANC policy and mandate to subsidise those who can afford - simply put, we used money from Soweto and Alexandra to subsidise businesses. So we sold it from 1 June 2000 to a consortium of operators from Rand Airport and the Germiston Council. Fifty-eight staff were affected. We ensured that they had a two year employment guarantee in the sale agreement and that they will be trained and developed by the new company. I have no conscience problem on the sale of the airport and our agreement: more importantly we utilised section 197 of the LRA to ensure that salaries and benefits of the employees remain intact and secured.

Looking at Metro Gas, three years ago there were 22 000 residential gas users in Johannesburg. This declined to 12 000. So the trend is declining use in residential areas. There are 5 000 industrial users. A study on Metro Gas showed that we needed to spend R50-million to rebuild it. With Johannesburg's financial problems, this was not a priority. We knew that if we did not do anything it would close in two years. We are also the only local authority in the country in the gas business and

users can convert to electricity. Those are the main reasons for the privatisation.

Cynergy (an international company) offered us R120-million, will invest R30-million immediately and will go into partnership with a black empowerment group operating in the energy sector. We have ensured that the sale agreement includes a guarantee of no retrenchment for the 112 workers. I have no qualms about that deal - we got a go ahead from the Competition Commission and the transfer is due on 18 August 2000. Again we used section 197 of the LRA.

There are no staff implications for the Johannesburg Stadium. The Council spent R97-million, and then ended up spending additional R40-million on the stadium. Our liability today totals R160-million, as a result of the R13-million we loose a year due to operating through a section 21 company established at the stadium. It is an open secret that the previous government utilised resources available before the democratic breakthrough on toys for boys, and the stadium was just one amongst others. Kaizer Chiefs is the only bidder, and we are currently engaged in negotiations. Remember also that it is not a recreational facility for the community such as Dobsonville Stadium. So there is a difference.

Bulletin: *You will also be outsourcing functions. Can you explain why?*

Tbobejane: We are outsourcing our fleet (with 490 staff) and IT (with 120 staff). We will be negotiating over the next 90 days with IBM and Superfleet who are preferred bidders respectively. Part of the outsourcing agreement is that staff are transferred to those companies and will have a three-year guarantee against retrenchment. We used section 197 of the LRA for this. This agreement shows that

outsourcing is about running businesses better, not job losses. We were able to use our leverage as government to ensure that staff are not retrenched and said 'you play by our rules if you want our business'.

The way we have used section 197 stands as a lesson to both the public and private sectors. It's all about protecting and defending jobs. The two partners will inherit our salaries and benefits, including the collective agreements. With Johannesburg being amongst the top three highest paying employers in the country, with a minimum of R2 600 whilst the national local government minimum stands at R1 600, the deal represents a watershed in labour relations in South Africa.

We are in the process of appointing a senior management team as intelligence for ourselves to build our internal capacity to avoid a rip-off.

Bulletin: What other things will you be working on until your contract ends?

Thobejane: By the end of this year we want to have sorted out the institutions. Next year we will put systems into place. I'm developing the 'iGoli manager'. At the moment morale is low. No one says thanks and people are not motivated to work hard. There are 27 600 people working here and there are no rules, practices or systems. This needs to be overhauled. There is also the discrepancies in pay for the same job, and this must be addressed. Another concern is that we employ 2 700 casuals - many have been employed for over three years. This is illegal, and they have no benefits. I want to ensure that we put them on the national minimum wage, which is R1 600 from July this year. We also have to develop a coherent skills strategy where we look at the skills gaps, cost of developing skills etc. Local government has had an inward looking

culture, but we need people to look beyond themselves and management, and look at whom they are serving. We also need to transform management.

Bulletin: The unions have been vocal in their opposition to iGoli. What is your understanding of this?

Thobejane: It's been a fascinating experience dealing with workers and the unions in this process. We have had road shows on corporatisation and changing the institution, where we have spoken to workers about what we are doing. Workers don't want to know about the institution, they want to know about themselves. They want to know about their jobs, pensions etc. The main objections to the plan are coming from the union leadership. We could say let's forget about the union and talk to employees instead. But, we don't see the union and the workers as separate - they are the same. Instead, we say, the workers have chosen SAMWU and IMATU to lead and we will continue to engage with them. Johannesburg is 92% unionised.

We held an iGoli summit in August 1999. Representatives of all the city's stakeholders established an iGoli 2010 transformation partnership which meets monthly to advise the Transformation Lekgotla. The unions are the last stakeholder we need to bring to the partnership. The transformation of the public sector is directed at a better life for the 3.4 million Johannesburgers, and indeed the needs of our people are very clear to me. It is important to separate such policy choices from the labour relations challenges. Indeed, labour occupies two types of stakeholder role - at the broader level as part of the 3.4 million people, and also as a 17 000 strong SAMWU and 7 000 strong IMATU. The next

iGoli summit will be held in October 2000 to look into the details of our 2010 strategy.

To date, we have engaged unions in five phases: Phase 1 being the pre-negotiations before the plan was finalised; Phase 2 being formal negotiations from May to September 1999, Phase 3 being mediation through Charles Nupen and Gavin Hartford from November 1999 to January 2000; Phase 4 being political mediation facilitated by the secretary general of the ANC from February 2000 until signing of political understandings agreement on 5 July 2000, and finally Phase 5 being facilitation by Paul Pretorius from 14 July to 4 August 2000. To summarise, agreement has to date been reached on labour relations matters and socio economic issues. The area of disagreement remains the service delivery forms, in particular using the Companies Act.

The major concern of the unions is ideological - using the Companies Act as a medium for service delivery is at the core of the disagreement. The report of Paul Pretorius explained that negotiations on the service delivery forms have now been exhausted.

As to why there is still a problem in using the Companies Act to establish companies which are 100% owned by Council - simply confuses me as a person, and is disappointing even for what I believe in and stand for as a matter of principle.

We have further undertaken that the privatisation and outsourcing we undertook to date, which represents less than 3%, is the last - a guarantee of no privatisation.

We have offered the unions working arrangements which include their nominating people to serve on the boards of directors, in the stakeholder forums to

be established for each of the ten companies we are establishing, and to be part of the shareholders committee envisaged. We have agreed that the shareholder will remain responsible for the tariff, policy development and regulation role. We have also agreed to the principle of cross subsidisation. These will protect the interests of the poor and marginalised sections of our residents. We will protect the labour floor in terms of achievements and victories won over years in local government - the workers of the ten companies we own will remain within the local government bargaining sector, etc.

Our commitment to our employees and to the people of Johannesburg is beyond doubt, and no amount of 18-month debates and engagement on our transformation will lessen this. However, the window of opportunity presented by this has not yet been appreciated.

We will continue engaging the unions because they are an important stakeholder, and will do so until they join the iGoli partnership.

Generic debates that we should get the national finance department to give us money that will resolve our problems in Johannesburg is wishful thinking. But we have applied for R550-million from the Department of Finance for which we are currently negotiating conditions. The grant from the Department of Finance will be conditional on our implementing the iGoli 2002 over a three-year period. It is the "right philosophy for the Department of Finance not to give money to problems, but to give money towards solutions like the iGoli 2002 plan. The fact that iGoli has been debated so much in the country, demonstrates its centrality; its leadership for local government transformation, and indeed that we must be doing the right thing ★

A joint approach

restructuring the state's commercial forests

The Department of Water Affairs and Forestry (DWAF) has been working closely with several trade unions over the last two years to create an unusual agreement on the merger and restructuring of the state's forests assets. Several unions have been involved including NEHAWU, SAAPAWU, CEPPAWU and the PSA.

NEHAWU has been most central to the project since most of the workers affected by the process are NEHAWU members, currently employed by DWAF.

History is still with us

Government's forests still suffer from the after-effects of the homeland system which carved up the state's industrial forests holdings. The industrial forests are timber plantations planted with pine or gum trees for the purpose of supplying timber to sawmills and pulp mills.

When the homelands were established, the plantations were carved up and some of them were allocated to various homelands. The major beneficiaries were the Transkei, Ciskei, KwaZulu, Lebowa and KaNgwane. In many cases these forests provided homeland governments with a source of employment and revenue.

On the surface, this arrangement appeared to work successfully for many years, from the mid-1970s to the late 1980s. But there were underlying problems. In many cases, forests had been

Lael Betlehem details how the Department of Water Affairs and Forestry and trade unions have negotiated an innovative agreement on the merging and restructuring of the state's forests assets.

split down the middle with the homeland border running through the forest. In many cases, the border was represented by a forest road or sometimes by a sign erected in the middle of a plantation. This meant that the forests became fragmented and that each forest estate was too small to supply sufficient wood for more substantive investments. In addition, labour practices and policies were different on one side of the fence from the other so that workers doing one job were paid vastly different salaries from workers doing the same job a few hundred metres away. Similarly, the homelands entered into different kinds of wood supply contracts, some of them promising a supply of timber way beyond the capacity of the forests to deliver.

Meanwhile, in the late 1980s, the RSA embarked on a programme to commercialise their industrial forest assets. This involved establishing a state-owned

enterprise in the form of the South African Forestry Company Limited (Safcol) which was formed in 1992. All the industrial forest assets which had been under the direct management of the Department of Water Affairs and Forestry were transferred to Safcol.

The company was given a mandate to operate as a commercial enterprise and to move towards profitability. Safcol was established as a state-owned enterprise, operating under the authority of the Minister of Public Enterprises.

Meanwhile, outside the plantations, democracy dawned. In 1994, the homelands were dismantled and the various homeland plantations were transferred to the Department of Water Affairs and Forestry.

To make matters more complex, workers in Safcol were paid and managed in line with industry norms, while workers who had been transferred to DWAF were paid and managed according to public sector standards.

Having just transferred all its industrial forests to Safcol, the Department once again found itself operating commercial forests. And at this stage the problems that were created by virtue of having split the forests into entities came home to roost. Suddenly, the new democratic state was operating two distinct sets of commercial forest assets - Safcol managing 260 000 hectares of forests and selling to a range of customers, and DWAF managing 150 000 hectares in adjacent locations and selling to many of the same customers.

To make matters more complex, workers in Safcol were paid and managed in line with industry norms, while workers who had been transferred to DWAF were paid and managed according to public sector standards. This involved, and continues to involve, a difference of some 40% in monthly salaries with a minimum wage of R1 100 per month in Safcol and R1 800 in the public sector.

Re-uniting the fragments

The privatisation of Safcol was on the agenda from the early days of the new democracy. By 1997 a plan was in place to put Safcol on the market. However, when the cabinet committee on restructuring debated the proposal, it became clear that there was a flaw - the plan would privatise one side of the state's assets, Safcol and leave the other side of the assets, DWAF, alone.

In many cases, and particularly in the Eastern Cape, this would lead to a situation where a single large forest would continue to be split along the middle. Government decided, therefore, that it would be necessary to effect a merger as part of the process of restructuring.

The unions supported this process and argued that restructuring should not simply be about disposing of assets, but rather creating entities that were viable in the longer term. And so it was decided that in the process of restructuring, 70 000 hectares of the 150 000 managed by DWAF would be brought together with Safcol and that the assets would be offered jointly for private investors to take up a long-term lease. The remaining 80 000 hectares (including 15 000 hectares now classified as community forests) are in the process of being mapped, surveyed and re-organised in order to restructure these plantations in a manner that supports smaller, medium and community

enterprise. This process will have specific black empowerment and community participation objectives.

Labour and human resources

But how were the human resource aspects of this process to be managed? Investors could not be expected to pay some workers one wage and other workers another. Especially given that Safcol's wage, although lower than the public sector norm, compares favourably with a minimum of around R900 in other companies and around R600 in the contract sector. In addition to this, DWAF inherited forests which were overstaffed compared with industry norms. A 1998 analysis showed that DWAF employed 3,5 workers for every one employed by Safcol. Clearly it would not be possible to maintain this if the forests were going to be merged and if they were going to be profitable.

At the same time, the public sector had declared a moratorium on retrenchments and both the Department of Water Affairs and Forestry as well as the Department of Public Enterprises were committed to a close working relationship with the unions. This relationship was framed by the National Framework Agreement. All parties felt that it would be possible to resolve the situation through joint work and negotiation.

An intense process of negotiation was agreed and culminated in late 1998 with the signing of an agreement on the restructuring process. In addition to defining joint objectives for the restructuring process, the agreement set out a method to resolve the staffing and wage issues. The main elements of the agreement were as follows:

- The department and the unions would jointly determine an 'industry average' number of jobs for those plantations

that were to be merged with Safcol. Workers would then be given the opportunity to volunteer to transfer into one of these jobs. Those workers who transferred would do so on the basis of Safcol wages and conditions. Transfer workers would be paid a 'transfer package' which would be equal to the difference between the DWAF package and the Safcol package for three years. This would be paid as an up-front amount and would take account of differences in all conditions of service.

- Safcol would be audited to ensure that its conditions of service complied with all aspects of labour legislation.
 - Those who did not transfer would either be re-deployed to other forest work (such as in the indigenous forest reserves) or could opt for a voluntary severance package.
 - Any worker who opted for a voluntary severance package would be entitled to join a social plan programme which would be set up and jointly managed by the department and trade union representatives.
 - Any workers who had not been given the opportunity to join a pension fund in the past (for example, ex-Transfer workers) would benefit from a government-wide agreement to back-pay pension contributions. As was later agreed at the Public Service Co-ordinating Bargaining Council, DWAF's commercial forestry workers would be the first to benefit from this.
- These agreements have been implemented over the last year and a half. Since the agreement was signed, the following steps have been taken:
- 1 187 forest workers have taken a voluntary severance package, and more than half of these have participated in the social plan programme. Follow-up

work shows that many of the social plan beneficiaries have been successful in establishing small businesses, using the voluntary severance package payments as their initial capital.

- 1 486 have agreed to transfer to Safcol and/or to the new companies on the basis of the Safcol conditions and the transfer package.
- 955 workers are in the process of redeployment. Management and the unions are jointly managing the redeployment process

There is still some way to go before the process is completed. At present the parties are engaged in aligning the DWAF grading system to the Safcol grading system so that the transfer candidates are able to take up their correct positions in the new organisational structure. The transfers are expected to take place before the end of this year.

Thereafter, the department will continue to restructure the remaining plantations. These plantations have been earmarked for community enterprise and small- or medium-sized investment. These plantations too are heavily overstaffed and the parties face the challenge of turning these plantations into productive assets for rural communities. Very often these assets are among few tangible commercial assets in a particular area.

Lessons

This has been a challenging process and there are several important lessons that can be learnt.

Communication

The process has highlighted the need for ongoing, open communication both among the negotiators and with workers on the ground.

One of the mechanisms used were joint national roadshows where union leaders

and management visited plantations together to explain the process, answer questions and deal with criticism. Several of these were held in the course of the process and they have been invaluable in ensuring that workers' views were heard and understood by all. In addition, the roadshows helped both union and management leadership to see up close the implications of the decisions that were being made and to understand how the process impacted in the far flung plantations.

Commitment

The process has required great stores of commitment over a long period of time. The negotiating teams have met and continue to meet very frequently and are required to deal with the issues in detail. We have found that there are no short cuts. There have also been several occasions where deadlocks have been reached which could only be resolved with the assistance of the ministers of Water Affairs and Forestry and Public Enterprises, as well as the senior leadership of the unions.

Flexibility

In a process that is as complex as this, flexibility on both sides is required. Without the capacity to adjust plans and make compromises it would have been impossible to make our way through the process. But what the process has ultimately shown is that workable solutions can be found to difficult and complex problems. Such solutions can be found through negotiation provided that both parties are committed to a spirit of co-operation between employers and unions. ★

Lael Betlehem is chief director of Forestry in the Department of Water Affairs and Forestry.

Making the impossible happen

If you still think of Sweden as one country whose public service unions have never had to deal with a serious campaign of municipal privatisation then you obviously have not heard of Helsingborg. And if you did not realise that those unions are also keeping alive their county's reputation for innovation in public service development then you cannot have heard of Malung.

What has happened in Helsingborg, where public service workers have been among the main victims of big changes in local government services, could hardly be different from what has happened in Malung, where the workers have been driving the change. Yet the latter is in some way a response to the threat of the former. What happened in Malung is the product of a bold union initiative which has since inspired similar change in some 60 other Swedish municipalities, involving 30 000 workers a year by 1995 - to come up with an alternative to contracting-out.

What public service union SKAF (the Swedish Municipal Workers Union) developed in Malung is an alternative that saves money, improves quality of services, and increases job satisfaction, all at the same time. An impossible dream? Read on - but first, the all too possible nightmare.

The nightmare

Olof Johansson, European affairs officer for another major public service union,

Brendan Martin shows how public service unions in Sweden have developed alternatives to privatising local government.

SKTF, takes up the Helsingborg story. 'Activities in the local government sector in Sweden have changed at a rapid rate in recent years. This transformation has been accelerated by growing economic problems. But structural changes are not taking place solely for economic reasons. In certain local authorities - mainly those controlled by non-socialist parties - there has been a clear, more ideological emphasis on efforts to market large parts of the service output.

One example is the local authority of Helsingborg in southern Sweden, where a four-party non-socialist coalition has, since taking power, had the objective of privatising local government activities or contracting out local government services to private entrepreneurs, and also of trying to avoid starting new activities under local government auspices.

The ambitions in Helsingborg were for 25% of child-care services to be run privately within a three-year period, as well as for primary health care and nursing homes to be reorganised into 'care

companies' and entrusted to contractors. Public transport has been sold, and there has even been an attempt to transfer the city library to a contracting operation, but this failed.

What have the consequences been to date for employees of the Helsingborg local authority? During 1992, 44 jobs disappeared, 201 people were given notice, 44 people received early retirement pensions or retired voluntarily with severance pay, 1 000 temporary employees were eliminated.

According to Johansson, similar changes have taken place in many other local authorities and country councils - the Swedish Association of Local Authorities estimated that 50 000 Swedish local government jobs, which is more than 15% of the total, were lost between 1992 and 1994 as a result of reductions in central government grants. Politicians, he writes, 'have not accepted their responsibility for ensuring that the changeover takes place in such a way and at such a rate that reasonable attention is paid to the consequences for employment, local services and investment requirements'.

Unions take responsibility

That charge could not easily be levelled at the initiatives taken by his own union and

'In order to confront requests for cuts in public services or privatisation, SKAF has realised that just trying to refuse changes is not very constructive, especially as some of the accusations of inefficiency in the public services have definitely been true.'

by SKAF, although both unions' approaches to the threat of contracting-out and the financial problems of local authorities are controversial. Again, let us allow the union's spokesperson on the subject to speak for himself. Here is Lars-Ake Almqvist, who, after several years as a trade union officer of the more traditional type, now heads his union's special development and management department, Komanco 'In order to confront requests for cuts in public services or privatisation, SKAF has realised that just trying to refuse changes is not very constructive, especially as some of the accusations of inefficiency in the public services have definitely been true.'

SKAF has for many years stressed that the traditional hierarchical organisation of work in local government administration must of necessity be inefficient if it does not involve the knowledge and experience of the employees.'

Like SKTE, SKAF rejected the standard cuts and privatisation package as imposed in Helsingborg. It also devised a practical alternative. 'We started to develop a model to build more efficient, non-hierarchical organisation by involving the employees, with the aim of saving money without making people redundant.'

Our ideas were tested in 1991 in one municipality - Malung. The goal was to decrease costs by at least 10% within three years. Already in 1992, Malung had saved 10,5%.

Dramatic progress, and possibly even too dramatic for the initiative's own good, since there may have been some special factors - in particular a mild winter - which boosted the financial results in Malung that year. That might have had the effect of raising expectations a little too high, but in any event enough was proved by Malung to persuade the union to develop the method for use elsewhere.

SKAF called the model 'Kom An' (Come on!) and claim a 100% success rate for its application in 60 municipalities so far. The secret? Well, the secret is that there is not one. It is fundamentally a question of trusting - and acting upon - the experience, knowledge and expertise of the key experts in any organisation - the workers at the front line.

The Komanco approach

Under the Komanco approach, when a decision has been taken to set up a project in a workplace, all the employees are informed and then divided up into groups of between eight and 12 people, each with an appointed leader. Then the groups spend as long as ten months analysing their organisation, identifying its strengths and weaknesses and finding ways to build on the former and eradicate the latter. Komanco's brochure stresses that 'creativity needs elbow room, and that 'work for change takes time'. Almqvist explains: 'The members become researchers in their own jobs. They discuss how to improve quality, where responsibility lies and should lie, what are their training needs. They measure the costs of specific tasks, so that each person knows the costs associated with their own job.'

The workplace groups break down their organisation's budget into its smallest components, to enable everyone to understand it and see where the money goes. Each employee gets to learn the costs associated with his/her own job and to develop ways of reducing them. Structures are flattened, with hierarchies reduced to the minimum. Training needs are identified and personal initiative encouraged.

One of the workers becomes a tutor who receives training from Komanco before systematically meeting fellow

employees over a period of five to six months to analyse every problem in each employee's work experience and assist them in developing their own solutions to them.

Although the self-consultancy approach is common to the Komanco projects, its outcome, of course, varies. In one case, the members developed their own system in which individual workers took particular responsibilities for budget, sickness monitoring, temporary redeployment and a range of other management tasks, linked together in a way that inspired the name they gave the system, 'the spider web model'.

In another case, the workers developed a purpose-designed computer programme to predict staffing and other resources needs in their hospital wards. Their system measures levels of dependence of patients against a number of indices, such as their ability to feed themselves, their toilet needs, their mobility, availability of social contact, ability to manage personal hygiene needs, and so on. Giving each patient marks from one to three against the various categories, the staff then tot them up to assess nursing needs in the ward as a whole. At the same time, they developed a system to examine their own activities, identifying ways to make more time for direct patient care by reducing the amount they spent on, for example, administration.

It may sound like traditional time and motion studies, with all the associated hazards, and some might be offended by the quantification of patient need. The public service workers who have joined the SKAF team as consultants (Komanco has selected and trained some of its members in the new role) have answers to both objections. One says: 'I used to work as a nurse myself, and all the time I would try to explain to managers and politicians

better ways of managing things. But they would not listen because it was just words - when you quantify it, it helps the dialogue.'

As for the dangers associated with measuring the time taken on particular tasks and identifying how to make savings, SKAF has protected members against being victims of their own diligence by closing the system so that only the workers themselves have access to the details. The programme cannot be used by management to examine individual performance.

SKAF has protected members against being victims of their own diligence by closing the system so that only the workers themselves have access to the details.

Changing management's role

However, what all this self-management can lead to, not surprisingly, is a greatly changed role, and much anxiety, for managers and administrative staff. Says Almqvist: 'Certainly, they do get afraid of their role being taken away. We have to show them that they can become internal consultants. We have had very frank discussions with SKTF. There has been some tension, but people realise it has to go like this. SKAF and SKTF agree about public service development - that we need to remove unnecessary management layers, to make fast and accurate decisions without unnecessary bureaucracy.'

Public sector organisations with the traditional pyramid hierarchical structure can no longer be defended, because they cannot solve our economic problems or provide the right working conditions or

give the best quality of service. We need new systems not because the old ones were always wrong - they were right for their time - but because the new era requires new concepts.

Our ethos has been more concerned in the past with public structure than with quality, but we will defend the idea of public service only through good results. The more people get to control their own jobs, the more interesting it becomes and the greater their job satisfaction. It leads to better management and pay systems, which produces real job security in the long run because it is the only way to increase productivity.'

SKTF, too, has attracted a great deal of media attention in Sweden by backing up its campaigns with well-researched information. According to SKTF's Kristina Malmberg: 'By collecting facts about the effects of the cutbacks and what citizens think, we have been able to show that the politicians have not, in fact, had the citizens' mandate for the drastic changes undergone by local authorities and country councils in the past few years. We have shown that it costs more for society to dismiss local government employees than to let our members continue in their jobs in such important areas as child care, education and care of the elderly. We have shown that the citizens are prepared to pay more in tax to retain care and services under local government auspices.'

This latter point, it seems, is disputed by SKAF's Komanco, whose brochure maintains that 'tax increases are no longer possible' and that 'municipalities and country councils cannot count to any great extent on being able to solve problems with the help of increased resources'. Instead, it adds, 'on the basis of existing (and occasionally even smaller) resources, they must ensure that they do the right things in the right way.'

However, SKTF is just as committed as SKAF is to using public resources more efficiently. Just as Komanco enthuses about the way in which its approach to organisational development 'releases enormous energy and creativity among the employees for the development and improvement of local government services', SKTF stresses the importance of helping members to develop their knowledge and skills to match future needs. Kristina Malmberg states 'In the future, the employers will assess how useful employees are in the organisation. The aim is for ever-fewer employees to be able to carry out ever more complex tasks. The fact that the development of activities and enhancement of staff skills go together is a necessity for the future. Changes have never taken place before on such a large scale, or as rapidly, as today. Greater mobility and flexibility are required within and between administrative units in local authorities and country councils. Accordingly, the knowledge of employees must be both broadened and deepened.'

Developing new skills

Noting that Sweden's demographic structures means there are not enough well-educated young people joining the labour market to meet all the country's skills needs, Malmberg adds 'For this reason, we have devoted a great deal of work to pushing the question of measures to develop skills for our members. The employer bears a heavy responsibility for employees' ongoing development. Our members' knowledge and skills are an important factor in job security, good job conditions and an upward pay trend. They are therefore also an important trade union issue.'

By training employees and elected representatives in SKTF, we have rapidly gained a hearing for the view that this is

an issue we must constantly incorporate into union work. By courses, seminars, members' meetings and support material, we have induced the members to assume greater responsibility for developing their own skills.

It is crucially important that all the employees at a workplace should be allowed to take part in shaping the future.

The same spirit imbues SKAF's approach, as Komanco's brochure expresses 'An increasing number of employees regard the existing work organisation as out of keeping with the times. We also know that the employees insist on being able to develop their potential in their work, which in turn frequently requires a new work organisation.'

Unlike the privatisation and marketisation of Helsingborg, this cannot be imposed from above. 'It is crucially important that all the employees at a workplace should be allowed to take part in shaping the future. The effect of this is that everyone is mobilised as part of the creative process. Their expertise and experience are put to use and the quality of the suggestion made is higher. Participation means that the employees are prepared to "let themselves go" and even try out unexpected solutions. Changes are seen not as threats but as opportunities' ★

This article is an edited version of an article Brendan Martin published in 'European Integration and modernisation of local public services: trade union responses and initiatives' A Report for the European Federation of Public Service Unions with the support of the European Commission

Municipal Systems Bill

labour's responses

COSATU and SAMWU

'Local governments have a critical role to play in social and economic development. Yet municipalities are confronted with a legacy of apartheid development as manifest in the huge infrastructure and service backlogs, especially in black areas

In general, the resources of the municipalities are not adequate to address these backlogs, especially in rural areas and former black townships. There is a need for injection of resources from the national fiscus. Therefore, the litmus test for the bill is the extent to which it will enable municipalities to address apartheid spatial geography, meet the needs of the poor and provide services in a sustainable manner.'

Municipal services-general duty

'The bill does not contain a definition of "basic municipal services". We propose that the definition should be similar to that of the Framework Agreement: "the minimum level of service necessary to ensure acceptable and reasonable quality of life, which takes into account health and environmental considerations".'

COSATU has major concerns with both the definition of financial sustainability in the bill and the injunction that municipal services must be provided in a financially sustainable manner. Pressure for municipal services to show a profit or reasonable

Etienne Vlok compiled shortened edited extracts of labours' responses to the Municipal Systems Bill that were presented to the Portfolio Committee on Provincial and Local Government Affairs on 12 May 2000.

surplus will make cross-subsidisation between services impossible. Secondly, it elevates profitability at the expense of other developmental considerations of providing municipal services. This would create undue pressure to hand over services to the private sector. This formulation contradicts the stated intention to provide services in an equitable manner.

Against this background, COSATU proposes this clause should be removed from the bill and emphasis should be placed on proper financial management and prudent utilisation of public resources.'

Service tariffs

'COSATU welcomes the provisions of section 68 as they broadly reflect the need for sound tariff policies. In particular we

welcome the explicit recognition of measures to assist poor households such as lifeline tariffs. Lifeline is easier to administer compared to the means test. It fulfils the requirement to ensure a minimum basic level of services across the board. While tariffs should reflect costs reasonably associated with providing municipal services, explicit recognition of subsidies and lifeline tariffs would ensure that poor households have access to services.'

Provision of services

'In our view, the establishment of service utilities and business enterprises should not blur accountability. They should be under the direct control and ownership of the municipality.

This approach is contrary to the creation of independent service utilities run at arm's-length. We prefer internal ring-fencing along the line of internal trading entities envisaged by section 70(b) of the bill. Further, it is important that the setting of goals and targets for such units be an open and transparent process in which communities and stakeholders participate.

More fundamentally, we are concerned that corporatisation should not be seen as a preliminary step to full privatisation. In addition, it should not lead to undermining workers' job security and conditions of employment.

COSATU's preference is for the public sector provision of municipal services. The public sector is understood broadly to include local governments, parastatals and other organs of state including water boards. The public sector and the private sector are driven by a different ethos, a profit maximisation in the case of the latter and meeting community needs in the case of the former.

In our view, the private sector should only be engaged in so far as this will build

the capacity of the public sector to provide public services.

Despite the improvement in the bill noted above, it still essentially adopts a "neutral" posture between the public and private sector. There is no privileging of the public sector in the bill. As such private and public provision of services are treated as equal in the bill. Our view is that the bill must give effect to the notion of the public sector as a preferred option. This means, in practice, service agreements with the private sector should be considered after the consideration of public options including public-public partnerships. It is for this reason that we proposed the exclusion of the public sector from the competitive bidding process.'

Local public administration and human resources

'Granting the minister power to regulate on matters covered by the LRA which the employer and employees have to reach agreement on is problematic. In all probability it is unconstitutional in the extent to which it undermines collective bargaining.'

Performance management

'COSATU supports the underlying principles of performance management to evaluate the performance of municipalities. Key performance indicators should include the extent to which municipalities provide quality services to historically under-served communities. In our original submission, we proposed that for the system to work in practice an incremental approach must be adopted, to at least allow municipalities to build their necessary capacity.

In this vein, the role of the national Department of Provincial and Local Government Affairs is pivotal to assist

struggling municipalities to implement a performance management system.

Ultimately, in our view, the yardstick to measure this bill is the extent to which it consolidates transformation by ensuring that municipal services are provided to all, particularly the poor

We are concerned that the bill is introduced prior to finalisation of a policy framework on municipal services and in the absence of the long promised Municipal Financial Management Bill'

FEDUSA and IMATU

'FEDUSA and its affiliate, IMATU, who is directly involved in the municipal sector, support the restructuring of local government'

Admission of public to meetings

'FEDUSA fails to understand the reason for the exclusion. In practice, the executive committee is where most of the deliberations take place and final recommendations and decisions for ratification are formulated. We therefore request that labour, having a direct need to have knowledge of the reasoning underpinning a decision, be allowed to be present during the meeting.'

Regulations and guidelines

The bill proposes that the minister may, after consulting the bargaining council for local government established in terms of applicable labour legislation, issue guidelines or make regulations on a range of areas such as job evaluation systems, remuneration and working conditions.

'FEDUSA understands the concern that seems to underpin this section but is extremely concerned about the negative impact this will have in practice. The reasons for this is that there is a bargaining council in existence. All the main role

players in the sector are represented on this council, for example SALGA, SAMWU and IMATU.

The function of the bargaining council is to regulate the relations between the parties and to regulate all human resource aspects, such as job evaluation, remuneration, conditions of service and all other personnel aspects. We therefore cannot agree to this clause and want to reiterate our concern in respect of this clause.

We believe that the minister should only have the power to intervene, once the bargaining council has failed to deliver and only after the minister has placed the bargaining council on terms to perform and it failed in this respect.'

Municipal services

'In general FEDUSA wants to request that formal status be given to the established Sectoral Forum, in terms of the National Framework Agreement, in this chapter. A specific clause should be inserted to that effect. Further, that a section, stipulating the role and involvement of labour in the whole process, be inserted. This chapter is silent on labour's involvement

FEDUSA also believes that it should not only be a consultation process with labour but a proper negotiating process, catering for dispute resolution mechanisms as well. Councils should not be able to decide on this restructuring unilaterally but should only be free to restructure once labour agrees, either by consensus or through arbitration.'

Mechanisms for provision of services

'This clause just lists the various options available and fails to focus on the "agreed to" principle contained in the National Framework Agreement, that the public service delivery option is the preferred option.' ★

Potholes in the road

overtime in the trucking industry

Overtime allows many workers to take home extra money every week. It allows them to buy those items which are normally out of reach especially if their standard wages are low. But it involves spending less time at home and working harder and longer. Unions have called for overtime to be made more expensive in order to curb overtime work and increase the time employees can spend at home. Overtime exhausts workers and is sometimes equated with exploitation and abuse.

At the end of February a one-day strike took place in the road freight industry. The dispute concerned overtime and was between the Road Freight Employers' Association (RFEA) and six trade unions. The RFEA represents about 380 companies who employ approximately 60% of the employees in the industry. The major unions involved in the dispute were COSATU's SATAWU (then known as TGWU), the NACTU-affiliated Transport and Allied Workers Union, as well as the Professional Transport Workers Union. This article uses the road freight industry to highlight some of the potholes when dealing with overtime.

The industry

Companies in the road freight industry are struggling, according to Nico Badenhorst, the RFEA's director of labour relations. A number of companies were liquidated in

Etienne Vlok examines why overtime pay is a contested area in the trucking industry:

the past year. Companies' profit margins have shrunk because of increased competition and clients' cost-saving drives. Smaller companies often win contracts by not paying minimum wages, in accordance with the main agreement provisions, and cutting prices. They then get the job, but, claims Badenhorst, only last a few months, thereafter causing damage to the industry as the loss of contracts by abiding companies adversely affects their viability. He admits that the road freight market has increased recently as it took business from rail but states that the relation between this and increased competition within the industry is not the same.

Overtime

The road freight industry relies on overtime to ensure that goods are delivered in a short space of time. A survey done by the RFEA found that employees work on average 14 hours overtime per week. This ranges from local drivers who do no or very little overtime to long distance drivers who do 30 hours if they get exemptions. Badenhorst believes that the industry cannot avoid overtime. He

provides the example of the drivers who have to get night harvests to the market as quickly as possible

The unions agree that a large part of truckers' work hours come from overtime. 'Long distance drivers earn a minimum of R532 per week on average with the rest depending on how much he drives. If he does not get sick he can get R1 200 per week chasing overtime,' says Abner Ramakgolo, SATAWU's deputy national co-ordinator for road freight and maritime.

Currently, truck drivers in this industry may drive a maximum ordinary hours of nine per day but according to Ramakgolo, it is being cut in accordance with the BCEA. Per arrangement, long drives can be increased to 15 hours per day, including overtime.

But what is overtime? Does it include the time a driver is away from home? Ramakgolo claims overtime payments only cover actual driving hours, not a wider definition of working time. Thus, employers see loading as the driver not working. SATAWU believes the driver is still at work when loading and acting as security over his or her load. Badenhorst, however, states that off-loading is regarded as normal hours and overtime. The rest of the time that the driver is away from home or sleeping over at his destination is not regarded as overtime. If the driver qualifies, he or she may receive a subsistence allowance for a night away or for meals.

Badenhorst says employers agree one must try to limit overtime in terms of cost and human factors but they say that one must also look at the industry. 'It is easy to shout that overtime is exploitation but this is far removed from the economic reality. Our industry is open to time being lost on driving trips. Unlike on the shopfloor, we do not have total control, although monitoring or tracking gives us some. This can lead to creation of overtime - whether

intentional or unintentional' Employers feel they do not have control to ensure that trips only take the amount of time they should. They worry that drivers could intentionally extend the length of a trip to earn some overtime pay or that trips could be extended unintentionally due to poor timekeeping.

The BCEA

The 1983 BCEA put overtime pay at time-and-a-third of the ordinary hourly rate. The 1997 BCEA increased it to time-and-a-half. This rate may be varied by a bargaining council agreement, sectoral determination or by the Minister of Labour

Anton Roskam, an attorney at Cheadle, Thompson & Haysom, says: 'Workers and employers can, with a collective agreement at the bargaining council, amend the BCEA but only in so far as the Act allows it. Overtime is not a core right so an employer can get out of it totally. However, the employer has to get the agreement of the union at the bargaining council. It cannot implement anything unilaterally.'

Badenhorst believes that when the BCEA was implemented in December 1998 the principles, such as that on overtime, were well-publicised in the media. Thus the workers who read the provisions had high expectations of big increases. 'But the time-and-a-half is not a core provision and this allowed our industry to negotiate it. I have sympathy with union officials who have to explain that it is not a core provision, only a principle. Workers believed that because it is in the BCEA they are entitled to it,' says Badenhorst.

Ramakgolo claims SATAWU 'was caught by surprise as it did not know that the employers are allowed to pay time-and-a-third even though the BCEA suggests time-and-a-half. We thought we would automatically get time-and-a-half for

overtime. The workers were unhappy when they found this out.

The employers in the industry have a problem with the BCEA. They do not believe that it, especially the sections on overtime and the ten-hour overtime limit, was written with their industry in mind. The nature of this industry with 15 to 25 hours per week overtime agreements is different to others. Hadenhorst argues that the BCEA can be applied in industries with little overtime without it affecting productivity or cost hugely. 'The nature of our industry is to move around, thus a shift system is not viable. We cannot introduce a three-shift system on long distance trips. Double crewing is also not viable as it is extremely expensive and the drivers cannot sleep properly because of the traffic, movement and noise,' continues Badenhorst. The industry is very capital intensive due to the capital in the trucks and the running costs. It is susceptible to any fluctuation in the diesel price.

The negotiations

The negotiations started in September 1999. The negotiators try to reach agreement so it can become effective from 1 March every year. One of the reasons the 1999/2000 negotiations took so long was because of the large number of demands on the table. A dispute about wages and benefits developed. Badenhorst describes the negotiations: 'The employers have limited resources available and with that we see how we can address the unions' demands. The parties have to see how to distribute the monies available and make it acceptable to both sides. I say "acceptable" and not "to their satisfaction" because limited resources and high expectations will not lead to satisfaction, only acceptability.'

The negotiations deadlocked on overtime and across the board increases

However, Ramakgolo regards the latter as not too serious as the percentages were acceptable. The dispute on overtime caused the national strike by the unions on 21 February. The employers did not want to pay time-and-a-half for all overtime as demanded by the unions. Ramakgolo explains: 'With last year's negotiations we thought it would be automatic that overtime would be paid at time-and-a-half as we understood the BCEA to stipulate this. But it did not happen because, contrary to our knowledge, overtime was supposed to be negotiated. When we gave a 48-hour notice of industrial action last year the employers told us it would be an illegal strike. Our members were furious when they did not get time-and-a-half as they also thought that the BCEA stipulated it. So we did not want to back off. We had a mediation on 21 February and the next day the dispute was settled. The employers compromised. We agreed that the first ten hours would stay at time-and-a-third. From the eleventh hour of overtime employers will pay time-and-a-half.'

On 21 February the strike took place. The RFEA claims 5% of workers participated while SATAWU claims 180 000 drivers took part. On the evening of 21 February the parties reached an agreement and the unions called off the strike. Badenhorst says that the agreement had already been draughted by then and this helped cut the strike short. The first objective is to avoid a strike otherwise to cut it as short as possible. Badenhorst describes the actual negotiations: 'Ten days prior to the strike we had unofficial meetings with the unions and explored alternatives. We had mediating committees without a third party to get a better understanding of what the other was exploring. We started moving away from our all-or-nothing stance. We then explored some options and had to get mandates. At



SATAWU believes the driver is still at work when loading and acting as security over his/her load.

industry level mandating is difficult for both sides. But as we had explored mandates before, we managed to cut the strike short. On both sides losses were minimal. The employees got overtime to make up for their losses.'

Badenhorst believes the strike did not impact on the negotiations. 'If the strike was a day later we would still have reached an agreement on the day we did. A strike is a disaster but we will not settle at all costs to avoid it. If a strike means short-term consequences and the other side does not give us options we will take it rather than there being long-term consequences.' However, SATAWU argues that the industrial action forced the agreement. 'At the last meeting the employers did not give us anything. When we gave them the 48-hour notice they saw that we were serious. They then came with something on the day of the strike. We got a mandate and signed the agreement,' explains Ramakgolo.

The RFEA believes that if they were to pay time-and-a-half for all overtime it would mean an increase of almost 13% in

total wages for the employers. The employers calculated that every hour overtime will mean approximately a 0,23% increase. If it were to do this, employers say they would have to cut down on trips which would mean a cut in jobs and revenue. The other option is double crewing with its problems. 'From this we realised we cannot pay the kind of increases the unions wanted,' says Badenhorst.

Badenhorst continues: 'When we negotiate we have to get a deal between the two [management's and the unions'] points of view.' In the past, two agreements existed between the unions and the RFEA. Agreement A concerned the workers in Gauteng, while B concerned the workers in the rest of the country. Agreement A determined that Gauteng workers receive time-and-a-third for up to 15 hours overtime. Overtime above that was paid at time-and-a-half. For agreement B all overtime was paid at time-and-a-third. According to the RFEA it was willing from the onset to level out the two agreements. Badenhorst recalls that the unions wanted

the first 15 hours of overtime to be paid at time-and-a-half. In the negotiations it became clear that the employers' proposals did not address the expectations of the workers in A. The Gauteng workers are in the majority.

The agreement

The parties agreed to set up a task team consisting of senior delegates from the employers and the six unions. They also agreed to use an independent third party to help them investigate a suitable remuneration structure for the industry. They concluded the agreement on the basis that the first ten hours of overtime would be paid at time-and-a-third. From eleven hours would be paid at time-and-a-half. They would also scrap the two agreements (Agreement A and Agreement B) and replace it with one. The employers claim that the five hours is another 1,15% increase for the workers who were previously under agreement A and a 3,45% increase for those previously under B. This is on top of a wage increase of 7%. For the employers this means a 10,45% increase for the workers previously under agreement B. The RFEA compares this to the 8,63% average wage settlement for 1999 as researched by Andrew Levy & Associates.

Part of the agreement is that a task team that will look at overtime and the pay structure. From the union's perspective the workers' minimum wage is very low so they therefore have to work overtime if they want to take home more money. 'We have to unpack the current pay structure,' urges Ramakgolo, 'as it creates problems such as driver fatigue. They do not get a chance to rest or be at home and the result is family disputes. The task team could help minimise accidents and the use of commercial sex workers by, especially, long-distance drivers. The task team will

also look at the wage gap between the drivers from Gauteng and the other regions. It will also discuss what can be regarded as overtime and minimum levels for loads. Although SATAWU is not totally happy with this agreement it regards it as a step forward, especially the task team.

Innovative work organisation

Unions and employers should be innovative in dealing with overtime. However, as is the case in this agreement, such measures should be linked to an overall restructuring of pay because many workers depend on the money they take home from overtime.

The Department of Labour is currently looking at reducing working hours. The International Labour Organisation (ILO) has commissioned Professor Gerhard Bosch of the Institute Work and Technology in Germany to assist the department. He has conducted extensive research on working time, particularly within the European context. According to Bosch, management is not innovative concerning work organisation when labour is cheap. Cheap labour allows them to use more overtime. Where labour is expensive, which is not the case in South Africa according to Bosch, it forces companies to be innovative to cut working hours.

On the one hand, the Department of Labour is trying to cut working hours. On the other, the Minister of Labour, Membathisi Mdladlana, has announced proposals to make Sunday work cheaper as part of the labour law review process. According to the proposals, employers would not have to pay workers double on Sundays. Yet making overtime cheaper will only encourage employers to use workers even more on Sundays and thus working time will increase. The department needs to take this into account when it changes the laws. ★



Mergers and acquisitions

how the law promotes union participation

The Competition Act 89 of 1998 tries to balance a number of issues. For example, it tries to promote an efficient economic environment and balance this with the interests of workers, owners and consumers. It also needs to focus on development.

The Act also recognises the need for the economy to be open to greater ownership by a greater number of South Africans. It is therefore important to have a credible competition law, and effective structures to administer that law.

The Act is unique in that it provides for the participation of trade unions in the assessment and analysis proceedings of mergers and acquisitions. The participation of unions and other interest groups contributes to ensuring fairness and transparency in the process of approving or prohibiting mergers.

Requirements for unions

Chapter 3 of the Act regulates mergers and acquisitions. The Act clearly requires that all acquisitions of businesses by other businesses be reported to the Commission if they result in the establishment or acquisition of control. In the event of a merger transaction falling within the thresholds, the merging parties have to fulfil certain requirements.

They must notify the Commission

within seven days after either the signing of the merger agreement, the public announcement of the merger, or the acquisition or leasing of a controlling interest by one party over the other.

The party filing the notification to the Commission must by law, also deliver a copy of the notice and the statement of information to a representative trade union representing the employees of the merging firms. This copy may be forwarded to a union, a staff association, or any form of worker representation organisation recognised by the employer, even if it is not registered.

If there is no formal body representing workers in any of the merging entities, then the employer/manager filing the notification to the Commission, must place a notice where employees will be able to see it, for example, on a notice board.

The party that notifies the union or employees of the intention to merge/acquire must provide proof to the Commission that it did notify the union or employees. It must file proof of delivery of such notice with the Commission within three days after the initial notification was filed with the Commission.

While the merging companies must notify the unions that there is an intention to merge, the Act does not compel them to

A joint project between the Competition Commission and the Labour Bulletin.

inform trade unions what action or steps they must take when they receive the notification. It is therefore important for representatives of employees and unions to familiarise themselves with the requirements and procedures related to mergers and acquisitions.

If unions want to be a party to a merger transaction (that is if they want to make a submission on the merger) they must file a Notice of Intention to Participate in form CC5 (1) with the Commission within seven days of receiving a notice from the merging parties.

The Commission has only 30 days within which to finalise its assessment and analysis on intermediate mergers. However, if the Commission applies for an extension, the Tribunal can, under certain circumstances, grant an extension of up to 60 days.

Importance of participating

In the process of assessing and analysing a merger, the Commission or the Tribunal must initially determine whether or not a merger is likely to substantially prevent or lessen competition in the market. The Commission must also look at public interest issues even if the merger is likely to substantially prevent or lessen competition. The Act makes provision for four public interest grounds on which the Commission must assess a merger:

- employment;
- a particular industrial sector or region,
- the ability of small business or firms controlled by previously disadvantaged persons to become competitive;
- the ability of national industries to compete in international markets.

The Notice of Intention to Participate provides unions with an opportunity to participate fully in the proceedings of the Commission in assessing mergers. It also offers them a chance to raise issues that

the Commission may not necessarily have foreseen.

The participation also assists the Commission to check the correctness of the information submitted by the filing parties with respect to issues relating to employment. Moreover, it provides the Commission with insight and more understanding on specific sectoral issues arising from mergers, which may have an effect on employment.

It must be noted that the participation of unions is not only important when they are objecting to or opposed to a merger taking place. Mergers are not necessarily anticompetitive and undesirable. Other mergers are necessary to improve national enterprises' abilities to penetrate international markets, thus enhancing efficiency and growth in the Republic.

It is important for unions to file their intention to participate whether or not they support a merger. Such participation will also assist the Commission to process the transactions quickly. It is ideal that when the Commission takes decisions, all the interested parties, including unions, must have contributed to decision-making.

Participation problems

Although the Act has been in effect since September 1999, it appears that most unions and employee organisations are not familiar with its provisions and the rights and duties emanating from such provisions. Since its inception, the Commission has received 447 merger notifications, an average of about nine cases per week.

Out of the total merger notifications received by the Competition Commission, 349 were approved, in 20 cases the Competition Commission had no jurisdiction, and six were withdrawn by the companies. Furthermore, two were

rejected by the Commission, six were prohibited while 64 others are still pending.

It became evident to the Commission that union participation has been very minimal

When the Commission does not receive the Notice of Intention to Participate, it attempts to contact unions to confirm whether they received such notifications. In most instances where unions were contacted, the Commission received responses that indicate that there are major problems affecting the participation of unions

The following are some of the problems experienced

The Act's provisions

It appears, because the Act is new, that most of the union officials have not familiarised themselves with its provisions and the rights and duties flowing from these provisions. Therefore, the procedures that companies should go through before implementing a merger are foreign to most of the union officials

Notification

In most instances when a notification is delivered to union officials, they do not know what action to take. In some instances, companies advise unions on what the notice means. However, such instances are limited.

The Commission recommends that unions create a portfolio for a person who will specifically deal with issues relating to mergers and acquisitions. This will assist the organisations in keeping abreast with issues affecting employees.

Decision-making

Unions have only 7 days to file form CC5 (1) with the Commission to indicate their intention to participate in the

proceedings. However, in most cases the decision as to whether or not to file form CC5 (1), takes longer than seven days

Unions must note that the filing of form CC5 (1) only indicates the intention to participate, and does not in any way indicate that they support or oppose a merger. A decision on whether or not to support a merger can be done at a later stage through a written submission or meeting with the investigation team of the Commission

Therefore, it is advisable that unions file the intention to participate within the required time frames. There are no penalties if a union decides after it had filed form CC5 (1) that it does not want to participate

Accessibility

When the Commission has tried to contact unions it has realised that most of them, especially the ones situated in rural areas, are not accessible. Therefore, it becomes difficult to communicate with them on issues that may require their immediate input.

Encouraging unions' participation

In order to ensure that public interest issues are adequately represented in merger proceedings, it is critical that organisations familiarise themselves with the provisions of the Act. The Commission has therefore embarked on an educational training programme for trade unions to build their capacity to participate.

For further information regarding the Commission, please contact:

Rhorho Cloete: Labour liaison officer, compliance division

Tel: (012) 482-9069

Fax: (012) 482-9120

E-mail: rhoroC@compcom.co.za

Internet: <http://www.compcom.co.za/>

The silence is deafening

On a chilly Saturday morning in May a small group of South African trade unionists representing COSATU, NACTU and FEDUSA gather for a leadership summit at a Johannesburg hotel. The mood around the coffee and biscuit table is casual, with none of the urgency or fast paced debate that is often the norm at such gatherings. Inside the conference room, comrades sit quietly waiting for the proceedings to begin. You can hear a pin drop.

Ironically, the silence of those moments is similar to that which has until very recently plagued labour's response to the very issue these comrades are meeting to discuss, a challenge that is likely the biggest ever to confront the trade union movement in this country, a pandemic that could easily decimate its membership in the next ten years: HIV/AIDS.

The Solidarity Center

Opening the day's session is Fisseha Tektie, the head of the South African office of the American Center for International Labor Solidarity (ACILS), an offshoot of the United States Agency for International Development (USAID). The leadership summit has been convened by ACILS as part of its work to promote and intensify a trade union response to HIV/AIDS.

Andrea Meeson argues that while unions wish to address HIV/AIDS they are not responding quickly enough.

Tektie speaks of the alarming and rapidly rising statistics of HIV infection and AIDS-related illness in Africa and particularly in South Africa. 'Africa,' he says, 'is home to less than 5% of the world's population but accounts for 50% of HIV infections worldwide, 2.5 million people are dying of AIDS every year on the continent. To date 4.2 million South Africans are infected with the virus and there are 1 500 new infections daily. By the end of the year 2000, 13% of the total population of this country will be HIV positive.'

Tektie tells delegates that the consequences of the pandemic for the labour movement and the economy in general are likely to be catastrophic.

'AIDS will decrease millions of people's working lives by at least 15 years. A diminishing and increasingly ill labour force will lower levels of productivity, increase the need for replacement labour due to ill-health, retirement or death,

A joint project between SA Labour Bulletin and the American Center for International Labor Solidarity (ACILS) and sponsored by ACILS

reduce take-home pay and consumer spending and increase the pressure on an already sagging public health service'

Tekie rounds up his introduction by referring to labour's response to the pandemic as 'woefully inadequate'. He points out that occasional publicity and condom distribution are no longer sufficient to fight the epidemic 'Labour must be in the forefront of the struggle using the same historical tools of tenacity, vigour and militancy that carried it through the most difficult years of apartheid.' These sobering words are met with an equally sobering response. Some comrades sit pensively, others take copious notes, others look idly round the room. The silence is deafening.

HIV/AIDS – a class issue

It takes Mark Heywood, an AIDS activist from the Treatment Action Campaign to give them a wake-up call.

He begins with a chilling analogy: 'AIDS will do as much to undermine development on the African continent as colonialism and slavery did in the 19th and 20th centuries,' and follows with a simple but pertinent question: 'What is labour doing about it?'

The question is not an attacking one, but it does hit the delegates square in the face. There are murmurs of acknowledgement and nodding of heads around the room. Heywood continues: 'HIV is a treatable virus. There are drugs on the market that can help to slow down the process of illness and to treat opportunistic infections associated with AIDS. The problem for the vast majority of HIV infected people is that these drugs are too expensive, so treatment is not accessible and they get sick and die much faster.'

It is often said that HIV/AIDS does not discriminate on the basis of gender, race or

class, but affordable treatment, it would seem, does. In South Africa where poverty is the dominant feature of the landscape, HIV is most certainly a class issue.

Rich people infected with the virus can literally buy extra years of life in the form of various treatment regimens and drug cocktails available on the market at exorbitant prices. Poor people carrying the virus are automatically excluded from treatment because of their position on the class ladder. The dividing line between rich and poor in terms of access to treatment is as stark as that which exists between the owners and producers of wealth. History has a frightening way of repeating itself.

Drug company monopoly

Heywood cites a perverse example of the monopoly that drug companies have on the production and pricing of public health products that treat HIV/AIDS.

'The drug Daiflucon is an anti-fungal medication used in the treatment of AIDS-related infections, such as thrush. In South Africa this drug is sold to the consumer at a cost of R58 per dose, while the exact same drug in Thailand can be bought for a mere R2,50.'

Heywood links the example to the reality on the ground: 'A 22-year-old man died recently at Baragwanath Hospital. He wasn't the victim of a gunshot or stab wound or a car accident. His death was, however, criminal. He presented with classic AIDS-related symptoms – TB and oesophageal thrush. He was treated for the TB, but Daiflucon for the acute thrush in his throat was not administered. He died two days later from basic starvation and dehydration.'

HIV/AIDS is a pandemic that is hitting the working class hardest and people are dying of an increasingly manageable disease. This, says Heywood, should create a sense of urgency within the trade union



In South Africa, where poverty is a dominant feature of the landscape, HIV is most certainly a class issue.

movement, both locally and internationally and elicit more than the lip service associated with the response thus far. 'Trade unions need to develop a political response to the pandemic at all levels,' he adds 'HIV/AIDS is a trade union issue. From the appalling inequities around treatment and the pricing policies of multinational pharmaceuticals to prevention campaigns in our communities and workplaces, a trade union response to this crisis is long overdue.'

Problems to address

He highlights several problems that labour has not yet adequately addressed in its plan to tackle the epidemic. These include, the assumption that AIDS awareness equals knowledge, the tendency on the part of leadership in all sectors to ignore and even dismiss issues of gender discrimination and a lack of understanding on the part of rank-and-file members of the legal framework that protects them

from discrimination on the basis of their HIV status 'There are still huge gaps in imparting knowledge around HIV/AIDS,' says Heywood 'Many people are aware that HIV/AIDS exists, but the danger it poses to their lives is often relative to the conditions under which they live and work on a daily basis 'A mineworker, for example, wears a helmet when he goes underground because he knows that his daily work is life threatening. If you speak to him about the dangers of HIV/AIDS and the need to wear a condom for protection he may well question how relative is the danger of a disease that might kill him in ten years time.' The example is an important one because it highlights the serious challenge facing trade unions in their attempts to educate members about HIV/AIDS. The assumption that AIDS awareness is equal to knowledge and will therefore change sexual practices and long held beliefs about gender roles and responsibilities is a dangerous one

HIV/AIDS and gender, for example, are inextricably linked and gender discrimination has long been touted as a trade union issue. In many sectors and across federations, reasonably sound and progressive policy on HIV/AIDS and gender has been developed but unfortunately leadership falls short on implementation.

Women in union structures around the country regularly complain that even before policy is adopted it is assumed that the responsibility for getting programmes off the ground will be delegated to the gender desk. More lip service indeed!

Workplace discrimination is also an increasingly common occurrence, and the silence around this issue is particularly concerning.

Employment Equity Act

Heywood points out that the Employment Equity Act (EEA) includes some of the most protective legal frameworks for HIV positive workers and those living with AIDS and yet most union members do not know that the Act protects them from discrimination on the basis of HIV status. He says that reports of breaches of confidentiality and blatant discrimination are received daily at the AIDS Law Project.

One such report came from an employee of Pick 'n Pay who voluntarily tested for HIV and was found to be positive. The doctor passed this information onto management and the employee was soon demoted from working in the bakery to cleaning toilets, and was eventually dismissed.

Similar reports have been received from people working in the motor and domestic service sector. Clearly there is ignorance on the part of both employers and employees of the basic tenets of the EEA and the Constitution as they apply to HIV/AIDS suggests Heywood and this

problem must be addressed by labour as a matter of urgency. In the discussion following Tekie and Heywood's inputs, delegates are equally critical of their own structures and of South African business and a lively debate ensues.

A COSATU delegate suggests that a realistic approach to the problems must be developed taking into account the limitations of time, skills and infrastructure. A comrade from IMATU immediately challenges this view and says there has been more than enough pussy footing on the AIDS issue, that many resources within trade unions are not exploited and moreover labour must begin to develop the expertise rather than looking to outside people to do so. Another delegate raises the problem of male chauvinism within the trade union movement and suggests that women need to be much more vocal and challenge their male comrades, particularly those in leadership positions.

All the delegates agree that a national accord on the production and prescription of drugs for the treatment of HIV/AIDS is needed and that business should not be allowed to hold people's lives to ransom.

The newly formed South African business council on AIDS, they add, must link with trade unions so that the pandemic is viewed and tackled as a common issue. Mobilisation and a co-ordinated plan of action seem to be accepted by delegates as urgent items for labour's immediate agenda. They leave the summit with a sense of urgency more fitting of the crisis, but sustaining it will be the greatest challenge ahead.

Andrea Meeson is a freelance journalist. These articles were written as part of the Medlaworkers' Project of the Beyond Awareness Campaign, Department of Health

Case Study: Spoornet and SATAWU *

Mandisa Kalako-Williams, senior manager public affairs and external relations at Spoornet is a woman with vision, passion and a budget to match. She and her team of regional co-ordinators in seven regions around South Africa are putting HIV/AIDS in the forefront of the parastatal's external relations work and in the process developing strong partnerships with community-based organisations and non-governmental organisations (NGOs) in the AIDS arena.

'Ours is not a frazzled approach,' says Kalako-Williams. 'We have a mandate to safeguard the interests of government. And one of the greatest threats to our ability to do so is the AIDS pandemic. If the youth perish, gone with them will be the future engineers, chief executive officers and ground staff of this company. We cannot afford to be complacent and have recognised that although we are not AIDS experts, we have the money to ensure that sustainable and effective initiatives are developed and supported.'

One such initiative is a partnership with Love Life. In the late planning stages is the refurbishment of four rail coaches, which will be hauled, courtesy of Spoornet, from town to town bringing awareness and knowledge about HIV/AIDS and sexuality issues in general to young people. Aptly named the Love Train, the coaches will house a mini conference centre, a counselling centre and fully equipped entertainment facilities.

A promotional launch of the Love Train proved popular at the recent

International AIDS Conference in Durban and Kalako-Williams is excited about the partnership.

'We believe the Love Train will bring a great number of young South Africans on board the journey to fight HIV/AIDS. It is an innovative way to reach people, particularly those in rural communities who otherwise might not have access to information.'

The cost of running the Love Train does not by any means sap the entire budget for AIDS work afforded to Kalako-Williams' department. Close to a third of the R9-million she received this year will be spent on projects related to the pandemic.

SATAWU
LAUNCHING
CONGRESS

18-20 MAY 2000
WORKERS UNITE TO:

- Defend Jobs
- Fight Retrenchment
- Stop Privatisation
- Eradicate Poverty & HIV/ Aids
- Fight for Gender Equality

**BUILD SOCIALISM
NOW!!!**

'There is a very clear mandate from top management that our efforts must be focused on this crisis both externally and internally. They need no motivation to authorise expenditure when it comes to HIV/AIDS

Our department does not usually work in tandem with the human resources department, but with regard to AIDS we have acknowledged that team work is essential and this year we have budgeted for internal work that will support the efforts of our human resources team to get more AIDS education out to our workforce'

Company driven

HIV/AIDS education at Spoornet is definitely a company-driven process. To date the South African Transport and Allied Workers Union (SATAWU), representing around 20 000 Spoornet workers has struggled to develop a coherent plan around AIDS education.

Dolly Mlotshwa is gender co-ordinator with the union and is frustrated with the lack of action to date on HIV/AIDS. 'Until recently the union was not doing anything to promote HIV/AIDS education among members. The issue was just lying around. It was pushed to the gender desk and we have agreed to take it on temporarily but we are not happy about the decision.

Leadership must recognise that HIV/AIDS is not a disease that affects only women. It must be taken seriously as a trade union issue, especially because the majority of our members are men and migrant workers.'

SATAWU recently merged with the Transport and General Allied Workers Union (TGWU) and now represents about 102 000 workers. Most of these are migrant workers in the rail trucking and shipping sectors and they are particularly vulnerable to HIV because of the conditions under which they work.

Mlotshwa says men in SATAWU leadership structures have failed to

understand the crisis and the union has not developed a strategy, tactics or a budget for HIV/AIDS work.

Deputy general secretary of SATAWU Johnson Gumede admits that Mlotshwa is correct in her criticism. 'At the time of our merger with TGWU, SATAWU had no HIV/AIDS policy and no resources had been formally committed to address the problem. However, the new secretariat is trying to bring the sectors together and within the next few weeks the national office bearers of the union will be presenting a draft plan of action. We hope to piggyback on the work that has already been done by the health and safety department at TGWU. On developing partnerships with Spoornet and other companies employing SATAWU members, Gumede is very supportive.

'In the case of Spoornet there are lots of opportunities for co-operation. Although the HIV/AIDS education work has been largely company-driven, there is little chance of success if we do not work together. Management needs union support in order to get workers to attend rallies and workshops and we as a union need to be involved in planning with management for a future in which AIDS is a reality within the company.'

Stigma

For some it seems that reality has not set in. Gumede is not aware of a trend of illness within SATAWU, but admits that the stigma of HIV/AIDS is still very strong and fear and ignorance dominates most people's responses. Bongani Nogaga, SATAWU's rail secretary believes that this stigma is one of the greatest barriers to progress and change.

'As far back as 1998, we tried to raise the problem of AIDS and at one meeting in Durban the regional leadership gave a platform to an AIDS educator. Our members reacted very negatively and a large number of them walked out of the meeting. It was a clear indication of a weakness in our organisation.'

Nogaga says that despite having a likely high number of HIV-infected members, SATAWU has not dealt with HIV/AIDS within the bargaining council

'We have been so busy with issues related to restructuring at Spoornet that HIV/AIDS has not been on the agenda. It is a reflection of poor co-ordination on our part, but we are still struggling with basic labour relations issues within the bargaining council and have not had the time to address AIDS properly.'

Although SATAWU may be lagging behind in its efforts to address HIV/AIDS

there are indications of light at the end of the tunnel! At SATAWU's May 2000 congress the pandemic was definitely on the agenda. Congress passed a resolution acknowledging the high incidence of HIV/AIDS across all sectors and calling for action in cases of discrimination against people living with the disease.

The paper chase on the platform is a necessary process in the development of a strong AIDS policy for the union, but the train must now leave the station, otherwise it may well derail in its efforts to match the pace of the AIDS pandemic. ★

Five things you can do about HIV/AIDS

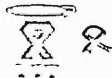
Call the AIDS Action Office (011) 482-6737

Get free materials to support your AIDS projects. A wide range of leaflets and posters are available, and are delivered to you within fourteen days.



Call the AIDS Helpline 0800-0123-22

AIDS helpline counsellors can give basic information, advice, counselling and refer you to service providers and organisations in your area. Information is available in all South African languages and the service operates from 6:00am to 10:00pm seven days a week.



Wear a red ribbon
Show your care about AIDS, and remind others every day.



Make a quilt panel

The AIDS Memorial Quilt is a living memorial and allows us to mourn, honour and remember those who have died of AIDS. Contact (031) 260-1564 for further information.



Paint a mural

Murals are a colourful reminder of the importance of AIDS action and prevention.



Nedlac Annual Report

Nedlac's 1999-2000 Annual Report details Nedlac's activities and gives a consolidated picture of the socio-economic trends that contextualise those activities. Here are some of the highlights.

Growth and employment

While the economy continued the recovery that started in the fourth quarter of 1998, the restructuring of the economy continued to result in large-scale job losses in the formal sector. About 80 000 jobs were lost between September 1998 and September 1999.

In part, the ongoing job losses reflect the restructuring of the South African economy that began during the 1970s and 1980s when employment in the primary sectors, particularly mining and agriculture declined dramatically. By contrast, employment between 1970 and 1998 increased slightly in manufacturing, although not at a sufficient rate to absorb new entrants into the labour market. Employment growth in the tertiary sectors reflects the growing importance of their economic contribution. The banking and insurance sector increased employment to 218 000 by 1998, an increase of 56% from 1980 levels.

The traditionally vulnerable groups in the labour market are carrying the burden of job losses. African and coloured people experienced the greatest increase in

unemployment between 1996 and 1997. Using the expanded definition, unemployment amongst Africans rose from 43,8% to 46,5% between 1996 and 1997, whilst amongst coloured people it rose from 22,6% to 26,7%. In 1997, 51% of the unemployed (using the official definition) were between the ages of 15 and 29. In the same year women made up 52% of the unemployed and African women made up 87% of that figure.

Development indicators

South Africa's development challenges remain enormous. Nevertheless, progress has been made in the delivery of infrastructure and social services.

Statistics South Africa data shows the number of African households living in formal dwellings increased by 800 000 between 1995 and 1997. Despite this growth in absolute terms, the percentage of people living in informal dwellings as well as those living in formal dwellings remained constant over this time period.

Most South Africans (69%) live within half an hour walking distance of the nearest medical service. However, in non-urban areas 51% of the population live more than 30 minutes from the nearest medical service.

As yet, the education system has failed to substantially increase the number of matriculants. Although the pass rate improved from 47,4% to 49,3% between

1997 and 1998, 1999 saw a slight reversal of that trend to 18,9%. More worrying is the fact that only 18,1% of candidates who had registered for university endorsement passed at that level. Only 43% of matriculants passed mathematics, although this constituted a reversal of previous declines. This is particularly problematic in the context of economic readjustment that requires the educational system to provide high skilled entrants into the labour market.

Labour market trends

While demand for lower skilled workers has declined, demand for professional and managerial skills has grown dramatically over the last 30 years. Managerial and director positions continue to be dominated by men. Eighty-seven percent of all executive directors and senior managers are men. Men also dominate 73% of all junior and middle management positions.

Wages and inflation have been tracking each other fairly closely with the effect of inflation taking approximately a year to feed into wage levels. Strike action, which has on average declined considerably from the 1980s, although the days lost increased again during 1998.

Public finance

Between 1993 and 1997 government has increasingly allocated funds to the poorest 40% of households. In 1993, these households received 49% of social spending. By 1997 this had increased to 56,5%. Government also adjusted social spending to ensure greater equity between race groups.

Inflation trends show a decrease from the double digits of the 1980s, to a consumer price index (CPI) figure of 5,2% for 1999. Much of the drop in the CPI was caused by the substantial decrease in mortgage rates.

The South African economy's ability to grow and create jobs depends on increased levels of investment in productive capacity. However, foreign and domestic direct investment have remained low.

Trade and industry

Trade has been growing steadily as a percentage of gross domestic production (GDP) and gross domestic expenditure (GDE) since the early 1990s. Exports have grown, as a percentage of GDP from 11,5% in 1990 to 17,7% at the end of 1998. Imports have grown as a percentage of GDE from 12,1% to 20,1% over the same period. South Africa's most important trading partner remains Europe although Africa is growing in importance as an export destination.

During 1999, machinery and mechanical appliances accounted for the vast majority – 29,5% – of imports by value. Exports continue to reflect South Africa's mineral wealth with over 50% of exports being accounted for by mineral products, precious and semi-precious stones and metals and base metals.

In terms of sectoral growth, the report shows transport and communications growing 6,6% over 1998 and contributing half of the year's 1,2% GDP growth. Finance, real estate and business services also contributed significantly to overall GDP growth. The agricultural sector expanded by 4,5% over 1998 figures. This was the first positive growth experienced by the sector since 1996. The tertiary sectors continue to expand their importance to GDP.

Conclusion

The full report, with graphs, can be found on Nedlac's website – www.nedlac.org.za, or obtained from the Nedlac offices by calling (011) 482-2511.



My union experience

the best certificate of my lifetime

The role of the South African trade union movement in the struggle for democracy is universally accepted and acknowledged. However, not many people understand the extent to which this movement has been shaped and transformed by the transition to a democratic and non-racial society.

One area where these changes in the unions can be observed is leadership. Not only have union activists and leaders undergone a change in lifestyle and outlook, but many of these leaders have been leaving the unions to assume different positions and roles in other spheres of society.

Today, many former union leaders can be found in parliament, provincial legislatures, local government structures, the civil service and in management structures of the companies whose workers they used to organise.

One such former unionist is Nelson Ndinisa, a former president of the South African Railways and Harbours Workers' Union (SARHWU). Ndinisa moved from SARHWU to become a senior manager (Government and parliamentary liaison) at Transnet head office in Johannesburg. I interviewed him shortly before he left Transnet.

What makes Ndinisa's story interesting is the fact that his career did not follow the conventional route to the top of the corporate ladder. He literally rose through

*Sakbela Bublunq
interviewed Nelson Ndinisa
and found that the ex-SARHWU
president's experience equipped
him to be a manager at
Transnet.*

the ranks. Among the first jobs he did when he joined the parastatal in the early 1980s was that of 'tea boy', making tea for white technicians and junior management.

Early life

But Ndinisa's rise to the top has been a struggle. His grandfather was a farmworker in the north eastern Cape. Around 1945 the family moved to a rural village in Qumbu in the Transkei where Ndinisa was born. Both his parents were workers - his father was a driver in Cape Town and his mother a factory worker in Johannesburg.

For him, growing up in a rural area was tough. 'Schools are far and you went early in the morning to make sure that you take cows out and all those things and then go to school. And when you come back from school you do the same and take the cows back home.' But he says that the hardship

made him 'strong in life'.

His mother worked hard to get him through boarding school at Osborne High School in Mt Frere. 'My mother was the backer. You know, mothers are always more responsible. I doubt if you can say that about fathers. Mothers, I mean, generally are more responsible than fathers.'

But his education was cut short just before he completed his matric. This was Ndinisa's first taste of a strike and police brutality.

The students challenged the school's regulations and embarked on a food boycott. At the end of the disturbances he and a few other students were expelled for 'instigating' the boycott. He says he was not an elected leader of the students but points out that, 'when there is struggle, naturally people will take the lead.

Working in Johannesburg

When Ndinisa arrived in Johannesburg, he worked for different companies as an underground mineworker, a labourer on a construction site and a security guard. He remembers that at the time he did not have a pass, so he had to have money ready at all times to give to policemen in order to avoid arrest. 'Those policemen were the most corrupt people I ever met.'

Then in 1981 he got a job at the South African Transport Services (SATS, now Transnet) as a trainee driver. But he did not get the driving jobs and was moved to the Carriage and Wagon Department as a general labourer. 'There, it was real manual work. So, there was a guy who was the foreman. I was just about 22, so still looking good. The white guy, the white boy said that I could be better making tea. He promoted me to become a tea boy!'

But Ndinisa soon fought with the foreman. 'I mean, everybody was afraid of him. He was like a ruler. You know the Africans from the force, somebody just becomes a general. That's what he was.' The fight occurred because white workers wanted to expand his job beyond the role of 'tea boy'.

They wanted him to run around to buy cigarettes, cook their food and so on. 'I refused to do those things. So, they went to spy to "the big one" and said, "he does not want to work". This foreman expected that we must respect him and all the supervisors because they were white.' Ndinisa won the fight and his stand earned a lot of respect among his fellow workers at SATS.

He was later trained by SATS as a train ticket inspector, a job he did until he assumed his new role in the company.

In the union

Ndinisa and his fellow workers heard about the union for railway workers in 1986 but he says it was hard to get full information because organising was done 'underground'. He credits his mother for playing a critical role in his introduction to trade unionism. She was a shopsteward of the Metal and Allied Workers' Union (MAWU) and she kept union reading materials and booklets which she passed on to Ndinisa.

When the railway workers finally became organised in SARHWU, they found it to be a powerful instrument to fight management. 'Workers believed that it was genuine because it was not the creation of management,' he says. Although he was instrumental in organising workers into the union, his real baptism of fire came during the big strike of 1987. 'I gained the position of shopsteward and leadership during the strike. I mean, everything was tough. After April we had shootings and

people were killed, people were arrested and virtually all known shopstewards were arrested. Others had to run underground. Now, workers were left leaderless. Then it's where we started to take up leadership. We had meetings and all those things. At the national level there was literally nobody. So now, because of the ideas you pick up in the process, we started to have a view of what the union was, and I mean, when everybody was not there I ended up being put to just act as president in 1987.

For Ndinisa, the strike was the biggest political gain the workers at SATS made at that time because it proved that the authoritarian and racist culture of management could be challenged. 'The workers believed that they could challenge SATS and they went beyond that by demanding their country back.' Membership soared to 40 000 in about three months and life for workers began to improve visibly.

Leading the workers

After the strike Ndinisa served the union in several capacities - as a shopsteward, branch secretary, regional chairperson, and, from 1992, president. One of the lessons he learned about leadership was that a leader has got to be among his members and lead by example. Thus, in 1987, when workers decided to resort to the use of *muthi* to 'make them strong' in their confrontations with armed police, he also felt it important to use it.

'I went through those things because I was part of the leadership. I could not be seen to be disassociating myself from them. I had to do whatever it takes. One of the issues you do as a leader is that people must have faith in you and you must maintain unity.'

Before he joined management, Ndinisa saw some changes taking place in the

trade union movement, particularly COSATU. He says that the problem was that before 1994 there was no discussion of what the character of the unions should be after liberation because, liberation appeared a very remote possibility. The unions had become a 'fighting machine' but after 1994 this role changed because they got a sympathetic government which granted new rights to workers and their unions.

He maintains that the changes that occurred made the leadership of the struggle days unsuitable to lead the unions because they had become too close to the new government. 'You found that the people you have been fighting with are on the other side. Now, how do you turn around and fight against the same people that you have been fighting with. As a union leader, it puts you in a predicament

The problem with the current leadership is that when they go to negotiations with the government, they see somebody they know, a comrade. If they go to the companies they see somebody they have worked with. Anywhere they go, they see somebody they know. That is the problem because workers cannot trust those people. It creates unnecessary tension and that's why they have to move. There must be a transition where new leadership will be born in the process.'

He says that unions are going through a tough period at the moment. But he does not believe that the unions will die because of the changes in leadership and other problems.

A soul searching process will take place and this will result in the emergence of a new leadership. In his view, the new leaders who will emerge will not judge management and politicians on the basis of their political association. 'The new leaders will be people who say, "So, what

about the ANC? I know they fought for liberation, but I don't know much about that. The only thing I know is that if you are sitting across the table you must either deliver or you are my enemy."

Managing at Transnet

In 1996 Ndinisa was approached by one of the black executive directors at Transnet who offered him the position. By this time he was of the view that the struggle at Transnet had been won and that a career move would not be such a bad idea. 'My view was also that you could not lead in a situation where you are fighting whites and then suddenly when Transnet becomes transformed and there are blacks, but you continue fighting. That would have been some form of contradiction'. He consulted with the leadership of the union and they accepted his decision, even though they were not happy about losing him.

Ndinisa's career progression from 'tea boy' to senior manager is a rather unusual one in corporate South Africa. But there are many other ex-unionists from the 'struggle period' who started working as ordinary labourers but are now in managerial or other senior positions in corporations, the civil service and government.

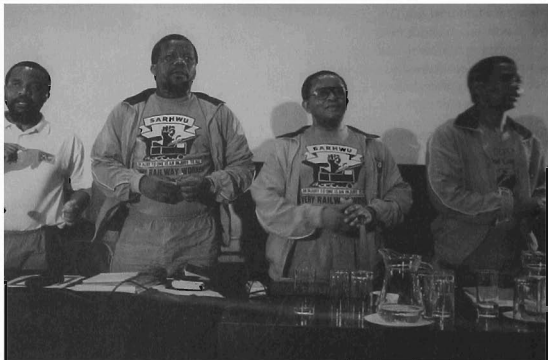
He says that when he started in the 'new job, there were some in management who felt that because he had not gone the conventional route of formal training at university, there was something he lacked. Some were always trying to test his knowledge of the managerial environment



But he says that he proved them wrong and they came to accept and respect him.

Ndinisa attributes his success in his new job to what he the union taught him. 'Basically, the information I was exposed to and I gained through the trade union movement was the best certificate of my lifetime. I doubt if I could have gained this anywhere else. The union teaches you about life, something which formal education takes for granted. Secondly, it also teaches you to understand human beings. Thirdly, it gives you knowledge in the sense of reading and understanding the environment in which you operate. Those are the critical things which I benefited from and which are key to my success in whatever I have today.'

He believes that those managers from



Nelson Ndinisa learned that a leader has to be among his/her people and lead by example.

working class backgrounds, like himself, will change the style of doing things in the workplace. 'Those are the only people who will make a difference to the style of managing because they come from the environment, they understand the fears of the workers, they understand the frustration of the workers, and they also understand management because they have been negotiating with them. But if you produce black managers at university and throw them back in the working environment, you are reproducing the same style as that of white managers.' He says that many of these university-trained black managers are arrogant and believe that trade unions are monsters to be avoided at all costs.

Ndinisa's background, his experience in the union and his subsequent move into management raises issues about current developments within the trade union

movement. For many union activists and observers, the move by people like him into managerial positions remains a controversial issue. While it is healthy to have that debate, it is important that the debate is informed by a closer understanding of the circumstances of these unionists as part of a generation of activists. Their departure is not simply about them as individuals. It is also about the loss of the experiences of an entire generation and the collective organisational memory of those experiences. This, I would argue, is the most useful way to frame the debate about the so-called brain drain from the union movement. ★

Sakhela Bublangu is a lecturer at the University of the Witwatersrand, a staff associate of SWOP and a member of the Bulletin's editorial board

Learnerships

introducing questions for unions

One of the innovations contained in the Skills Development Act is the creation of learnerships. This article looks at what learnerships are and what they are intended to achieve as well as some of the issues surrounding them. It also highlights areas that unions and workers may want to discuss.

There are many complex issues involved in the design, development and implementation of learnerships. This article only aims to introduce the most important concepts and issues and does not aim to deal exhaustively with the topic.

Broadly speaking, the Skills Development Act and the Skills Development Levies Act seek to create an environment in which people can acquire skills which the labour market demands. Learnerships are one of the vehicles for encouraging people to develop their skills.

What is a learnership?

A learnership is a specific kind of learning programme which contains a structured learning component and structured work experience and results in a nationally recognised qualification.

Typically, a learner would attend classes at an institution or training centre and then be allocated to a department for a particular kind of work experience. Formal learning would alternate with work experience until the learner has mastered a range of skills.

Christoph Vorwerk explains what learnerships are and highlights areas that unions and workers may want to discuss.

Special learnerships are being designed for entrepreneurs setting up their own businesses. They will receive training and support to increase their chances of success.

Other learnerships could be designed for accelerated development of selected previously disadvantaged persons who are already in employment. Learnerships can be used to implement employment equity issues.

Still other learnerships may be used to help deal with specific social or development issues. For example, some groups have been discussing a learnership in the health sector in which qualified learners in villages or communities will assist and support people living with HIV/AIDS and their families. This learnership could form a stepping-stone to community health worker and eventually to a career path in the medical sector.

Union concerns and focus

- Are the learnerships just vehicles for acquiring technical skills?

- Could we have learnerships for shopstewards.
- Could we have learnerships for workers to close language, maths, science and trade theory gaps?
- Could we have learnerships for micro-entrepreneurs?
- Are the learners acquiring the necessary skills and knowledge to enable them to develop themselves fully in the occupational area and embark on the life-long learning pathway?
- Will new entrants with higher qualifications threaten existing workers' jobs?

What governs the learnership?

The learnership is governed by an agreement between the learner, the employer and the education and training provider. The agreement spells out the rights of the various parties to the agreement. The learner, for example, will have the right to adequate education and training, learning resources and assessment.

The learner also has some obligations, for example, to work for the employer, to comply with workplace policies and procedures and to attend all study periods and theoretical learning sessions.

Similarly, rights and obligations are provided for the education provider, the employer and the Sector Education and Training Authority (SETA) with whom the learnership is registered. These rights and obligations are all spelled out in the draft regulations of 26 January 2000.

A SETA must register the learnership with the Department of Labour.

The learnership leads to a recognised qualification. This qualification must be registered on the National Qualifications Framework (NQF). Learners will then be assessed against nationally recognised unit standards. Unit standards reflect the

required skills and knowledge.

Learners are thus both students and workers at the same time. As they are studying and working they are acquiring skills and knowledge which will lead to qualifications.

Union concerns and focus

- The regulations provide some mechanisms for dispute resolution. Will trade unions also need to represent learners?
- Will learnership agreements conflict with current workplace agreements? (Leave or disciplinary procedures, for instance.)
- Do the NQF-registered qualifications adequately reflect workers' interests? Are they just technical qualifications or do they reflect a broader range of skills?

Purpose of learnerships

The learnership provides the learner with the opportunity to achieve a qualification registered on the NQF and related to an occupation. It allows learners to break through barriers that exist in acquiring sufficiently broad experience, for example 'I can't get a job because I have no experience. I can't get experience because I have no job'.

In addition, learnerships must be demanded, responding to needs in the labour market. The qualifications and the skills acquired must result in learners being able to engage in the labour market - that is find and retain work opportunities.

Sector Skills plans are one mechanism for identifying labour market needs. Each SETA will be developing such plans for its sector.

Union concerns and focus

- Do the Sector Skills Plans reflect the interests of not only formal work places but also of developmental, informal and small business?



Learnerships are broader and more dynamic than apprenticeships

- ❑ Are workers' needs adequately addressed in the Sector Skills Plans?
- ❑ Are there learnerships which will help workers develop mobility - to transfer from a sector where there is low growth or contraction to another where there is more growth?

Just apprenticeships?

While traditional apprenticeships could become learnerships, the learnership concept is both broader and more dynamic. Learnerships would go beyond the traditional blue-collar trades and not be restricted to juveniles who are entering the labour market for the first time. The NQF also provides for more levels of qualification between school leaving and the traditional trade.

A learnership could result in a qualification which is a stepping-stone to a trade, for example a person qualified to repair domestic electrical appliances

versus an electrician

Learnerships could also be used at higher levels on the NQF. Many national diplomas offered by technicians in the past have required experiential learning. These qualifications could be adapted to become learnerships. Similarly, the internships of qualifying medical doctors or similar experiential learning for other professionals could be redesigned as learnerships.

Some of the people who could benefit from learnership programmes include

- ❑ current workers or employees who need to change or broaden their occupation because their skills are no longer needed,
- ❑ current workers whose skills are being developed in terms of the Employment Equity Act,
- ❑ new entrants to the labour market,
- ❑ retrenched workers,
- ❑ unemployed workers,



Learners are students and workers at the same time.

- people in communities or rural areas who are acquiring skills as the result of development projects;
- emerging entrepreneurs, for example informal traders

Because of the scope of the SETAs, no area of the labour market is ignored. Could there be learnerships for:

- shopstewards and union officials;
- politicians, traditional leaders and community representatives;
- educators and skills development facilitators,
- public service personnel;
- traditional healers;
- entertainers?

Union concerns and focus

- What skills do unions need to develop?
- What skills do workers in the informal sector need to develop?
- Is the research for skills development

needs adequately addressing the sector?

Who designs learnerships?

Registering learnerships will have to be a collaborative effort. Depending on the type of learnership, there may be a range of role-players and stakeholders involved. These could include:

- education and training providers;
- employers or workplaces;
- unions;
- development agencies;
- community organisations;
- statutory professional bodies,
- trade associations,
- associations representing special interest groups (for example hawkers),
- non-governmental organisations;
- national, provincial or local government departments,
- donor or funding agencies.

Union concerns and focus

- Are there learnerships tools in transforming the workplace and society?
- Do they provide opportunities for redressing past and present inequities, for example lack of access to schooling or resources?
- Will the entry of qualified learners distort the current labour market? Could employers use learners as a form of cheap labour?
- Will the learnerships privilege new entrants and disadvantage existing, unqualified workers or people in the subsistence activities?

Impact on the workplace

Introducing learners into the workplace will create new dynamics in the workplace. Whether the learner comes from the existing workforce or is a new

inherent, there will be new activities and relationships. Some of these dynamics are:

- learners, especially in the early stages, will not be fully responsible or accountable for their output,
- learners will need support
- existing workers may need to acquire skills to support learners

Learners in the workplace will place an additional burden on the current workforce and on management. It may require compromises in the work process and possibly even in the achievement of production targets, even if only for a short period.

Union concerns and focus

- The discipline of learners and the handling of their grievances may require additional mechanisms. Will workplace agreements need to be revised?
- Are the communication systems for informing current employees adequate to prepare them for learners arriving in the workplace?
- Is the company/institution developing and recognising learner support skills among its existing staff?

Unions' influence

Where will unions be able to influence learnerships? At the national level unions will be able to exert influence within the structures of the National Skills Authority and the South African Qualifications Authority.

At governance level unions will be able to exert influence with the SETAs at both national and regional level. This includes:

- determining labour market demands,
- influencing the construction and design of appropriate learning programmes,
- determining incentives for particular occupational qualifications.

At design and development level, unions can influence the content, the

learning processes and the learning programmes. The challenge for unions will be to ensure that both employers and providers adjust their current approach and practices with regard to occupational training and education.

At implementation level, union members and shopstewards will be interacting with the workplace facilitators, the providers and the learners. All of these interfaces offer opportunities to influence and evaluate the learnership system. The real value of learnerships will be in the quality of learning at workplace level. This is where 'theory' is converted into practice or practice informs understanding.

Union concerns and focus

- Do unions have the capacity to engage at all these levels and in the day-to-day design and development of learnership programmes?
- Do union representatives have a clear idea of the systemic and strategic issues related to the skills development practice, the labour market and the learnership system?

Conclusion

New systems such as learnerships can be both a threat and an opportunity. Our first response is often negative. By identifying opportunities, we can often use the new system as a lever to achieving our strategic objectives. By considering learnerships as an opportunity, unions could use them to address not only changes in the workplace but also such issues as:

- union capacity needs at all levels, and
- new market opportunities for unions in sectors such as small business or reconstruction and development. ★

Christoph Vorwerk is a facilitator and consultant in the field of skills development and the NQF.

Striding forward on health and safety

When the workers came up from the shift they said that the air smelled stinky and that other workers should not go down. The workers did not want to go down, they were worried about the conditions. But they went down. Later there was the explosion. Many miners were killed.

'I remember going to the morgue with relatives of the dead miners. We went to identify and claim the bodies. But this was very difficult to do. There were body parts - arms, legs and whatever, all piled together, on top of each other. It was very traumatic.'

The above quotes were taken from a then CWU official, talking about the Middlebuttd disaster - an explosion in the Sasol Coal mine in 1995, where 32 miners were killed. They illustrate the dangerous conditions that workers were working under and insufficient worker rights regarding health and safety.

Jump to 1999 where CEPPWAWU and Sasol Coal Mines management signed a path breaking agreement in the area of health and safety. An agreement that stands as an example to others on what innovative thinking and strong negotiations between powerful and committed parties can achieve.

Xmas Tsolo, a CEPPWAWU shop steward at Sasol and chairperson of the Mpumalanga region, presented the agreement at a

Tanya van Meelis reports on the CEPPWAWU/Sasol Mining Occupational Safety, Health and Environmental Agreement.

seminar which formed part of the SA Labour Bulletin/FES Collective Bargaining Seminar Series. He and Shirley Miller (who was CEPPWAWU's national co-ordinator for health and safety) also gave of their time to be interviewed on the agreement.

Why the agreement?

After health and safety disasters in 1993 and 1995, the union took a demand from members at Sasol Coal to regulate health and safety through agreed procedures. The new Mine Health and Safety Act of 1996 also placed a legal obligation on parties to set up structures with representatives to deal with health and safety. Tsolo explains, 'Our members were exposed to dangerous working conditions. We wanted to promote negotiations on health and safety to ensure that management complied with the new legislation and improved our members' working lives in terms of health and safety. We also wanted to empower our members.'

The unions submitted a draft agreement and embarked on the long negotiation process in March 1996. The agreement was

eventually signed in March of 1999. According to Miller, this long period can be explained by the fact that 'management changed negotiation teams. This delayed the process because the new people didn't know what had gone on before.'

Although the negotiations took a long time, Miller thinks that there were clear benefits. 'The negotiations were long and difficult. However, we developed our relationship and ensured that we all have the same understanding of the agreement. It was worth spending all the time we did on negotiations because we now have a quality agreement that both parties can support.'

Principles

General principles in the agreement include:

- Every worker has a right to know the nature of hazards to which he or she is exposed and the preventative measures put in place by management to eliminate them
- All health, safety and environmental issues, codes of practice and policies operative in the company are negotiable between the union and the company
- All health and safety hazards will be addressed according to a hierarchy of controls:
 - elimination,
 - substitution,
 - engineering controls (including ventilation),
 - personal protective equipment and administrative controls will be used as a last resort
- The company undertakes to continually search for ways to improve the working environment and to control and minimise the effect of production on the environment. Where applicable, internationally recognised standards

will not be seen as the goal but as the minimum acceptable standards.

- No worker will be victimised in any way for identifying unsafe and unhealthy conditions
- It is the right of each employee to work under safe, healthy and sound conditions. This includes basic human needs such as provision of clean water, toilets and appropriate waiting facilities
- All CIPWAWU shopstewards are also entitled to represent workers and negotiate occupational safety and environmental procedures. This will be done in terms of the existing procedures for the operation on shopstewards

Many of the above principles are path breaking for the union - especially those that establish the union as a prime partner in health and safety. This is supported by other clauses in the agreement. For example, the agreement provides for a monthly meeting where the union will meet with the company to deal with health, safety and environmental issues. It also maintains the principle of proportional representivity for any working groups that may be set up. 'Any working group formed to jointly investigate any health, safety and environment topic will be constituted according to the principle of proportionality with regard to other unions.'

Advantages

Tsoto's presentation outlined a number of advantages the agreement holds for the union. These include:

- shopstewards have access to information,
- shopstewards have the right to inspect,
- shopstewards have the right to withdraw workers from an area they

- regard as unsafe;
- the union has the right to use its own experts and the costs will be borne by the company where it consents to do so,
 - the company will keep training records for health, safety and the environment;
 - workers have the right to choose personal protective equipment;
 - the union has the right to call an inspector to inspect the workplace,
 - shopstewards get time off for health and safety issues and training;
 - the company must ensure that the mines and operations operate according to intended design and production capacity.

Scope

In many situations, contract and casual workers feel that they are not protected by a union or existing agreements. The CEPPWAWU/Sasol Coal agreement makes explicit provision for covering all workers working at Sasol Coal. This agreement

shall cover all workers employed at the various mines and works where the CEPPWAWU is the representative union. This includes all temporary workers, casual workers and permanent workers...! Tsolo stresses that even those who do not work for Sasol Coal, but are on the company premises, for example delivering goods, will be protected by the agreement.

Structural arrangements

The Mine Health and Safety Act of 1996 provides a legal obligation on parties to agree on how to set up a structure with representatives to deal with health and safety issues.

The CEPPWAWU/Sasol Coal agreement sets up a three-level structure – all safety representatives form the first level, safety representatives are elected from the first level to meet with a higher level of management on the second level. The highest health and safety structure is the third level where the managing director (MD) and executive sit with

Committee system

	1st level	2nd level	3rd level
Management level	shaft manager plant manager divisional manager	operational manager mine management	managing director
Attendance	<ul style="list-style-type: none"> • all health and safety reps elected from the designated working places • 2 mine overseers/chief foremen • 4/5 shift supervisors/foremen • human resources/ventilation • health and safety/training manager of the area • full-time health and safety stewards 	<ul style="list-style-type: none"> • 12 health and safety reps nominated from the 1st level • full-time health and safety steward • shaft/divisional managers • chairperson from the 1st level • human resources • safety and health • training/ventilation • operations manager 	<ul style="list-style-type: none"> • 8 health and safety representative from the 2nd level • full-time health and safety stewards • executive workgroup members • managing director • chairpersons from the second level meetings
Frequency of meetings	monthly	bi-monthly	bi-monthly

representatives from the second level

The agreement also provides for full-time health and safety stewards elected from the shopstewards. The union had argued strongly for this saying that a shopsteward would have the skills and knowledge to deal with management on health and safety issues. The company commits itself to providing the necessary facilities for the full time health and safety stewards to perform their duties.

For Miller, the agreement helps ensure more robust structures for the union than are provided for in the Health and Safety Act. 'It shows how unions can play a positive role in health and safety.'

Prevention and safety procedures

The union concentrated on prevention and safety procedures. As such the agreement states that the company will ensure that the mines and operations are operated according to intended design and production capacity.

The parties will address the promotion, provision and maintenance of health and safety through

- identification of hazards;
- control of hazards which includes training as a control measure;
- monitoring the effectiveness of control measures.

Parties accepted that the wearing of personal protective equipment is the last resort and that the health and safety committee must be consulted on the choice of personal protective clothing. It would take the experience/opinion of workers into account when choosing personal protective equipment.

Other clauses on prevention and safety procedures include:

- The mechanisms to perform such identification of hazards, the setting up of control measures and the evaluation

of the results will be the subject of ongoing negotiations between the parties. The nature and frequency of risk assessments and audits will also be subject to negotiation between the parties.

- No new chemicals or physical agents or new installations or processes or modifications thereof, that may be harmful to occupational and environmental health and safety, shall be introduced until all the available data, concerning its impact on health and safety has been evaluated and its use endorsed by a joint meeting of the company and union.
- The collection, maintenance and interpretation of statistics will be the subject of negotiation between the parties.
- No exemption of safety and health matters will be applied for without the consent and support of the union.

Link to working conditions

CEPPWAWU wanted to link health, safety and the environment to working conditions and restructuring. Tsolo gives the motivations the union gave to management in order to win these clauses and contain managerial prerogative. 'We were trying to avoid management imposing new technological decisions on workers. We said that technology will have an impact on health and safety so we need to do proper research first. We have to work to make sure that new technology will not result in a decline in health and safety standards.'

The union's proposal was accepted by management and the agreement now states that 'no permanent worker, contract worker, temporary worker, casual worker or permanent employee temporarily transferred, shall be allowed to commence work unless they have completed the

necessary health, safety and environmental induction training, and/or the specialised training applicable to a particular job'.

It also states that: 'The introduction of any new processes, production methods, plant or equipment, substances, modifications, or work re-organisation shall be accompanied by appropriate formal training.'

Recipe for success?

Tsolo attributes the success of the negotiations and the agreement to three primary factors

- the mature nature of the relationship between the parties;
- strong support from membership throughout the negotiations (as Tsolo says 'they gave us power');
- an excellent team of negotiators.

Tsolo also gives management credit. 'The MD was willing to see that we were trying to reach agreement and gave negotiators support. He could see that there was a serious problem and wanted to solve issues. He also wanted to be sure that there would not be misconceptions around the agreement.'

Key lessons

Tsolo is able to draw a number of key lessons that he thinks other unionists may benefit from:

- be assertive - have a strong argument and argue it strongly,
- be positive - focus on the positive not the negative in order to make progress;
- where there is a problem, break up into smaller groups to deal with it. Explore options and bring the recommendations back to plenary,
- make sure that you do proper research that can back you up in looking for solutions;
- exchange information.

Challenges

While the union has made substantial gains with this agreement, Tsolo still thinks there are challenges ahead, one being ensuring that the union remains central in the process of taking up health, safety and environmental issues: 'We need to work to make sure that shopstewards are elected as health and safety representatives. They have the necessary capacity and skills to challenge issues. However, we also need to find ways to ensure that they are not overburdened.'

Miller also stresses the need to build capacity around the agreement, although she stresses that the commitment from senior levels of management must be carried down to lower levels of management. 'While the union must train its members on the agreement, Sasol must also train its management to ensure that all levels of management are able to implement the agreement in good faith.'

Tsolo also wants to extend what he regards as limitations on shopstewards' rights in the agreement. For example:

- while shopstewards can inspect, they need the consent of management to do so,
- while shopstewards have the right to withdraw workers from dangerous work, they need to consult health and safety representatives;
- while the union has access to members, it has to have the consent of management.

It is issues such as the above that the union will be challenging in the future. Miller stresses that like any agreement, this one is not perfect. However, the parties have built in a review clause: 'We must ensure that we evaluate the agreement and its implementation on a regular basis. It is a living agreement and we have made provision to alter it where we find improvements can be made.' ★

20 Years in the Labour Movement: The Urban Training Project and Change in South Africa: 1971-1991

For millions of South Africans, young and old, the last three decades of the 20th century will remain one of the most eventful periods in the history of resistance in South Africa.

The role played by the trade union movement during this time remains etched on the collective memory of all who lived during this time, not least among them the employers and government officials of the time. But many of those struggles and experiences remain unrecorded in any form, either because the makers of that history are unable to record it or because those that can do not have the time and the resources to do it. For these reasons, Donovan Lowry's book on the Urban Training Project (UTP) and its contribution to the development of black unions, represents a timely contribution to the history of the union movement in South Africa.

The UTP was formed in 1971 as a project aimed at promoting trade unionism among black workers through education and training, and it continued performing this role until it closed down in 1991. In those 20 years, the organisation provided education and training to over 51 000 workers and worker leaders, a very significant contribution indeed given the conditions under which it operated. In addition, the UTP helped establish and/or provide support to several unions, some of which later became affiliates of the

Sakhela Bublangu reviews
20 Years in the Labour
Movement: The Urban Training
Project and Change in South
Africa: 1971 - 1991, by
Donovan Lowry.

Federation of South African Trade Unions (FOSATU) and the Congress of South African Trade Unions (COSATU). The Commercial, Catering and Allied Workers' Union (CCAWUSA), Sweet, Food and Allied Workers' Union (SFAWU) and Paper, Wood and Allied Workers' Union (PWAWU) are some of the unions it helped establish.

Historical marginalisation

The formation and work of the UTP was inspired by individuals from very diverse social and political backgrounds. Lowry shows that those who established the organisation came from the Trade Union Council of South Africa (TUCSA), the Young Christian Workers and the Catholic Church, other religious denominations, the Black Consciousness Movement, the African National Congress and the Pan-Africanist Congress.

The UTP also pioneered several strategic approaches to union organisation which others adopted later, such as the

emphasis on black leadership of the new unions, the economic strategy to ensure survival, the tactical establishment and use of statutory works committees (instead of liaison committees) as part of the strategy to revive black unions and the working with Wits University to set up a legal clinic which eventually led to a new course in Labour Law for students

Why, then, does such an organisation and its work receive such negligible coverage in accounts of the union movement's history?

Lowry argues that this is because of a deliberate strategy of 'historical marginalisation' by those who want to 'write the UTP out of the story' (p3). In his account, the main culprits are 'white university people', young white intellectuals 'based in, or emerging from, the English-language universities' who 'followed UTP into the field - some helped by it' (pp2-3)

Lowry's attempts to trace this rivalry within the union movement broaches a subject that many have chosen to avoid in their versions of union history during this period

The book is scathing of the 'cultural hegemony' of these neo-Marxist intellectuals who had FOSATU as their organisational base, and it cites two examples where their networks were used to try and limit, or even close, the space for the UTP to operate. 'There is evidence of monopolistic and manipulative endeavours at least on the part of some of the FOSATU people

The dismissive treatment of UTP in the story suggests this: there was, for example, the partisan coverage of union affairs meted out in the *Labour Bulletin* that this group staffed and controlled, and other writing. But something more manipulative was attempted.

At the end of 1979 the UTP committee

became aware of attempts to stop its funding from the British Trade Union Council (TUC). The TUC informed UTP that FOSATU wanted all funding for black unions to be sent to it' (p197)

This theme runs through the entire book and it is quite revealing about the rivalry between the different political and ideological currents within the union movement during this period. It is the first time that these issues have been addressed from the other (non-FOSATU/COSATU) side of the political divide. This attempt to contest received versions of the union movement and to highlight the contribution of those working under the auspices of the UTP represents the most important and interesting contribution by the author.

Disappointments

However, the book is disappointing in several respects. Firstly, the presentation of rivalry within the union movement is too conspiratorial and thus fails to acknowledge that 'manipulative' actions and conflicts were widespread between (and within) all the different currents in the union movement.

Secondly, although the book presents a good account of the contribution of UTP and its activists, it fails to deal with conflicts and contestation within the UTP camp itself. Surely, UTP was not just a happy family of activists whose only problem was to ward off hostile attacks by others.

In his autobiography, *My Life Struggle*, Petrus Tom suggests that his parting ways with UTP was acrimonious, and one also gets the impression that he feels there was political manipulation within the UTP-aligned union that he worked for. The book would have been immensely enhanced by a discussion of political conflicts within the UTP and its unions,

particularly given that it contained so many different currents and tendencies within itself

Thirdly, there is a tendency in the book to want to blame everybody else but the UTP for its marginality and ultimate collapse. It would have been useful to have a discussion of issues on which the UTP made errors of judgement or where it failed to position itself adequately, particularly during the period of consolidation within the union movement in the mid 1980s. It is true that many worker leaders who later became prominent unionists in COSATU came through UTP training seminars and workshops.

Why did the UTP fail to maintain links with these leaders when they had moved over to FOSATU and, later, COSATU? Finally, the book makes a convincing point that white intellectuals played a dominant role in the affairs of the FOSATU and COSATU unions. But this cannot be said for the entire period of the UTP's existence. A closer examination of developments in the unions will show that the power of the intellectuals began to wane after the formation of COSATU. If the chief problem for the UTP was the presence of these intellectuals in the unions, then they should have noted this change and started to reposition themselves for closer working relations with workers in COSATU.

Notwithstanding the above, the book is a welcome contribution to the literature

20 Years in the LABOUR MOVEMENT

The Urban Training Project
and Change in South Africa
1971 - 1991



Donovan
Lorry

on the history of the trade union movement. It is well written and well researched and the price is reasonable. It's a great pity, though, that a book of about 313 pages does not have an index! ★

Sakhela Buhlungu is a lecturer in the sociology department at the University of the Witwatersrand, a staff associate of SWOP and a member of the Bulletin's editorial board.

20 Years in the Labour Movement: The Urban Training Project and Change in South Africa 1971 - 1991 was published in Johannesburg by Wadmore in 1999, is 343 pages and costs R70.

'Workers of the mind'

Bulletin: When was SADTU formed?

Madisha: SADTU was officially launched in 1990. The formation goes back to the unity talks in 1988 in which the exiled ANC and COSATU comrades like Sydney Mufamadi and Jay Naidoo played a part. Those people ensured that more than 15 organisations which were structured around racial lines came together. Before the formation of SADTU the apartheid system did not allow teachers of different racial backgrounds to come together. A number of organisations stayed out and that is why today some organisations are still outside SADTU.

Bulletin: How many members do you have and who are they?

Madisha: SADTU has 220 000 members from 10 000 in 1990. The members are teachers in the formal education sector: primary and secondary schools and colleges of education. We have a few lecturers from the universities.

Bulletin: You have organised about two thirds of all public school teachers and the rest are in other unions. What is your organising strategy now?

Madisha: We have two rival organisations, the National Professional Teachers' Organisation of South Africa

Etienne Vlok and Rugaya Rees interview SADTU president Willie Madisha.

(NAPTOSA) with 66 000 members and SA Onderwysersunie (SAOU) with 35 000. Although we have more than 70% of teachers in the country we still believe the other 30% has to come inside SADTU. Those teachers who remain outside SADTU even if they are organised by the other organisations, remain unorganised. We must get each and every teacher in the formal education sector into our ranks.

We have identified strategies we could use. Before 1994 we organised teachers on the basis of our political commitment and direction. With the advent of democracy the majority of teachers are now no longer looking at ideologies and philosophies. They have begun to say "Let us look into the other areas". On the basis of that we established our investment wing. We must begin to deal with the kind of problems teachers face. The majority of teachers, for instance, have outstanding debt.

We have therefore said "Let us look into ways of addressing that debt". Secondly, we have asked what makes NAPTOSA and SAOU survive. We realise they do things that we are not doing, for example the professional development of

teachers. We have a big department which deals with development but our members do not feel that kind of thing. We have therefore said 'Let us identify the things our members want and avail resources to train them'. In that way we believe we will be able to remove the carpet from under the organisational feet of the other organisations.

Bulletin: *SADTU has more professional members than a typical COSATU industrial union. How does the union fit into COSATU?*

Madisha: The history of the country has made sure that teachers do not see themselves as workers. This makes it difficult to organise them. We have to attack that kind of a thing. For instance we took a lot of time to convince them to come into COSATU. Whenever I have addressed them I indicated to them "look you are workers". Some of us have said to them they are workers of the mind.

Also, workers win battles by striking to challenge the employer. But in the past teachers considered their own pay before going into mass action. We have begun to turn that around. Last year teachers were at the forefront of the public sector battle. Teachers now see themselves as part of the working class and COSATU. Unlike conventional trade unions, teachers came to the union movement late. We still have to learn all the tactics that the traditional unions have used.

It is also difficult because the communities have not accepted that teachers are workers. How many people rally foul when teachers strike? In 1998 when SADTU went out to defend the retrenchment of 48 000 temporary teachers, our communities did not support us. Also, in COSATU's strike action on 10 May we had letters from the Minister of

Education and the community saying teachers must not go on strike. They attempt to divorce teachers from the broader working class.

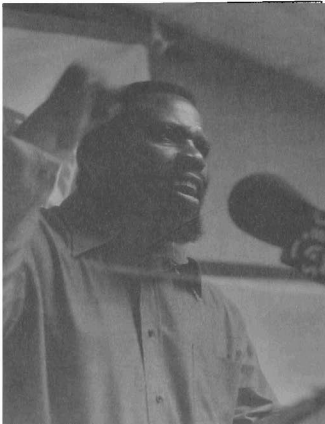
Bulletin: *How is SADTU staffed and what structures do you have?*

Madisha: The highest structure is the national congress followed by the national general council, the national executive committee and the national office bearers. In the provinces and regions you have the same thing. At the branches you have AGMs, then branch executive committees and siteward councils. At the school level you have site committees consisting of the site chairperson, the site secretary and the organiser.

We are well staffed with a number of departments at the national office. The eight office bearers are here full time. There are a number of departments such as the national administrator, organising gender, sports, arts and culture and education. Under the latter we have the research department and sub-departments dealing with early childhood development, higher education and curriculum development. We have the sports, arts and culture department because SADTU organises where there are children practising those things.

Bulletin: *You have many women members but they are not represented in the leadership. Why is this?*

Madisha: Perhaps Stalin is the problem. At the COSATU gender conference I took them back to the history of the Soviet Union. When Lenin came into power women were given almost everything. What we are fighting for today was given to those women around 1919: abortion, legalised prostitution, divorce. If a woman



'Workers win battles by striking.'

could not identify one man as the father of her child a number of men she pointed out would be forced to pay maintenance These rights were given to women by the turn of the century until 1936 when Stalin came in That legacy has affected us as well.

More than 60% of SADTU members are women but only one of the eight national officers is a woman We have said we must attack this kind of a problem: firstly, let us look at equipping women so that within a short period of time they can take over the leadership. We have a policy that in each and every workshop about 50% must be women Every region and branch knows that. As we go to the COSATU congress we will be arguing that women

must not only be given positions in terms of quotas but we must increase the levels of capacity-building

Bulletin: What is SADTU's response to the education crisis?

Madisa: The present government and all of us in the tripartite alliance realise that indeed we have an education crisis It is part and parcel of the social deficit that the country faces. Therefore SADTU saw the emergence of Curriculum 2005 as a step forward. We believed it was taking us away from Bantu education and would develop the people of our country We are disappointed that it has not come to fruition. SADTU says it has not succeeded because, firstly, teachers were not trained to deal with it. The

department's cascading model where a few teachers were trained and those would then train all the others did not succeed Secondly, government did not avail enough resources, for example developing the workbooks for Curriculum 2005 that every child and teacher was supposed to have.

In terms of the policy evolution and legislation, such as the South African Schools Act, I think we are far ahead SADTU contributed to this There is a crisis because although we have good policies and legislation there is no implementation This is because of the lack of capacity in middle management at the Department of Education

In some of the deep rural areas, and I

ome from there myself, more infrastructure is needed. Last year the government spoke about 29 000 classrooms that were still needed. What constitutes a further crisis is when one teacher faces a hundred children in a classroom. In this situation you will never have proper teaching. I was a principal for some time and had only ten classrooms with more than a thousand children. As a result of that you have this matric bottleneck that is a very serious problem – it is the working class children who are suffering with the matric bottlenecks.

We cannot address this crisis unless we train the teachers. There are 85 000 teachers in the country today who are underqualified – only one or two years training. We have called on the department for all resources to train them so that we can deal with the crisis. We demand more teachers, yet the Minister of Education talks about more than 20 000 teachers that must go. This will add to the crisis. SADTU

has called on teachers to put their shoulders to the wheel to address the problems of the children of our country and promote quality public education.

The day Kader Asmal was appointed Minister of Education was a sad day for South Africa. We worked with Sibusiso Bengu, the former minister, for five years. There was proper consultation and that is why I am proud to say SADTU contributed to the evolution of legislation. It was participatory democracy in line with the demands of our alliance. That is something we are not seeing with Asmal today. He quickly calls a commission or task team and does not come to us to say "what do you think about this particular thing?" He appoints people, they finalise whatever and he goes to the media and says whatever he wants to. The majority of the things we achieved between 1994 and 1999 are being reversed. That adds to the crisis we have. What we want to see is proper consultation so we can deal with



Resources are needed for effective teaching

this crisis. What we want to see is the implementation of policies that have evolved over the past five years so that we can then take education forward. I say it was a sad day because Asmal was seen as a messiah that was going to rescue education from SADTU.

We were very happy when our alliance took over the government because we spoke about the Reconstruction and Development Programme (RDP), about free, compulsory education. This was effected under Bengu's period where the majority of the children went back to school and were given textbooks. But if you have been following the papers and Kader Asmal's speeches, he said he is going to withdraw the supply of textbooks and stationery to children. My brothers in the rural provinces, Northern Province and Eastern Cape, cannot afford these kinds of things.

In January the MEC for Education in the Free State said if children fall they will not be readmitted. That is a problem because people are saying "let us look at the costs of keeping children in school" without saying "let us make sure these children go through schooling because of the crisis". Working class communities are the people who are suffering. They can't afford to buy books. If you say that you are not going to give them books anymore it means you are denying them education.

Bulletin: *You are involved in difficult negotiations in the Public Service Co-ordinating Bargaining Council (PSCBC) for the second year running. What do you attribute this to?*

Madisha: Last year the problem was the unwillingness of the Department of Public Service and Administration to negotiate in good faith. The issue was salaries. SADTU negotiated in a conventional way and

compromised four times from 10% down to 7,1%. Government simply said "no, we follow this direction" and they did. When we went on with the negotiations Minister Geraldine Fraser-Moleketi simply said "you take it or you leave it, I am implementing".

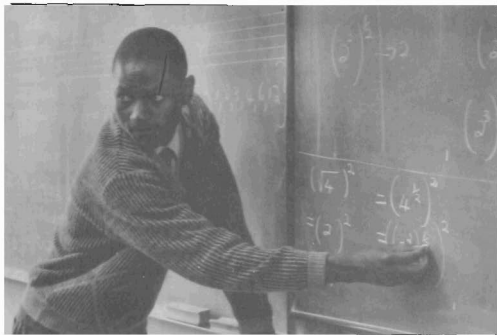
The main problem is that parliament comes up with a particular figure for increases for the public service workers even before the negotiations. Then they go to the negotiations to say "we have so much". They want you to negotiate and yet there are no negotiations. Even now when they say the Minister of Finance has not determined the amount, indeed he has done that. He has spoken about 5% for raising of the benefits of the public service workers when you refer to his budget.

The negotiations last year in the PSCBC were not concluded. It is unfortunate what happened last year. It set a standard because even employers in the private sector followed the unilateral implementation model.

This year it is another kettle of fish - worse than last year. The workers demanded 10% with the lowest paid workers getting more. The employer said "take 6% or leave it". While we were still attempting to negotiate, Fraser-Moleketi announced to the media 6% as the final offer. Once again, there are no real negotiations. The 6% is something we can live with but what the workers can't live with is all the benefits being cut - housing subsidies, medical aid, leave dates and so on. Everything is being taken away. If the minister goes on in this particular way we will hit another problem like we did last year.

Bulletin: *Contrary to the private sector unions, SADTU negotiates with its political ally. What is the implication of this?*

Madisha: We admit that there are problems in terms of tactics. As far as the



Eighty-five thousand teachers are underqualified in South Africa

strategic objectives are concerned, as the alliance partners, we are united. We do not agree with the tactics that are being employed. One of those tactics is GEAR which determines everything such as the cuts in benefits. Government wants to curtail expenditure and not deal with the social deficit. That is exactly where the problem lies. That is the wrong tactic.

The debates in SADTU are saying why would we be in an alliance when everything gets taken away, when the RDP is put in a dustbin, when the social deficit is not addressed. The membership realises this.

As the leadership we have said repeatedly that the alliance is alive, has been built on blood and therefore has to be nurtured. We have to ensure it survives because we believe that we have not yet had our revolution attained. The founding fathers of this alliance would not be happy if we begin to question that. We have to

deal with the kinds of tactical problems which are there. I mean it is an open secret that the alliance has not been meeting to tackle that.

I must emphasise that despite the alliance's existence, the leaders of the workers have to make sure that the ideals, the interests, the objectives of the workers are protected. That is why whenever we are not satisfied we will go out and challenge this kind of tactical issue. We will do this for as long as workers are being shortchanged. But then we will go on respecting the alliance.

We have therefore attempted to, painfully so, separate the alliance from the department as our employer. We have said that we are dealing with the employer in the traditional way of employer-employee and therefore the alliance is aside. The questions that we have must be dealt with in the alliance. It is difficult. The workers have reason to ask "what is happening"? ★

THE EDUCATOR'S VOICE



For informed opinion, analysis and news in education, labour and stimulating debate, read...

THE EDUCATOR'S VOICE

The Educator's Voice is published monthly and is distributed free of charge to SADTU members.

Non-SADTU members may subscribe.

The cost to subscribe for 10 editions per year is R34,20 (incl postage & packaging & VAT)
To subscribe, send your name and address details and a cheque or postal order made out to:

Subscriptions — The Educator's Voice
PO Box 260888, Excom 2023

Advertising: Tel: (011) 487-2119 Fax: (011) 648-8041 Editorial: Tel: (011) 334-4830 Fax: (011) 334-4836/8
Website: <http://www.sadtu.org.za> E-mail: hassen@sadtu.org.za

Zimbabwe

a different point of view

For the first time since Zimbabwe's independence in 1980, President Mugabe confronts a serious opposition, both in parliament and in the country. In the recent elections, held on 21 and 25 June, his party, the Zimbabwe African National Union - Patriotic Front (ZANU-PF) won 62 seats, while the Movement for Democratic Change (MDC) took 5*

The MDC and most international observers concluded that the elections were neither free nor fair. The pre-election period was marred by violence, in which more than 31 MDC supporters were killed. The Zimbabwe Broadcasting Corporation, the near monopoly of the broadcast media, was thoroughly biased in favour of ZANU-PF. Had intimidation been absent from the election, the MDC would almost certainly have won the majority of contested seats.

Even so, the MDC swept the board in all the nine largest towns. In the working-class constituencies of Harare and Bulawayo its vote ranged between 70% and 86% of the total poll. In focus-group interviews I conducted with factory workers in Harare, two main reasons were provided for this support:

First, workers are experiencing severe hardships as a consequence of spiraling inflation. This is running at over 60%, and is set to rise to over 80% before the end of the year. One worker asked me to tell South Africans, 'the boys in Zimbabwe are

Peter Alexander reports on the outcome of the recent Zimbabwean election. We also publish his interview with rail worker Gibson Sibanda, now the MDC's vice-president.

suffering!' Others said they were being paid about Z\$2 000, less than R\$300 per month (yet the cost of living is similar to that in Johannesburg). With the poverty datum line at Z\$8 100 per month, most workers are regarded as poor. Many are no longer able to send their children to school, and some are experiencing hunger. The situation is made worse by high levels of unemployment and the need to feed relatives in urban and rural areas. Workers blame Mugabe's policies for their problems, and they see the MDC as the only alternative.

Workers see the MDC as their party. Although it has a number of middle-class leaders, the top leadership - Morgan Tsvangirai and Gibson Sibanda - are trade unionists. Tsvangirai, now president of the MDC, was, until recently, the secretary general of the Zimbabwe Congress of Trade Unions (ZCTU), and before that he was a mineworker. The ZCTU is the only union federation in Zimbabwe, and nearly

all unions are affiliated. Having called a number of successful stay-aways in 1997 and 1998, it realised that strike actions could not solve Zimbabwe's problems, and in February 1999 it convened the National Working People's Convention, modelled on the Congress of the People. It was this gathering that launched the MDC.

The MDC, like the ZCTU, favours a social contract, a market-based economy, and co-operation with the World Bank and IMF. Some of us might think that such an approach is misjudged. Nevertheless, the creation of a labour-based party is a tremendous achievement, and a big step forward for Zimbabwe's workers.

Workers I interviewed thought that, given President Mbeki's support for democracy, he should be supporting the MDC, not ZANU-PF. Sources close to Mbeki say that his backing for Mugabe is conditioned by the fact that he does not

want to encourage a worker-based opposition movement in South Africa. More surprising is the Congress of South African Trade Unions's (COSATU's) lack of support for the ZCTU and its party, the MDC. ZCTU leaders say that COSATU representatives have visited Harare and are aware that the unions back the MDC. They are concerned that COSATU has become so close to the ANC that it is losing its independence.

Having returned to South Africa, I am aware that there has been distortion of the Zimbabwean situation by the South African Broadcasting Corporation. For instance, the MDC's final election rally, at Rufaro Stadium in Harare, was attended by 30 000 to 35 000 people, but much smaller numbers were reported in South Africa.

In the following interview, Sibanda responds to some of the misrepresentations that have occurred.



Gibson Sibanda

Gibson Sibanda was born in southern Malawi in 1944, and started work on the railways in 1965. Unlike Morgan Tsvangirai, who was a ZANU-PF commissar, he was a member of the Zimbabwe African People's Union. In 1976,

when he and his wife, Zodwa, were detained at gunpoint, they were taken from their house leaving behind a six-month old child. Later they had another three children, and in the 1980s Zodwa Sibanda was detained for six months on suspicion of political subversion. Sibanda was held until independence in 1980.

In 1982 he was appointed to the Railway Pension Fund Advisory Committee, and in 1987 he was elected president of the Zimbabwe Amalgamated Railwaymen's Union. Two years later, he was elected as president of the ZCTU, a position he held until, with the encouragement of the ZCTU executive, he withdrew to take on responsibilities as vice-president of the MDC. He was recently returned as the representative for the Bulawayo constituency of Nkulumane, and with Tsvangirai's failure to secure election as a member of parliament (MP), he has become the MDC's parliamentary leader.

'We are waging an economic war'

Alexander: Congratulations on your election as an MP. The NUM has been sympathetic to the MDC, the ANC has backed ZANU-PF, and COSATU has said very little. What would you say to a South African worker to convince them to support the MDC?

Sibanda: We've got inflation running at about 70%, and now unemployment has jumped to about 56%. It was out of that that the workers started saying, 'what's the major cause of the economic crisis? It's because of government expenditure.'

They were not doing anything to cap this expenditure, and then they started raising the taxes. We started protesting and doing all sorts of things, but they were not doing anything to correct the fundamentals on the economic side. It was out of that that the ZCTU said 'we have tried negotiation, they were not taking us seriously, so we had no option except to form a party.'

So my message to the South African workers is that we've got solidarity messages from throughout the world, from all the workers, that an injury to one is an injury to all. The economic woes, that are now faced by the workers of Zimbabwe, will sometime face them. They should support us, both practically and morally, because we are waging an economic war to address those very conditions that they, probably, are enjoying now.

Alexander: You may have seen an opinion poll which showed that, among black people in South Africa, the occupation of white farmers' land by the war vets is a very popular. People think the MDC is completely opposed to that. You might like to comment.

Sibanda: We want to proclaim land redistribution, but on a properly financed programme, not the chaos he [Mugabe] is doing. There must be compensation. It has been stated [and agreed by ZANU-PF] that we need about six million hectares to settle everybody. Four million is already within the government, but those farms have been distributed to themselves [ie to ministers and their friends and relations], some of them have got five farms. We are saying we will take the four million they have already acquired, and then we will look for the two million from absent landlords and those who are owning more than one farm. We are saying the inequitable distribution of the land is a very important issue, and we want an equitable redistribution of land based on a programme which will be administered by a land commission, which will not be politically used.

At all three elections, Mugabe used the land distribution question. But for the last 20 years, what has he been doing? The Lancaster House constitution [of 1980] only says ten years [when specifying how

redistribution should be conducted], and after that he could have changed the law. In our manifesto it is clearly the number two issue. But, first is the economic issue. We cannot remove people from industry and say, because industry has collapsed you must go to the land. It is always the other way round - people want to come from the rural areas into industry.

Alexander: Another issue in South Africa concerns support for the MDC from wealthy farmers, financiers and the Democratic Party, and the assumption that, if these people give something, they expect something back in return.

Sibanda: Let me state very clearly, we have had no support from Tony Leon and his party. He came when we were still in the ZCTU, and he saw Morgan. There was no money. He actually tried to invite us to his congress, and there was no response. We decided to have nothing to do with him.

Let me state very clearly; we have had no support from Tony Leon and his party... We decided to have nothing to do with him.

We have been supported by the commercial farmers and business after the draft constitution referendum. They came forward and they gave donations and that was because we put forward our programme on recovery. We've got support - not only from the whites, but the Indians as well - because we're the only party that has got a national command, and because of the programme we put forward, which they supported.

What is wrong with us accepting donations from well-wishers who see the

same view as us? The real issue is whether they make any meaningful decisions in the MDC. The answer is 'no!'. They [the whites] are not even in the structure, other than the David Colharts [now MP for Bulawayo North] who we started off with, who have no money what-so-ever (because they have been battling on human rights issues).

But I must quickly say that ZANU-PF has been financed by the Tiny Rowlands, and this British man who owns farms here, whose farms have not been occupied. When Mugabe is having it hard, he blames the whites, but when the whites are on his side he says they are good Zimbabweans.

Alexander: Before the party was formed, there was some discussion about whether it should be a broad-based party or a workers' party, and I notice that at the MDC's closing election rally you described the MDC as a workers' party. Did you get into trouble with Morgan for using that phrase?

Sibanda: [Laughs.] Not at all. Basically, that's where our base is. When we say 'workers' we include the peasants. But the base really is the workers. There is no question that it is a workers' party.

Alexander: Of the members of the national executive committee, how many of them are workers and how many of them are peasants?

Sibanda: Two-thirds are workers plus peasants, with one-third from the university intellectuals, the professors and others we got when we combined with the National Constitutional Assembly (NCA).

Alexander: Amongst the 120 candidates, I think 16 were trade unionists, and I don't think any were listed as peasants



here is no question that the MDC is a workers' party'.

Sibanda: We had peasants. For instance in atabeleland there was one, Thabane, one from Umguza, and one lady from mzingwane, and then this one we lost, wanda South, he's a peasant, a farmmaster there.

Alexander: One of the things one notices about the MDC is that it is a very broad church. There's Eddie Cross [a business leader], then there's MunyaRadzi Gwisai [leader of the International Socialist Organisation, now an MDC MP]. Is that going to cause problems for the MDC?

Sibanda: We set out at the convention an agenda which must address the issues. We have broad policies on each of the issues, whatever the case of anybody having their own position, it must be contained within that broad framework. I hope you have seen the manifesto - that was before

the Eddie Crosses came in.

Alexander: But when I talk to [MDC] people, most of them say 'yes there are tensions and yes these will be brought out in the future'. I have asked some of the same questions to all these people and got lots of different answers. [Sibanda chuckles] One of the questions is, 'what do you mean by 'change'?"

Sibanda: The change we are talking about is the change in the whole culture of doing things. Democratisation actually - good governance and accountability, we don't have them. The main reason we are in this mess - economically, politically and socially - is because of the government's undemocratic way of doing things. There must be transparency with tender procedures and an end to violence, corruption is big.

Alexander: There are differences within any broad party and perhaps that doesn't matter. What's more problematic is when there are differences over economic questions, for instance price controls and minimum wages. How would you deal with those questions?

Sibanda: Basically we say we want a social contract. On the basis of an agreement between business, labour and government, we can come down on the fundamentals. The issue of a minimum wage naturally goes with the price control, and once we agree on the basic benchmark then the price controls on basic commodities – that's where we'll apply them – will be agreed by a committee of experts. That's the sort of price control we are talking about, agreed by social partners. A tripartite committee would determine, based on the poverty datum line, what minimum wage would be applied in the various sectors.

Basically we say we want a social contract. On the basis of an agreement between business, labour and government, we can come down on the fundamentals.

Alexander: OK. But what would happen if there's no agreement. Employers say they don't want control but workers I've spoken to say we have to have that increase now.

Sibanda: It's a very, very precarious situation which is existing. They're trying to address the economic crisis, but once you approach the issue of macro-economic stabilisation you will have to

deal with a range of issues. Now, it's just a yo-yo sort of situation. There is no approach as to how to deal with the issues. The government gave the civil servants between 60 and 90%, but it was unbudgeted, and what does it do, just inflation.

Alexander: But in terms of the immediate problems, do you think there should be an increase in minimum wages so people can catch up with the inflation?

Sibanda: Minimums yes. We have been advocating for a minimum wage review. Then we can go to the individual sectors and negotiate whatever's best on the productivity. We have a Salaries and Wages Board, which mostly they ignore, which is tripartite. We will not engage in a unilateral imposition by government.

Alexander: Is it possible that there can be a social contract while Mugabe is president?

Sibanda: In 1997, we brought the country to a standstill. We were advocating to bring a social contract. He didn't respond. One of the issues was that he wanted us to impose a wage freeze, but let the state expenditure runaway. We are spending, what, US\$1-million a day, to sustain that army in the DRC [Democratic Republic of Congo]. Bring those soldiers back. Cut the cabinet down, because that's one of the biggest expenditures. The MDC is committed to only 15 ministers. Then we will negotiate how we will reallocate the civil service and the packages. I don't think a social contract is possible with Mugabe because we've tried. I don't see how we can bring it about, when he's not committed to bring down government expenditure.

Alexander: Given the pressures that there are on workers in particular, it must be very likely that there will be substantial civil disobedience. Do you think this would be a good thing?

Sibanda: Definitely, with the economic hardships that are now coming. With this political campaign a lot of shortages are coming. Already they've started showing, and the inflation is just galloping further. The wage demands are now on, because the negotiations are usually in this month, usually.

Alexander: Whereas in February 1999, at the convention, the workers and peasants were central, when it came to the national executive elected at the congress (in January 2000), there was a shift.

Sibanda: Each of the provinces were electing their members of the executive. We've got the top six, on open election – the president, myself and the secretary general, the chairman of the party, the treasurer, and the assistant general secretary – then 12 provinces, two for each province, 24 in all. Then because of our constitution, we had to co-opt some women, and some more because of specialisation. The composition of the executive was determined because of mass popular and regional representation.

Alexander: My point though is that there seems to be, a) a decline in working class influence over the MDC, and, b) no built-in institutionalised influence for the trade unions, even though they initiated the MDC.

Sibanda: I agree with you. It is something which we will have to address at the congress in January or February of next year. At the current situation, once myself

and Morgan were in, the workers thought we are all assured. But there were also other forces and we had to strike a balance. But I agree with you that there has been quite a voice saying that we are not clearly assured and I am sure they are going to push the resolutions at the next congress. I have heard this.

Alexander: Do you see your job in the leadership as representing the interests of labour?

Sibanda: Yes, yes. I mean first and foremost I always get a balance. I have been in the ILO for the last ten years; and I have been a member of the governing body for three terms that's nine years. Compromise has been my game for quite some time. I don't think we will fail to find a balance, and it is that balance which always gets us forward.

Alexander: From your experience campaigning in the rural areas, what convinced the peasants to vote for the MDC?

Sibanda: The economic issue. We are telling them we are going to create jobs, we are going to bring the prices down, that's what they were voting for. There's no doubt. Most of the youth in the rural areas have got no jobs and those are the people who voted for us. They will not dispute the issue of the land but they are talking about the price increases which are galloping every day. We'd have been home and dry if we'd had no violence. Once they know who we are, what we stand for, they are fine. They did not vote because they are frightened of the war vets. ★

Peter Alexander is senior lecturer in Sociology at Rand Afrikaans University (RAU).

Trade unions in Malawi

The advent of political pluralism in Malawi after the demise of the one-party state in 1994 has created space for 'free political and trade union activities'. It has also brought about increased hope for millions of people who are unemployed and underemployed - hope that jobs will be created and poverty eradicated. However, the country is still characterised by low economic growth, high unemployment and high underemployment.

Economic growth has been negative despite the country's low wage strategy, which was implemented to promote economic growth. Workers have also been subjected to retrenchments, especially in the parastatals that have privatised since 1994. The price of basic commodities has skyrocketed. The increasing rate of retrenchments, low economic growth together with lack of internal resources and capacity are some of the challenges that confront the labour movement in Malawi.

Economic indicators

Malawi has some of the most fertile areas in southern Africa. Yet, it remains one of the poorest countries in the world. This is despite the ruling party's promise of economic reform and poverty alleviation in its 1994 and 1999 election manifestos. Malawi like many developing countries depends on agriculture's contribution to

Sabata Nakanyane reports on the labour movement in Malawi.

the GDP. According to the World Development Report 1999/2000, agriculture:

- generates close to 40% of Malawi's GDP,
 - accounts for 90% in export earnings;
 - supports about 90% of the population.
- Agriculture has thus occupied a primary position in employment creation in the country from the pre-colonial period to the present day.

The 1999/2000 report ranks Malawi 144 in terms of its GNP (US\$ 2,1-billion in 1998). Malawi's average income is low as compared to neighbouring countries. It has an average income (GDP per capita) of US\$775, which is low compared to Mozambique (US\$995), Zambia (US\$986) and Zimbabwe (US\$2 135) (UNDP 1999).

In 1998, the World Bank estimated the population of Malawi to be 10,5 million with an annual growth rate of 3,1% between 1990 and 1998. The labour force of Malawi is estimated to be around 5 million and about 12% (estimated to be 558 000) of the labour force is engaged in formal sector employment. A large majority of the population survives from

Structure of the economy

(World Development Report 1999/2000:252)

% of GDP	1977	1987	1997	1998
Agriculture	41,8	49,0	36,3	38,3
Industry	18,7	24,9	17,5	19,0
Services	39,6	26,1	46,1	42,7

income generated through participating in agriculture, either subsistence farming, small holding, casual labour for cash or food (ganyu) or tenant labour. The public sector dominates the formal labour market as the largest single employer. In 1992, about 117 000 people worked for the public sector, with an additional 18 000 employed in parastatals.

A 1997 survey conducted indicates that about 25% of the population is unemployed. Unemployment is higher amongst women than men, and higher in the urban areas than in the rural areas. The low unemployment rate may be explained by the fact that most subsistence and informal activities are already included in the employment figures.

Labour law

Prior to 1996, industrial relations in Malawi was characterised by conflict, lack of trust and lack of communication between employers and employees. On top of this, the legislation did not provide workers with the right to collective bargaining. This meant that communication between employers and employees assumed a top-down approach in most industries. Since 1991, the Malawian government consolidated different labour laws into the Labour Relations Act (LRA) of 1996.

The LRA of 1996 came into effect in December 1997. It marked a shift from the previous legislation by providing fundamental rights to workers and their unions. In line with the Constitution of Malawi, which provides for freedom of association and freedom of assembly, the LRA grants similar rights to employees and their unions. To complement this provision, section 6 of the Act protects employees who choose to join or not to



The public sector is the largest single employer in the formal labour market

join a trade union. According to the Act, no worker organisation is allowed to discriminate or refuse membership on the grounds of race, colour, nationality, religion, ethnic or social origin. The Act also provides for freedom of association for both workers and employers to organise members, elect officers and form federations.

The Act provides trade unions with the right to bargain collectively with employers on issues relating to conditions of service. A trade union will be legally recognised to be the representative of employees in collective bargaining forums if it has 20% or more members in a workplace. Collective bargaining takes place at enterprise and sectoral level. All bargaining agreements have to be registered with the Registrar. The agreements are binding on all employees and employers who are members of the trade unions and employers' organisation,

respectively, which were party to the agreement. Presently, bargaining is weak in Malawi because it is voluntary and unions are often too weak to pressurise employers to bargain.

The Act provides employers with the right to lock-out and workers with the right to strike. The provision excludes employers and employees providing 'essential services'. The law requires that parties exhaust dispute settlement procedures and serve notice to the Principal Secretary for Labour seven days before embarking on industrial action or locking workers out.

Whilst the LRA signifies what can be regarded as a victory for workers, the government has also introduced the Export Processing Zones (EPZ) Act of 1995. The EPZ Act is aimed at attracting and promoting investment in Malawi. Even though the EPZ Act details incentives for companies with EPZ status, it is silent on

Current breakdown membership of affiliates members of MCTU

(MCTU Newsletter 1999:2)

Trade union affiliates	actual membership
Building, Construction, Civil Engineering and Allied Workers' Union	2 000
Civil Servants' Union of Malawi	800
Customs Workers' Union of Malawi	380
Electronic and Print Media of Malawi	300
ESCOM Workers' Union	1 500
Hotel and Catering Workers' Union	5 000
Local Government Union of Malawi	1 100
Malawi Housing Co-operation Workers' Union	400
Malawi Posts and Telecommunication Workers' Union	1 000
National Union of Commercial and Industrial Workers	6 000
Plantation and Agricultural Workers' Union	2 000
Railways Workers' Union of Malawi	800
Sugar Plantation and Allied Workers' Union	6 000
Teachers Union of Malawi	35 000
Textile, Leather, Garments and Security Services Workers' Union	1 000
Tobacco Handlers Workers' Union	1 200
Tobacco Tenants and Allied Workers' Union	2 000
Transport and General Workers' Union	6 500
Total membership	72 980



E. Hovey/Fla. ACP/3

Most EPZ companies employ workers on short term contracts

the application of labour laws in companies with EPZ status

Trade unions

There is only one trade union federation in Malawi – the Malawi Congress of Trade Unions (MCTU). MCTU was established in 1995 to co-ordinate the activities of all the affiliates organising workers in all the sectors of the country's economy. The federation has an estimated membership (paid up members) of 72 980 from 18 affiliates. With a total of 558 000 workers in the formal sector, this represents a union density of about 14%. Malawi thus has one of the lowest union densities in the region. Most of the union members are from the public sector with more than 35 000 workers belonging to the Teachers Union of Malawi. This constitutes 48% of the total MCTU membership.

Challenges

The unions in Malawi are relatively weak if we consider their membership figures. The weakness of unions has coincided with numerous challenges brought about by globalisation, the introduction of EPZ companies, the suspension of the Malawi-South Africa trade agreement, retrenchments, privatisation, company closures and hostile employers. Unions face the following challenges in Malawi:

Legislation

While a number of companies are moving to Malawi, EPZs from other parts of the region (especially from South Africa), many of them undermine the existing working conditions, labour laws and standards. This can be attributed to lack of enforcement agencies, especially from government, to ensure that regulations are adhered to.

Also, the silent nature of legislation towards EPZ companies creates space for companies to bypass labour laws

EPZ companies

The labour movement is struggling to ensure that working conditions outlined in the LRA apply to companies with EPZ status. Sustaining jobs in the EPZ companies has become an added challenge for unions as most companies employ workers on short-term contracts. This has serious implications for union membership which tends to go up and down according to workers' contracts. Thus, the labour movement needs to engage in processes to ensure that labour laws are applied to EPZ companies.

Trade agreement with SA

The suspension of a trade agreement between Malawi and South Africa has become an added challenge for the union movement. It has led to a temporary closure and lack of access to the South African markets by Malawian companies. This has resulted in company closures and retrenchments. Unions have battled to save workers' jobs and thus membership figures have dropped.

Resources and capacity

Unions also lack resources and capacity. The affiliates are experiencing shortages of administrative infrastructure and are forced to rely on office equipment provided by MCTU (which itself gets some external funding). Lack of resources and especially financial resources, has become a major constraint for affiliates as it affects their functions. Their recruitment drive and educational programmes have been hampered by lack of funds. Lack of financial resources has a negative impact on the affiliates' ability to have access to basic necessities for running an office. This

includes, telephones, fax machines, computers and photocopying machines.

The unions should devise ways and means of addressing these challenges in order to make hard-won gains (such as more favourable labour legislation) more meaningful. This requires deploying more organisers on the ground to recruit and service members. These points have been acknowledged by Francis Antonio (general secretary of MCTU): 'We have to work towards improving awareness levels of union matters among the majority of workers who still do not appreciate the significance of trade unions' (Editorial comment in *MCTU Newsletter*, 2000:1). Simultaneously, unions should work towards influencing policy directions taken by government. These activities could help strengthen organisation and reduce the levels of unemployment and retrenchments. ★

References

- Amlu, R (1993) 'Industrial Relations in Malawi' in F. Katala Labour Relations in southern Africa. Proceedings of a conference on Labour Relations in Southern Africa. Friedrich Ebert Stiftung, South Africa.*
- Kanyongolo, NR (et al) (1997) 'Malawi country report' in I. Katala and L. Mubuku (ed) Public sector labour relations in Southern Africa. Developments and trends. Friedrich Ebert Stiftung and Institute of Development and Labour Law. Cape Town.*
- Mthindi, EB (1996) 'Economic situation analysis Malawi overview' A paper prepared for the Malawi Congress of Trade Unions Newsletter for the Malawi Congress of Trade Unions (MCTU) (1999) Recruitment drive to help increase union membership. Volume 1, number 005.*
- Newsletter for the Malawi Congress of Trade Unions (MCTU) (2000) Unions to promote democracy. Volume 1, number 006.*
- World Bank (2000) Entering the 21st Century. World Development Report 1999/2000. Oxford University Press, New York.*

Sabata Nakanyane is a researcher at Tafu, South Africa.

Public sector productivity measurement

By JLW de Jager

The most important levers that the public sector has on productivity are

- improving resource utilisation (labour, material and capital equipment),
- quality as perceived by external and internal users of services,
- timeliness of service

Administrative productivity measurement usually covers four dimensions – efficiency, quality, timeliness and utilisation

Efficiency is measured in conventional economic terms, while quality and timeliness are measured against standards that may be set by policy, law or agreement, or management set subjective standards commonly known as organisational performance standards. Utilisation refers to the actual usage of available staff and equipment

Measuring efficiency

Efficiency is usually measured by the ratio of real output (physical number of goods or services) to input (costs of labour, capital, energy, etc) over a specific period (month or year). This is then compared to a base period.

For example, the licensing department processed 5 000 licenses at a cost of R1 000 000 during 1998 (5 000 licenses/ R1 000 000 = 0,005 licenses processed per R1 labour input)

During 1999 the department issued 5 100 licenses at a cost of R900 000 in constant 1998 rand values. Thus 0,005667 per constant R1 of labour input, being a labour productivity increase of 13,1%

Measuring quality

Quality is often measured by accuracy or error-free rates, since a large part of routine government activity is specified in rules, regulations, and operating procedures that must be followed to produce accurate work. There is often a direct relation between quality and efficiency where the quality measure measures accuracy. Fewer errors should improve efficiency rates since less work would have to be re-done due to errors and fewer complaints related to the errors would have to be handled.

Where it is difficult to measure output objectively, other measures, usually subjective judgements of the supervisors, have to be used. Factors that require supervisory judgment should be made explicit and should be explained as clearly as possible to avoid judgements that appear arbitrary. Feedback from clients through questionnaires and surveys is possibly a better method to measure service quality and should be internalised in any productivity programme.

Measuring timeliness

Timeliness is usually a straightforward turnaround measure. It measures the time it takes to transform input into the output, or in other words, to provide the service. There is usually a direct relationship between timeliness and efficiency rates. If a service is rendered or a product produced more quickly, the number of outputs should increase, thus increasing efficiency. Managers would have to take

remedial action if efficiency or timeliness increases were made at the expense of product quality, quality of service or operational effectiveness

Organisational performance standards

To ensure that employees of an organisational unit understand the rate of efficiency and the level of quality and timeliness they are expected to attain, managers set standards covering each of these elements. Such standards are called organisation performance standards.

Efficiency, quality and timeliness measures tell the manager 'what is happening' in the organisation, organisational performance standards tell the employees 'what ought to happen' in the organisation. Both are essential to the success of a department's productivity improvement programme.

Work measurement enables managers to determine what activities or tasks are absorbing the greatest resources or consuming the most time. Managers can then decide where changes could be made to bring about improvements.

Outputs

The development of measures should focus on functions, which result in the final output as it reflects the primary purpose of the organisational unit being measured.

Groups outside the producing unit use the outputs the producing unit produces/ delivers. The users of these services/ products include the public, other governmental entities or even other sections within the department, for example facility maintenance units.

Numerous activities may therefore be performed as intermediate steps in a process before the final output is counted. Examples of such activities are clerical support, management support and data processing functions. These intermediate tasks and activities can, however, still be

manipulated or changed to enhance the productivity of organisational units, but are not counted as a final output.

Ideally the collection of output data should form part of a management information system.

If outputs cannot be measured in any of the above mentioned ways and therefore only in subjective terms, the subjective measures used should be independently verifiable.

Inputs

Inputs are the resources used to produce the output. The following methods are usually used to calculate the input:

Costs from

- a) Salaries and expenses of all employees directly and indirectly involved in producing the output. Indirect labour such as clerical, supervisory and management employees who are employed in the unit producing the output, is included. However, top management expenses are not included in the cost of production/service delivery because top management is too far removed from the production of the final output.
- b) Apportioned automation and other capital costs. For example, machinery, equipment etc.
- c) Other costs that do not form part of a) or b). For example, costs for consultants or products or services purchased.

Outputs associated with many functions (for example medical care, inspections, prison management) will have to include the inputs of multiple organisational units.

Input costs should be tied to the budget process and verified by the Department of Finance or its proxy. Input and output measures identified for productivity measurement purposes should be those used for resource management and budget formulation.

The Pirate teacher

I was born in Grahamstown from a very poor background. My father was an ordinary worker and my mother a domestic worker. I am the second child in a family of five children.

Teaching the teacher

When I was six years old I moved to Alice where I did my primary education at Gqumahashe Primary School. I did my secondary schooling at Jabavu High School where my favourite subjects were English and Biology.

I did not have much time to study in the afternoons as I, together with my older brother, had to do a lot of household chores. In the little spare time I had, I had to look after my younger brother.

I studied to become a teacher at the Cape College of Education. I went to the college like most young people who did not have enough income to go to university or technikon. I got there solely through the efforts of my older brother who was working then. Once at the college I was assisted by the government bursary scheme.

I was conscientised at high school through the education struggles that swept the Eastern Cape and the country in the early eighties. My older brother, who was with me at secondary school then, was continuously raising questions for debate with me. He also gave me

*Etienne Vlok speaks to
Mzwakhe Clay, SADTU
chairperson of the Eastern
Cape's western region.*

perspective on the questions confronting me regarding the struggle. This was further concretised at the college where I joined the South African National Students Congress (SANSCO).

Being the teacher

I am currently a teacher at JK Zondi Public Primary School in Port Elizabeth. The best thing about teaching is being able to interact with young minds at an early age – to develop them in a manner that makes them assets in the communities and help them solve the myriads of challenges and problems they face daily.

The worst thing about education is to witness daily the damage and wastage caused by apartheid education on the minds of our communities. Also the lack of resources in our country to deal with that.

Uniting with teachers

I joined SADTU during its inception in 1990 from the National Education Union of South Africa (NEUSA) – the teacher union that existed before SADTU.

I joined the union because of my conviction that SADTU was going to help transform education for the benefit of the poor people in our country

I am currently the regional chairperson of the western region in the Eastern Cape. The position entails co-ordinating collectively with the other office bearers,

The worst thing about education is to witness daily the damage and wastage caused by apartheid education on the minds of our communities.

the activities of the more than 7 000 members in our region

SADTU offers us a platform to contribute in the struggle to improve the conditions of service of educators and workers generally. How can SADTU be improved? We can improve its operations if we all implement the resolutions taken at all structural meetings of the union. These resolutions are primarily directed at servicing our members.

The alliance

We have a common objective as the various components of the alliance. The specific tactics to reach that objective might be something that we continuously discuss in the alliance. Obviously, debates are healthy and take place in the alliance. We make sure that we debate issues so that finally we all agree on the way to change conditions for people in our country.

The education crisis

The education crisis developed mainly with the advent of the Nationalist rule in

our country - this does not suggest that colonialist education shares less blame.

So all the reasons for the crisis I can mention are related to apartheid and colonialism.

In any capitalist society there will generally be a crisis in education and in all spheres of life because there will always be few people who would get the best of everything. So a permanent solution to our education crisis would be the removal of capitalism itself as a system. This malaise has affected every facet of our education including all schools in one way or another. For our society to move out of the mess requires massive expenditure. However, capital in our country is advising against that.

Concerning the role of teachers in the crisis, they are but one factor in the whole education equation. Yes, there are teachers who go to school drunk and who don't go to school regularly. One needs to acknowledge that these teachers do not even constitute a quarter of a percentage of union members. Our union is on record as stating clearly that those educators do not belong in SADTU.

In any capitalist society there will generally be a crisis in education and in all spheres of life because there will always be few people who would get the best of everything.

Eastern Cape

The features of the education crisis in the Eastern Cape are similar to those experienced in the other eight provinces because of the similar historic background.

This situation is, however, more critical

in the Eastern Cape and the Northern Province because of the level of poverty experienced in these provinces. As in public schools in other provinces there are Eastern Cape schools in working class areas and rural settings that produce good results. This is as a result of the dedication of the educators, learners and parents alike. However, there are few, unlike the results of the former model schools all over the country.

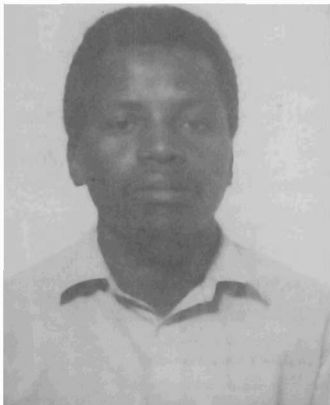
An issue that affects the province is the availability of basic resources. The things that normally make schools run, are scarce. This is coupled to the reduced spending by the government as advocated by the macro-economic policy.

On the state of education

Outcomes-based education will go a long way in producing critically minded learners. These learners will address our country's skills shortage, particularly if their education is coupled with career-orientated degrees and diplomas at institutions of higher learning. This, however, will not happen if government insists on cutting spending on social services as it is currently doing.

On the 1999 public sector dispute

We were completely taken aback last year by the manner in which government concluded the dispute in the public sector. Round salaries. We don't believe that it was the best way to conclude any



Outcomes-based education will go a long way in producing critically minded learners who will address our country's skills shortage.

bargaining process, especially if there is serious disagreement.

Government set a wrong precedent to the private sector that if you disagree you use bully-tactics.

I live in Zwijde, Port Elizabeth and most of my time is spent on community activities and programmes. During my spare time I watch sport on TV and do a lot of reading. By the way, I support Orlando Pirates strongly! ★

glossary

BCEA	Basic Conditions of Employment Act
CCMA	Commission for Conciliation, Mediation and Arbitration
COSATU	Congress of South African Trade Unions
FEDUSA	Federation of Unions of South Africa
GEAR	Growth, Employment and Redistribution strategy
LRA	Labour Relations Act
NALEDI	National Labour and Economic Development Institute
NACTU	National Council of Trade Unions
NEDLAC	National Economic Development and Labour Council
SMME	Small, Medium and Micro Enterprise

COSATU-affiliated unions

CAWU	Construction and Allied Workers' Union
CEPPWAWU	Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union
CWU	Communication Workers' Union
FAWU	Food and Allied Workers' Union
IPS	Institute of Public Servants
NEHAWU	National Education, Health and Allied Workers' Union
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
POPCRU	Police and Prisons Civil Rights Union
SAAPAWU	South African Agricultural, Plantation and Allied Workers' Union
SACCAWU	South African Commercial, Catering and Allied Workers' Union
SACTWU	South African Clothing and Textile Workers' Union
SADTU	South African Democratic Teachers' Union
SAMWU	South African Municipal Workers' Union

SATAWU	South African Transport and Allied Workers Union
SASBO	The Finance Union
TGWU	Transport and General Workers' Union

FEDUSA-affiliated unions

ALPA SA	Airline Pilot's Association of South Africa
GATCCA	Guild of Air Traffic Controllers
FGWU	Food and General Workers Union
HACTU	Hairdressers & Cosmetologists Trade Union
HOSPERSA	Hospital Personnel Trade Union of SA
IBSA	Insurance & Banking Staff Association
IMATU	Independent Municipal and Allied Trade Union
IPATU	Independent Performing Arts Trade Union
MISA	Motor and Industry Staff Association
MTWU	Motor Transport Workers Union
NULAW	National Union of Leather and Allied Workers
NUPSA	National Union of Prosecutors of South Africa
SACU	South African Communication Union
SADWU	South African Diamond Workers Union
SAMRI	Staff Association for the Motor and Related Industries
SAM&AWU	South African Independent & Allied Workers Union
SAPTU SA	Parastatal and Tertiary Institutions Union
SATU	South African Typographical Union
P&T	Post and Telkom Association of SA
PAWUSA	Public and Allied Workers Union of SA
PHIOSA	Professional Health Organisation of SA
PSA	Public Servants Association of SA
SAAL EA	South African Airways Flight Engineers Association
SAFSA	SA Footplate Staff Association
SAOU	Suid Afrikaanse Onderwysers Unie
TWU	Technical Workers Union
UASA	United Association of South Africa
WUSA	Werknemers Unie van Suid Afrika

THE EDUCATOR'S VOICE



For informed opinion, analysis and news in education, labour and stimulating debate, read...

THE EDUCATOR'S VOICE

The Educator's Voice is published monthly and is distributed free of charge to SADTU members.

Non-SADTU members may subscribe

The cost to subscribe for 10 editions per year is R34,20 (incl postage & packaging & VAT). To subscribe, send your name and address details and a cheque or postal order made out to:

Subscriptions — The Educator's Voice
PO Box 260888, Excom 2023

Advertising: Tel: (011) 487-2119 Fax: (011) 648-8041 Editorial: Tel: (011) 334-4830 Fax: (011) 334-4836/8

Website: <http://www.sadtu.org.za> E-mail: hassen@sadtu.org.za



100%

BILLION RAND BACKING

Isn't it reassuring to know that one of the largest open Medical Funds - with an annual contribution income of over one billion rand - can be solidly behind you when it comes to healthcover? The amalgamation between MSP and Sizwe offers 100% healthcare solutions for you and your staff.

The amalgamated MSP/Sizwe Medical Fund has a proud track record of 63 years of service to its members and is a preferred fund of several healthcare institutions such as Sunninghill Clinic, Westville Hospital and Mercantile Hospital - and significant blue-chip companies like Delta Motor Corporation, Ingwe Mines, Eveready and Schindler Lifts.

Currently, membership in MSP/Sizwe is in excess of 90 000 principal members and covers the healthcare

needs of two hundred and seventy thousand lives. MSP/Sizwe strives to provide the best cover available at affordable rates, so that the healthcare needs of all cultures, lifestyles and income brackets can be catered for across a broad spectrum of age and member profiles. This diversity is our strength.

The Fund's financial stability is reflected in its reserves of 26% - which is in excess of the requirements of the Medical Schemes Act. Also in a recent survey the credit rating agency Duff and Phelps awarded the Fund an A+ rating for high claims paying ability.

Get MSP/Sizwe 100% behind you. Give us a call today and let us present to you the full background to the vast array of medical plans and healthcare benefits we can offer you and your staff.

**M
SIZWE
P** MEDICAL FUND
100% healthcare for all