

SOUTH AFRICAN
**LABOUR
BULLETIN**

Volume 19 Number 6 December 1995

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**The SARMCOL strikers...
ten years later**

FOCUS ON KWAZULU-NATAL

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Cover photo: SARMICOL strikers play; Workers Day, 1986, by Cedric Nunn

All photographs by William Matlala unless otherwise indicated

The views expressed by contributors are not necessarily those of the editorial board of the Labour Bulletin or Umanyano Publications

This issue of the *Labour Bulletin* turns to KwaZulu Natal the Province that in the last 20 years has nurtured a robust trade union movement. Exactly ten years ago, COSATU was launched at the University of Natal, and at the King's Park Stadium. Since then, trade union membership has grown despite the strife and violence.

The focus on KwaZulu Natal has brought to light some harsh realities: union leadership and shopstewards agree that their organisations are going through very hard times. The transition to democracy has created as many problems as it has solved and everywhere there is a crying need for direction, vision and confidence.

Whenever one mentions KwaZulu Natal and black workers, the image of armed crowds of men chanting, marching and maiming comes to mind, everyone has swallowed up the nonsense of the tradition of the Zulu as a violent Warrior nation, forgetting the deep humanism, resilience and co-operative communities of care that define many ordinary people's lives. And how violence has caused the greatest black Diaspora in the country since the Bambatha rebellion as Debby Bonnin states in her contribution.

There is also a fixation with the political discord between the ANC and Inkatha, forgetting that on the farms and in the cities new conflicts and problems are crying for solutions.

This issue of the *Bulletin* brought together a large number of trade unionists,



policy makers, academics and NGO co-ordinators who discussed and designed what it should cover. Unfortunately the initial ambitious plan had to be moderated.

Central to many of the contributing trade unionists' concerns was the issue of the environmental, the ecological and the health effects of industrialisation on black communities. This was a surprise, as in the past such issues were seen as secondary to collective bargaining and union recognition.

Unfortunately the *Labour Bulletin* could not respond to the challenge of providing an in-depth piece on the ecological ravages of industrial and community life in KwaZulu Natal. This was particularly unfortunate as the tragic execution of nine Ogoni activists, including writer Ken Saro-Wiwa in Nigeria, placed a harsh spotlight on the practices of petroleum and oil companies and governments, and how they affect the lives of ordinary people.

Ari Sitas

Editor, *KwaZulu-Natal focus*

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ANC endorses people-friendly warfare

ANC ENDORSES PEOPLE-FRIENDLY WARFARE

South Africa's involvement in the murky world of the international arms trade gets more and more questionable:

Point number one At the UN conference which was to review the international convention on the use of landmines, SA shocked the progressive world by proposing the use of 'smart mines' in place of ordinary mines, rather than supporting steps to completely end the use of all landmines. Every week 500 civilians are maimed, disabled or killed by landmines all over the world. 'Smart mines' are designed to explode themselves after a period of some months. But before doing so, they still kill civilians.

Point number two To coincide with the start of the conference, Defence Minister Modise promised the world that South Africa would devote its resources to developing the 'smart mine' – as our contribution to world peace and people-friendly warfare, no doubt! However, REDEYE's sources in the military-industrial complex say that a Denel subsidiary has already developed the 'smart mine' and is licking its lips at the prospect of capturing the world market for this people-friendly killer after Modise's cunning move. South African workers are expected to produce weapons that will blow off the legs of innocent children, women and men all over the world.

Point number three In consultations with anti-militarisation NGOs before the conference, government never once indicated its position on 'smart mines'. So much for transparency and honest debate with civil society.

Point number four The position SA took on landmines is in line with the position taken by the US. Shortly after the conference President Mandela was in the US requesting Clinton to withdraw charges against ARMSCOR for arms smuggling in the 1980s. A case of we'll support you if you let us off the hook?

REDEYE believes the wheeling and dealing of South Africa's military-industrial complex is scandalous, and that our foreign policy is a disgrace – as our complete misjudgment of the Nigerian situation shows. The relevant ministers are not fit to hold office and should be immediately replaced.

AVOID LABOUR DEPARTMENT

REDEYE heard about the sad case of a shopkeeper who landed up in court recently – for following the advice of the Labour Department. The shopkeeper wanted to retrench his shop assistant. His lawyer advised him about the necessary retrenchment procedures.

The shopkeeper thought this sounded too complicated. So he phoned the Labour Department to find out how he could dismiss his worker. The Department told him the procedures laid down in the Basic Conditions of Employment (BCE) Act.

Triumphantly he phoned his lawyer back, "The Department says I can simply dismiss him with notice pay," he said. The lawyer tried to explain the difference between the BCE Act and the Labour Relations Act, and that the Department often fails to take the latter's unfair labour practice provisions into account.

But the shopkeeper preferred to listen to the Department's advice. He dismissed the worker. As a result, he is now in the industrial court on a case of unfair dismissal.

REDEYE's friendly suggestion to employers is to avoid taking the advice of the Labour Department until it has been restructured by its new bosses.

TRUMPETS AND PRODUCTIVITY

REDEYE and the other coms were sitting around drinking beer, telling stories. One comrade said all the talk about world class manufacturing and the need to improve productivity reminded him of a certain factory in the 1980s.

A new manager at this company had instructed his supervisors to be much tougher in pushing workers to improve production. The shopstewards then bought a large number of toy trumpets and distributed them to the workers. Every time a supervisor came close, the workers would blow their trumpets. The supervisors became more and more irritated and nervous.

Eventually the manager had had enough. He wrote a letter to the union office demanding an explanation and threatening to declare a dispute. A few days later he received the union's response: "We have consulted our members," wrote the union official, "and they inform us that they are merely in high spirits."

That was that, and the supervisors soon stopped trying to harass the workers. If the bosses carry on talking about worker productivity as they do now, they may well find a lot of high spirited workers blowing trumpets in the factories.

CULTURE OF ENTITLEMENT MUST GO!

REDEYE was hanging around at the Institute of Personnel Management annual convention when he noticed some pretty sour and irritated faces. He soon discovered the reason: the convention used to be held at Sun City, but this year it was moved to Gallagher Estate in Midrand. Many of the personnel managers were upset at missing the great meals, endless drinking and chances to gamble and generally

have a good time on the company expense account.

Now, REDEYE reads quite often in the bourgeois press that the masses in SA have developed an unhealthy "culture of entitlement" (ie they believe they are entitled to things like dignity, a job, a house). As an example, that trumpet of free market prejudice, the *Financial Mail*, recently attacked COSATU for its "culture of envy".

Well, the culture of entitlement among white managers – and of course among the new class of black managers – beats the demands of the masses anyway. Massive salaries, luxury cars, expense accounts, bus-ness lunches, long holidays, a life style of big suburban homes and swimming pools – those are just some of the entitlements apartheid reserved for white managers and bureaucrats. But for the *Financial Mail* this is not a culture of entitlement, it is the neutral free market allocating rewards.

REDEYE believes that the best way to get rid of the culture of envy would be a massive redistribution of wealth in SA. With any luck the *Financial Mail* would be redistributed to the trade unions as a well-endowed mouthpiece for the working class. Now that would be justice, wouldn't it!

BIG GUNS

COSATU's recent 'Them and Us' conference on the LRA was called the Big Guns Conference on the Act and was illustrated with a picture of two army tanks. It looked like something from the Ministry of Defence. REDEYE wonders what COSATU's position on militarism is?

At the conference a delegate asked NUMSA's Enoch Godongwana how shopstewards should respond to management's proposals for Kaizen, green areas, quality circles, etc. Godongwana said shopstewards should ask management to stop talking Japanese and tell them they simply want to talk about production. Managers and shopstewards were seen applauding.

Next year's conference is to be held at Sun City. What does this mean for REDEYE's campaign against management entitlements?

Dear editor

In endorsing the letter from Comrade Bheké Hlatshwayo (NUMSA local organiser, Wits Central West Region), I am of the view that the honeymoon between the ANC and the unions (vs a vs COSATU) should be aborted. In this, I allude to one of the last addresses to COSATU by our late Comrade Chris Hani in Johannesburg, where he predicted that the day will come when the interests of the government (once the ANC came into power) and that of the workers, would be on a collision course. It strikes me as credulous that no reference is ever made to his pivotal and telling prediction, and that COSATU still latches on to the Tri-partite Alliance instead of pursuing the wishes and aspirations of its members, and the directive of Comrade Hani.

As a veteran liberation-campaigner, (Rivonia, Anti-SAIC, UDF, SACOS etc), I am completely disillusioned by the u-turn of the ANC leadership, the "sell-outs" of yesteryear are now hugged, praised and ensconced in the corridors of parliament

The RDP and redistribution of wealth are meaningless to me (and thousands of others), when we consider that Nat-style apartheid, corruption and bureaucracy are now replaced by the ANC. Herein, permit me to clarify:

- Immediately after the election various senior posts in the government were filled (Jobs for pals)
- Whilst our comrades faced the sjamboks, batons and bullets of the regime, where were our exiles (correctly, what were they doing?)
- How does one explain the lavish homes many of them purchased? Should there not be an investigation? And, to add salt into the wound, many of these exiles are holding senior positions in the government!
- Before the elections, our comrades in parliament toyl-toyled, marched and made fiery speeches against the "enemy, racist regime" etc Yet, when the Shoprite/Checkers comrades went on a massive protest march, not a single MP joined them
- The same with the Pick 'n Pay strike, there were TV crews from the Eastern countries, Holland etc; but not "former" comrades!
- With affirmative action, the truth is beginning

to penetrate the mass; it's not that you aren't black enough... you are not in the right company *Parvenus*, who had nothing to do with the struggle, have suddenly become experts and hold top positions in government .. how?

- On the shopfloor, nothing has changed (or ever will) for the working class
- Who cares about the thousands of front-end workers employed by a major retail chain for their plight of being "permanent casuals" who earn about R100 a week? They have no recourse for redress, if they raise their problems, they would be dismissed and replaced. But, the press, and white customers are quick to comment on these "rude, loudmouthed, gum-chewing lot!"
- That certain minority sectors (Indians, Portuguese, Greeks etc) had been the hand-maids of "apartheid" is a truism. Today, with all the Indians holding senior positions, I am still waiting for one of them to chastise their kind about the continuing exploitation and discrimination against our black comrades. For instance, in numerous "rich" Indian homes, blacks are still given separate meals (if at all), utensils, etc and made to work incredibly long hours, and referred to in derogatory terms. These people remain "union-bashers" and one would regard it as a miracle should a union be recognised in their business premises. It is no secret that, while they want to do business with the black, when it comes to their homes, they want to be as far from the rabble as possible. So much for the hogwash about protecting minority cultures!

And, most of these businessmen (albeit, wealthy) have not only shrewdly contributed to the ANC's coffers, but are also closely "connected" with top people in the government. . to protect their interests!

So, comrades, did you (I, wisely, did not vote) elect a government which is now in cahoots with your employers?

COSATU is losing credibility; its members are becoming increasingly frustrated – the workers' cause is being sacrificed in the boardrooms where they will never ever get to a sip of water, let alone the meals and drinks! Workers must unite and send a clear message... we want changes today; not tomorrow!

Viva the wisdom of Comrade Chris Hani! Viva the workers' struggle!

Hanif Manjoo
former SACCWU shopsteward, Makro

Inflation monitor: September 1995

Area	Consumer Price Index		Annual rate of inflation (% increase over 1 year)
	September	September	September
Cape Peninsula	174.7		6.2%
Port Elizabeth	173.8		6.4%
East London	172.6		6.3%
Kimberley	174.0		6.3%
Pietermaritzburg	175.8		7.1%
Durban	167.8		6.1%
Pretoria	173.5		6.9%
Witwatersrand	171.8		6.4%
Klerksdorp	171.6		6.4%
Vaal Triangle	163.7		6.9%
OFS Goldfields	171.2		5.3%
Bloemfontein	167.9		5.8%
SOUTH AFRICA	172.1		6.4%

Source: Labour Research Service

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KwaZulu-Natal

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Ari Sitas

The Sarmcol struggle

Ten years on

The most painful thing about revisiting the Sarmcol strikers ten years later is learning about those who have died. Conversations which start with what happened to Baba ..., usually end with he's passed away.

On 30 April 1985 870 workers at the Howick factory of the British multinational, BTR Sarmcol went on strike over union recognition. Within three days the entire workforce had been dismissed. The strike was the culmination of many years of organisation at the factory by the Metal and Allied Workers Union (MAWU) later the National Union of Metalworkers (NUMSA), and was the last card left after a two-year attempt to get BTR to sign a recognition agreement with the union.

The strikers and the union then embarked on an innovative campaign to win reinstatement. This involved a still on-going legal battle in the Industrial Court. It also involved an international campaign as well as a mass action campaign which reverberated throughout the country, including the Edendale march, the 1985 stayaway, the boycott of white shops and sympathy strikes by other MAWU members. Through these campaigns both MAWU and the strikers built alliances with the broader Midlands community and, in particular the youth. (These campaigns are documented in earlier *Labour Bulletin* articles: see for example 'Monitoring the Sarmcol Struggle', *Labour Bulletin* Vol 11 No 2).

Debby Bonnin visits the BTR Sarmcol strikers. Ten years ago they were dismissed after striking for union recognition. They tell of their bitterness about the union and their former comrades in government.

As a result of the mass action campaign, the strikers and community of Mpophomeni (where 40% of the strikers lived), set themselves in opposition to Inkatha.

Mpophomeni was one of the first places Inkatha targeted at an Inkatha rally in Mpophomeni on 8 December 1986. Strike leaders and shopstewards Phineas Sibuya, Simon Ngubane, Mike Sibuya and a health committee member Flomin Minkathun were abducted. Mike Sibuya managed to escape, the others were killed. Amongst the first people killed in what was to become 'the Natal violence', were bus-drivers, all Transport and General Workers Union (TGWU) members, targeted for their role in ensuring the success of the 1985 stayaway.

In 1988 the Sarmcol Worker's Co-operative (SAWCO) was formed, involving four projects: bulk buying, health, culture and agriculture. Membership to SAWCO was not automatic for strikers and the co-op

was also open to members of the community SAVCO was a project of NUMSA and was directly linked to union structures. It also had area representatives on its Central Executive Committee.

The Sarmcol struggle was a halometer of local and national political dynamics; when the strike first began, local chiefs welcomed the strikers and allowed them to address their communities.

In December 1985 Chief Zuma from Impendle sent a cow to the strikers as a Christmas gift. Today political affiliations divide these people and communities. Baba Lawrence Zondi, shopsteward and Imbongi, and relative of the Zondi chief at Gezibuso, is just one of the many strikers who have been hounded from their homes under threat of death for espousing the "religion" of the union and the struggle. Mpophomeni has become a haven for these, and other refugees, fleeing their homesteads in one of the largest mass migrations Natal has seen since the aftermath of the Bambata rebellion in 1906

The Sarmcol struggle also inspired the formation of shopsteward locals throughout Natal. The strike forced the union to explore a new relationship between the community and the workers. At a time when wokerism and populism were the bread and butter of union debates, an alliance was forged between the strikers and the community, between union structures and the youth. Through the formation of the Sarmcol Workers Co-operative, NUMSA was able to play a pioneering role in the worker co-operative initiatives and debates which followed.

The formation of the co-operative was a challenge to conceptions of production and reproduction and pushed the boundaries demarcating the beginning and the end of union business

Ten years later the story is very different; it is one of bitterness, abandonment and

betrayal. In the words of Moses Nelele, chairperson of the Agricultural Project: "Many, many, many (problems), I tell you Debby you can cry if you can see all what has happened to us here, I can tell you."

SAVCO all but closed down in 1993. Of the original four projects, only the agricultural project remains. The remaining unused equipment is stored in its outbuildings.

The men who worked in the co-op and the other strikers have dispersed. Some of the younger men have managed to find jobs elsewhere; many of the older men have died, while others sit at home. The court case has still not been laid to rest. Earlier this year BTR Sarmcol offered to settle, proposing a settlement roughly equivalent to R1 000 per striker.

The strikers rejected the offer and a few weeks later the court found in favour of BTR Sarmcol. Still refusing to give up the strikers have gone on to appeal against the decision.

The remaining agricultural project has also been fraught with difficulties, and many concerns have been raised by its members.

There are the many difficulties faced by the co-op members in running and managing the project. Of the 20 who started it, there are only seven left. While they have managed to pay-off debts incurred from buying equipment, they still face crop failure. The Farmer's Support Group at the University of Natal, Pietermaritzburg and Cedara Agricultural College has assisted them with skills training.

Survival has been difficult; there is little money, food is scarce and it is difficult to send children to school. The co-op members informed the union of the many difficulties faced by the co-op, as well as some solutions to their problems, but the union "kept quiet"; they "never take any steps to say anything and so we still continued...".

Then there is the threat of their land being repossessed

Since the members were under the impression the union had bought the land, it was a vicious surprise when the funder asked them for the money or the land back. With assistance from the Catholic Church, the original brokers of the deal, the funder agreed to give the land to the co-operative once a constitution had been drawn up. Three years later the constitution is still not finalised.

The Project members are bitter that the union later arrived with the lawyer to assist them in drawing up the constitution. "Who called the union?" they ask. Since the project members are running the co-op, they refuse to accept a clause in the constitution that the co-op be run by a committee other than themselves. Baba Zondi, a project member, says, "We are managing this co-op, we are working here, we were putting our blood into this co-op. There was nobody to help us, we are not getting the money, we are getting nothing till now. Now we can't say we are working under so and so. We told the lawyer we don't want that clause."

There is also the feeling some union members are deliberately sowing division between the project members and the rest of the strikers. Membership of the co-op was not automatic for the strikers, and project members say the union is currently telling the other strikers that "we are taking the farm from the strikers that we think we are clever." Consequently, they feel their safety is threatened.

And the problem of widows and their children remains. The families of men who died during the duration of the strike are suffering. As Baba Zondi says, "The wives and children don't get any advice, they don't get any help, anything to help them work and teach their children, to train, to do something to survive in the future. The

union knows these people

The people at the top, we started with them to build the trade union. Jay Naidoo knows this, Alec Erwin knows this, they are now in parliament. We never get any word from them to tell us anything."

Zondi also feels that since many youths had no schooling opportunities as a result of the strike, there is a responsibility to train and educate them.

These conflicts raise questions as to the composition of the union. Is it the head office officials or the membership? The co-op members feel the union has become the officials. An illustration of this is that the union has failed to acknowledge their request. "If there is something wrong, send someone to talk with us, tell us where it is wrong so we can see."

It also raises the question of where a union's responsibility ends, once a strike is over. Can a union walk away from an unsuccessful strike? The contribution of Sarocol strikers to the union movement as a whole cannot be ignored. The point being made by the project members is that the union can't just walk away from a lost strike.

To quote Zondi, "When we were being trained in 1973, the union was teaching us how to talk to the management. If we were to use some of the things the union taught us, they would say we were attacking them. We're telling the people what the union was teaching us in that school, training us to know how to build something to survive in this country. We did build something to help us survive but the union doesn't come and say, ya, there's the thing we want. Why is he hiding? To come and grab this farm?"

The conflict between the union and the agricultural project members raises further questions. What happened to the pioneering spirit that forged new relations between community and union and

redefined union structures? And what about those strikers who, as a result of their union activities, have lost everything? How should the union be dealing with the consequences of political violence? What measures are in place to allow their members to access RDP funds, public works projects?

Zondi says: "At the time when Inkatha was hitting UDF people, we were trying to organise the people to continue with politics and workers .. When we were going to meetings, people were pushing me, saying you are under COSATU. We don't want you here. Alec Erwin stayed at my house and he saw

the people at night with guns but he never tried to assist us with a cent. Now we stay at Mpophomeni in those tin towns...we are requesting help. The union knows this, but it doesn't come and help us."

Ten years later the strikers are still waiting. They are waiting for the court judgment and they are waiting for the union to acknowledge and support their continued struggle.

They are waiting for Alec Erwin and Jay Nalduo and others "who know our story"



SARMCOL worker's play... Wits University, 1990.

and "who climbed up there" on their struggle, to acknowledge them and the fact that they are still the discarded. The new South Africa hasn't changed that. ★

Debby Bonnin lectures at the Centre for Industrial and Labour Studies at Natal University and is an editor of Agenda. Thanks to Lawrence Zondi and Moses Netele for the interview and the Agricultural Project members for their comments. SAWCO's address is P O Box 156, Howick, 3290

It has been such a long road

Alfred Temba Qabula

*It has been a long road here
with me, marking the same rhythms
everyday*

Gentlemen, pass me by

Ladies, pass me by

Each one greets me, "etta!"

and adds:

"comrade, I will see you on my return

as you see I am in a hurry

but do not fear, I am with you and

understand your plight."

"Do not worry

no harm will greet you

as long as I am alive

We shall make plans with the guys

and we for sure will solve your problems

You trust me don't you?

I remember how hard you struggled

and your contribution is prized

In fact everyone knows how hard it all had turned

when you were fighting for workers

and for the community's emancipation"

Nothing lasts forever

and our friends now show us their backs

and they avoid eye-contact

pretending they never saw us.

I even those whom by chance our eyes did meet

would rush and promise and leave behind

a "see you later".

"What is your phone number comrade?

I will call you after I finished with the planning

committee on this or that of the legislature

and then we shall work something out for you, be calm."

Days have passed, weeks have passed

*years have also passed
with us waiting like ten virgins in the bible.*

*I remember the old days
while we had become used to calling them
from the other side of the river:
Some of them were in the caves and crevices hiding when we called
but we bollered loud
until they heard and responded to our voice.
As they came to us dust sprang up
and spiralled high all the way up to the sky:
When the dust of our struggle settled, there was no one there.
The dust covered my body
it cursed me into a pathetic fate
disguising me, making me unrecognisable
and whoever recognises me
is judged to be deluded, deceived
because the dust of their feet still covers my body.*

...
*And now we, the abominations, spook them
as the dusk of their feet covers our bodies.*

...
*And they run away
each one of them saying "hold up the sun
dear friend, doesn't the fog cover each and every mountain?"*

*Although you don't know us, we know ourselves:
we are the movable ladders that take people up towards the skies
left out in the open for the rain...
left with the memories of teargas, panting for breath.*

*Winter and summer come and go and leave us the same
the wind or the breeze has not changed us
here is a summary of our praises -
the iron that doesn't bend, even
Geneva has failed to bend it
the small piece of bath-soap about which,
meetings and conspracies were hatched to catch it and destroy it.
It still continues to clean men and women who desire to be cleaned.*

*It has been a long road here
see you again my friends
when you really need us
when the sun clears the fog from your eyes.*

Alfred Temba Qabula was one of the most prominent labour movement oral poets. He was a Dunlop shopsteward, a MAWU militant and a cultural leader. His first oral composition "Praise Poem to Fosatu" released hundred of cultural initiatives in the trade unions. He is also the author of "A Working Life Cruel Beyond Belief". Qabula is now unemployed and living in Pondoland.

Labour in KwaZulu-Natal

Where is it going?

Trade unions in KwaZulu Natal conduct their activities in a province which previously unleashed violence against them. Now, in the words of one organiser, the province has turned into an anti union "Banana Republic". These unions are currently operating in a vulnerable and declining regional economy.

In addition, internal trade union problems are leading to division between leadership and the rank and file. It seems that no matter what "arrangements" are made at national and regional leadership level, the culture of "expectation" and direct action remains.

An elaboration of these problems may be useful in the debate around the alternatives facing the trade union movement as a whole. KwaZulu Natal is one of the most populated provinces in the country, with 8 million people, one of the poorest and one of the most unionised. A weakening of the trade union movement here is a serious challenge to the movement as a whole.

Political problems

The problem is *political*. We are in a region which is subsidised by the industrial productivity of Gauteng. The R14 billion allocated by national government to the province is not sufficient to support the local economy. The quality of life of the black population is dependent on a local bureaucratic power bloc which controls access to scarce resources, licences,

Ari Sitas argues that the debate about the future of the labour movement is far more complex in KwaZulu-Natal than in the rest of the country. He concludes with some pointers as to its future direction.

tenders, pensions and favours. The IFP has reinforced its control of the old Bantustan Administration and has extended this control to the old Natal Provincial Administration.

Consequently, the province is not geared to "deliver" the RDP. In any event, the homeland administrations were not set up for this purpose. Regional government also does not appear keen to co-operate with COSATU, the region's largest union federation.

Inkatha's mobilisation of traditional leaders has ensured that even the poorest rural areas are more or less under its control. The party's grip on the province has strengthened the power blocs that control scarce resources in the townships, that control shacks and hostels, economic activities and influence. These mobilisations are less about "federalism" and more about control and dominance. Violence, by



implication, has increased. Although the IFP's union-wing, the United Workers Union of South Africa (UWUSA), is "dead" in KZN as a trade union, its continued calls for jobs and investment "for the people", has a resonance among ordinary people.

It is therefore inaccurate to speak of a "Banana Republic". There is no political dictatorship here, rather a prevailing *social* dictatorship where there is no freedom of association, free political activity or free criticism without violent consequences. There is also the widespread belief that violence is legitimate, and it brings results.

But Inkatha has lost its access to state-sanctioned uniformed power. In the short-term this was fairly inconsequential since

most of its power blocs were armed, but in the long term, Inkatha needs a new "social contract" with ordinary people, something which local Inkatha leaders are beginning to understand.

Such a contract will need to be hinged on job creation and rural development: export-processing zones, unregulated labour practices, and non-unionised and obedient labour available to foreign investors. If labour is to be unionised, it has to be based on the principles of work discipline and consent. This is the local version of a moderate "Banana Republic", one which oversees industrialisation based on the labour repressive models of the Far East. This appears to be the economic position of

Inkatha moderates

These Inkatha moderates would support local and foreign companies investing in the Tugela Basin at favourable rates, and with investment benefits. The point is made by KZN Premier Frank Mdlalose, at every opportunity. They would also like to see an increase in provincial expenditure, to the benefit of newly established black business. They would like to see more land utilised by black peasants. They see a necessary partnership with big business - a kind of elite pacting of benign patriarchs.

But these moderates are frustrated by waves of violence that spill out of power struggles at local level - between IFP stakeholders and ANC supporters. They are frustrated by the constant mobilisation of the province against central government. The IFP sees KZN as its "own" affair - a resource basis for an exclusive Zulu nationalism with its own character and power.

In this context, big business in KZN which wants to co-operate with the new Provincial government and the IFP as it did in the past, is caught between what it wants and what it needs. It needs to co-operate with the ANC, national government and trade unions. Business leaders in the province are critical of the ineffective and corrupt governance. They are also critical of the culture of violence. But they welcome the provincial government's free trade rhetoric and pro-business stand. At the same time, these business leaders appreciate the need for co-operation with labour, but on their own terms. The legality of the ANC and the end of the apartheid era is respected, although these leaders are concerned by the social responsibility placed on their profits and investments. So they constantly seek support from Non-Governmental Organisations (NGOs), consultants, professionals and the churches to bring about a new climate for profitability.

What is unfolding is a new "peace alliance" - an alliance between the purse, the pocket and the cross - to provide for the voice of reason and bring the parties together. More importantly big business has developed a range of initiatives in line with the RDP, including workplace restructuring, affirmative action, housing and literacy that could leave the political and social movements behind, continuing to worry about who pays the chief, or whether the capital of KZN should be U'lundi.

The ANC, as the official opposition in KZN, can only be reactive and hope that central government delivers on the RDP, that its members are protected, and that its support increases. On the one hand, violence and militarisation at a grassroots level throughout the 1980s, and on the other the lack of resources, has meant the democratic movement has died. And along with it the independent community initiatives, structures of grassroots democracy, cultural movements, civic and political education - democratic popular life.

Trade unions in KZN are caught up in various conflicts. The need for job creation, rural development, training and growth demands co-operation with the IFP led provincial government. The need to represent members demands participation in NEDLAC, in the Regional Economic Forum and on joint labour management boards. The need to respond to the poor, demands the mobilisation and co-ordination of grassroots initiatives. The need for COSATU to be a pillar in the democratic alliance demands following the ANC in its reactions to IFP's political initiatives.

Economic realities

Compounding these political dilemmas are the economic realities of the region. In addition to a declining industrial base, (see article on clothing, p.22) there has been a

flight of physical and human capital to Gauteng. The region holds poor investment prospects due to the violence and instability. It also relies on commodities that can be bought far cheaper on the world market. Lastly, there is a large number of people and households that are barely surviving.

Although 36% of new investment to South Africa has come to KZN despite the violence, this says more about the lack of foreign investment in the country as a whole. The figure hides the nature of the investment that has taken place (see Gillian Hart's article, p41) and that there has been a shift of local capital to new initiatives to Gauteng.

More worrying is the declining rate of employment. Many firms are moving towards "lean production", meaning a reduction in the number of jobs across the occupational structure and a lack of new jobs to absorb new-entry black job-seekers. The retail and service industry have moved more towards casual employment, and there has been a ruthless expansion of the labour contracting sector. To add to the misery of poorer black households, the violence has left them with a trail of burnt houses, depleted resources, and accumulating debts.

However, there is a core of workers earning good wages, receiving training and being promoted who are participating more and more in the decisions that affect their work lives. Although it may be too early to speak of a "labour aristocracy", it is important to distinguish between four levels of working-class households in urban areas:

- Single wage-earner households where the income of one worker (man or woman, black or white) is sufficient to provide for housing, which enjoys the provision of services such as water, sanitation and electricity. There is sufficient disposable income left to provide for a decent standard of

nutrition, and for educational and recreational needs.

- Multiple-earning homes where the income of a worker needs to be supplemented with a range of casual incomes from the rest of the household. As the dominant earners' income is casualised, the pressure for multiple earnings increases.
- Households where every person contributes from a variety of casual labour and informal activities.
- Marginal households which survive on the fringes of the economy and rely on collecting and reselling scrap, begging and hand-outs from kin, pensions or other households.

The economic pressures in the region are forcing many households into the second, third and fourth categories, which in turn is creating problems for trade union organisation.

Trade unions are increasingly being pressured to deliver wages, jobs and pensions, in a province that thinks less of economic growth and renewal and more about patronage, loyalty and control.

In addition, some of the main economic and industrial policy documents generated within the alliance deal with issues of competitiveness and growth, not with issues of employment, poverty and sustainable development.

These documents are generated through for example, the Industrial Strategy Project and the Michael Porter Competitive Advantage Initiative, linked to the National Economic Forum, and deal with arguments such as integrated industrial districts.

Serious organisational problems

And if the political and economic pressures in the region are not enough, trade unions are also facing serious organisational problems. On the positive side, COSATU,



Violence has shattered communities and unions relatives mourn the victims of the Kwaifakutha massacre, 1997.

affiliates leadership and shopstewards are aware of the problem. On the negative, there are few regional resources to help solve them and no indication of the initiatives to solve them.

Seven main problems have been identified by trade union leadership:

- ❑ economic vulnerability and downsizing of companies has affected workers morale,
- ❑ the concentration of corporate and union headquarters in Gauteng means decisions, negotiations and national programmes are away from the region. This, when coupled with the lack of resources in the weaker unions, tends to discriminate against the areas outside city centres. The merger between Northern and Southern Natal regions has been seen by some trade unionists as disadvantageous to the northern areas,
- ❑ new sectors have grown too rapidly and unions are incapable of following through with proper structures, training

programmes and services. This has been particularly marked in the public sector;

- ❑ the provision and co-ordination of education is lacking. It is neither nationally nor regionally co-ordinated or provided,
- ❑ there has been the brain drain of union activists from the region to political office or lucrative private sector appointments,
- ❑ the unions do not have the capacity to serve on all the "committees" and "structures" that developed in response to the democratisation of society,
- ❑ violence destabilises the unions activities and affects delivery.

These problems, together with the decline of the shopsteward locals, has affected labour solidarity and trade union life in the province. New managerial initiatives in the workplace, the promotion of shopstewards, and training schemes have all created a new culture of "individualism" on the shopfloor and a

weakening of labour solidarity.

Trade unions subsequently also lack direction, and without a sense of direction, trade unionism will turn into a lame office culture of empowerment and incompetence. Competence is not about technical skills, it is about politics, vision and decisiveness

Rank-and-file

The last problem area comes from the rank and file union membership itself: despite trade union negotiations, ordinary workers have been making demands through militant direct action. There is a mood spreading through black communities that swift, radical action, whatever the consequences, not only demonstrates grievances but also, achieves results. The new wave of strikes this year demonstrates this: groups of workers decided and acted without, and despite their trade unions, in a culture that could only be described as "ad hoc" democracy.

In KZN these actions are particularly volatile since violence between dissenting groups threatens to escalate into armed conflict. As Ronnie Coles, a Pinetown NUMSA shopsteward points out in this issue (see p24) any worker action or demand can turn into a bloody confrontation.

The pressures on the trade unions are tremendous; they are regarded as distant from their members, as ineffective, unorganised, untrustworthy, in cahoots with managements, and vulnerable. Are these the beginnings, labour leaders ask, of the creation of a post-apartheid Trade Union Council of South Africa (TUCSA)?

Real representation

Where can the labour movement go in KZN? How can the trade unions really represent their members? Six arguments are articulated by worker leaders in the region:

- The trade unions need to consolidate a

new communal vision – a new, practical socialism – that speaks of workplace democracy and economic co-ordination. This vision should be coupled with a vision of community life which encourages co-operation, decent housing and amenities and communal control of primary resources. At the moment many black workers clock-off when they clock-in for work and equally many dread the streets they live in. Worker leaders' lives have been of permanent exile from their homesteads and in many communities these homesteads have ceased to exist. Without a clear set of priorities of what kind of future life we are talking about, a "living wage" is an empty demand

- The endless talk about non-delivery of the RDP, about human resource development, accreditation, and the National Qualification Framework, has deflected the central priority of trade unions and their federations. This priority should be to educate and skill their organisers, their leaderships and their members on the basic needs and challenges of their organisations in the new democratic society. This education, based on the unions' vision and programmes, cannot be subcontracted to specialists, consultants, technicians or universities. While the older generation of shopstewards received "education" in the various struggles for trade union recognition, the new generation is finding all the structures "ready-made". Going to the union office for many workers is like going into a Kentucky Fried Chicken outlet.
- Trade unions need to maximise their effectiveness. They need to improve their service and delivery and to recognise that they represent different worker constituencies. There are middle-class, and in KZN, conservative, professionals such as teachers and nurses, white-collar workers in state bureaucracies and banks and semi-

skilled operatives in large industrial unions. There are also the poor and the vulnerable, the casuals, the unskilled, the farm workers, the self-employed, and the hawkers. All these constituencies need different kinds of organisation, different resources and support. Trade unions need to move towards a genuine position of "independence" if they are to be effective. How else can the sugar workers, divided between in-company unions in the north and the Food and Allied Workers Union (FAWU) in the south, agree on basic standards and benefits? How else can unions stop the poaching of their workers between rival federations and affiliates? How else are unions to look after retrenched workers and ensure they receive their pensions and benefits throughout the province?

- 2] The trade unions have to remain a movement for basic needs and a movement that demands delivery at grassroots level. In alliance with other genuine movements that demand the promises of peace, of facilities of services, of jobs of access. Movements that make sure the RDP is delivered. As the most organised sector of the population of KZN, trade unions have a tremendous role to play.
- 3] The supposed weakness of trade unionism has given credence to the idea that only corporatism and bilateral or tripartite arrangements by leaderships are possible. But who is going to give direction and purpose to the volatile explosions at the grassroots? Who is going to represent the thousands of workers who spontaneously are downing tools? The need for movement unionism has not disappeared. Grassroots militancy and the "Alliance" compromises have led many to argue for an independent Workers' Party to argue for a campaign in opposition to the Government of National Unity. Others

argue the SACP can be revitalised to play this role. Still more argue the ANC is still the major "home" for the majority of black workers and that the struggles within the state over the RDP and democratisation are far from over. The majority of COSATU and NACTU leaders still view their parties as decent and principled homes for the working class.

- 4] The trade unions affiliated to COSATU, NACTU, FEDSAF and the many smaller ones need to form a "Labour Coalition" or "Forum", with clear regional policy. Such a grouping could relate to the Regional Economic Forum, and form a negotiated accord with provincial government. This accord would cover issues of job creation, small business and the informal sector, the provision, administration and distribution of pensions, regulation of transport costs, and pollution control. The accord would form a relationship between labour and local authorities.
- 5] Finally, trade unions need a social and cultural vision. The recent period has intensified ethnic, racial and religious intolerance. This has spread into hatred against "foreigners", usually from neighbouring states. Grassroots populists are lighting fires everywhere, and this is over and above the political divide between Inkatha and the ANC. Traumatized communities are responding violently. Trade unions more than any other form of organisation in the province have all forms of animosity and intolerance in their structures. If they fail to develop a practical socialism which recognises every individual's humanity and dignity, the slide into self-destruction will be systematic and fierce. *

Art Sitas is a member of the editorial board of the SA Labour Bulletin and an Industrial sociologist in the Centre for Industrial and Labour Studies, University of Natal, Durban.

The clothing industry

Durban area shows sharp decline

In 1994, the clothing industry in the Greater Durban Area employed almost 50 000 people. It has since declined considerably and today employs only about 35 000 people. Last year employment figures showed a slight revival in the industry which continues to play an important part in the city's economy despite its poor performance.

For years Durban has been the centre for cheaper clothing. Manufacturers here focused on garments like men's shirts and pyjamas, workwear, school uniforms and government contracts. A 1969/70 survey revealed that only about 6% of the firms in Durban produced high fashion garments. These were mostly manufactured in the Western Cape and Gauteng.

Durban manufacturers depended largely on protection from imports for survival. As South Africa began opening up to the world in the late 1980s and early 1990s, firms manufacturing goods for the lower end of the market found it increasingly difficult to compete with imports. A number of firms closed down while others retrenched their workers.

A substantial number of firms began assembling their garments outside the Durban area. In this way manufacturers were able to benefit from lower wages in areas like Isithebe, Lesotho and Qwaqwa. They usually design and cut fabric in Durban and transport bundles of cut fabric to decentralised areas for assembly. Others

by Nzeni Netsbitomboni

have relocated to decentralised areas and manufacture the so-called 'staple' garments.

Industrialists claim the lower wages are justified because worker productivity is lower. Research has shown though, that incentives offered by the apartheid government to capital were by far the biggest reason for relocating to decentralised areas. This was reflected in the explosion of employment in these areas when the government, beginning in 1982, offered generous incentives.

Other firms in the Durban area survived by manufacturing garments for the middle and upper-income groups. High fashion goods require shorter lead times and close contact between manufacturers and buyers. Rapid changes in fashion make it impossible for these kinds of firms to relocate to decentralised areas.

The latest round of wage negotiations between the South African Clothing and Textile Workers Union (SACTWU) and the Natal Clothing Manufacturers Association (NCMA), found big firms more flexible in meeting union wage demands. Smaller firms were more reluctant to settle for a higher wage. This is understandable when one considers that a typical small firm is a Cut Make Trim (CMT) whose wage bill represents 40-60% of the total costs. To



Durban clothing workers .. 15 000 jobs lost.

some extent the smaller firms are at the mercy of their customers (big firms) who offer them lower prices and pit them against each other.

Small firms are reluctant to send their workers on a training course because they feel it represents lost production. Managerial skills are also lacking because these firms are usually run by the owners who have to be there all the time.

One of the major complaints of the clothing industry is the inability of the textile industry to deliver the fabric on time. Other complaints include higher prices, fabric faults and incorrect deliveries. This is why the clothing industry persuaded the government to reduce protective tariffs for the textile industry over four years. On the other hand, the clothing sector wanted a longer phase down of tariffs on ready-made garments. In this way they hope to improve their competitiveness by accessing cheaper fabric from overseas.

The textile sector blamed cotton suppliers for higher input costs. They rightly also blame the clothing sector for not giving them definite orders. The worst offenders here are retailers who watch fashion trends until the last moment before placing orders, specifying colour and quantity. Such actions result in communication breakdowns that lead to late deliveries.

Over the last few years large retailers

have been reporting growing sales and profits. This is not the case with clothing manufacturers. Since the large retailers account for such a high proportion of clothing sales, they are powerful in setting prices and are often inflexible on delivery dates.

An interesting trend is the growth of informal traders who travel from all over the sub-continent to buy clothes in Durban. This has opened a new outlet for clothing manufacturers, enabling them to dispose of overruns and orders rejected by retailers for some reason. The growth of the informal traders brought some relief to industrialists and is reflected in the spread of the factory shop. One of the benefits is that informal traders pay cash. The decline of independent boutiques is partly attributable to the fact that they cannot compete with informal traders with their minimal overheads. The boutiques also cannot compete with large retailers who sell goods to customers on credit.

Way forward

With the GATT agreement in place, Durban's clothing industry will have to be competitive internationally to survive. Competition from imports can no longer be warded off through protection. One strategy could be to manufacture high value added garments and aggressively pursue the export market.

Improving communications in the whole clothing/textile pipeline is an urgent necessity. Co-operation rather than confrontation between the textile and clothing industries can benefit both. Training programmes for management and workers must be pursued with increased vigour. ★

Nzoni Ntshibombi is completing his Master's thesis in Economic History on the clothing industry in South Africa.

"In Natal we feel we are being isolated..."

Labour Bulletin: What do you think the present challenges facing union leadership in KwaZulu Natal are?

Coles: The political scenario in this province has changed drastically from the previous regime. We are totally different now, a unique province. This makes the struggle of unions in KwaZulu-Natal totally different from other provinces.

We've got a political challenge here coming directly from the government of the day. What Gauteng workers are doing and what we are doing is totally different. They still have the freedom to act, but here you have to be careful of what you do and how you do it, because it can easily lead directly to violence.

Labour Bulletin: Do you think that the labour movement, in terms of solidarity, is fragmenting and breaking down, or is it still quite strong?

Cele: I would think that it is not as strong as it used to be. We need to look at this and discuss its structures.

Coles: The aims and objectives of the labour movement are no longer clear. In the past, we knew exactly what politics and workers' rights we were pushing. Now it's hazy. We don't get direction from national or regional leadership. They are not giving us clear workers' demands that we should fight for,

NUMSA shopstewards Basil Cele and Ronnie Coles talk to Nirvana Pillay and Gary Phillips about the challenges facing trade unions and the labour movement in KwaZulu-Natal.

or how we should go about winning those demands. This is also not clear in workers' minds.

I think leadership is also craving direction, but they don't know where to get it from. The resources they depended on, even our intellectuals, are no longer clear. For example, COSATU head office used to give direction to the federation. Now it doesn't.

Labour Bulletin: Have the unions been weakened or strengthened in representing the rank-and-file?

Cele: I think the situation has deteriorated. Since the election on April 27, everything has gone downhill.

Coles: You hear members talking more about political issues than their rights. Before they used to use the football programmes to see if the workers were winning. It has even shifted from that. Now



*NU*ISA shopstewards, Basil Cele and Ronnie Coles*

workers once they get to work in the morning they tell you "You see what Mr Mandela has said what Gatsha Buthelezi has said" The debates have lifted the morale of politics and killed the rights of workers. But we have changed the working class has changed. The unions don't have to struggle to find new members. In the past unions had to go out and recruit members, but even this has changed. The workers unite themselves. The problem is how to take this unity forward.

Labour Bulletin: Do you find, especially in the province, that workers' rural roots impact on trade union organisation?

Coles: The majority of people around here come from rural areas and all discussion whether inside or outside the company, is around political organisations. Politics is the same, whether you come from a rural or an

urban area. If you look at the demands workers are putting forward, there is no separation between workers from rural and urban areas. You don't get the feeling that they have more, or less, problems here than anywhere else in the country.

Labour Bulletin: Do you feel that employers' attitudes have changed in the past year?

Cele: I think the attitude of management has changed, which is an additional problem. In the past, the union set the demands and took them to the negotiating table for discussion. Management would just say no, or not come to the table at all. If they came, it was just to crush the unions. Now whatever issues you want to discuss with them, they say come to the table. They are fast in coming up with ideas and answers for the trade union.

Labour Bulletin: *Is it difficult for the trade union to cope with that?*

Cole: At this stage, yes. It's difficult because management says we are not fully prepared for many of these meetings, or to come up with ideas I think this is a problem.

Coles: Employers have definitely changed - they are well-trained, well-schooled, and at the moment, they are talking about negotiations. They are using our demands against us in negotiations. When you're talking, they talk RDP. They say: "It's yours, you talk, we're coming to settle".

The economic situation has also changed drastically, it is opening up Mandela is bringing in this dialogue and employers are talking about competition. They say: "Guys we've got to compete. It's no longer this business of employer-employee". And they say: "Guys we've got to compete, and how are we going to do it jointly?". They like that 50/50 power-sharing business. In the past, when we went to the negotiating table, we knew, for example, the employer is at two, but the union is at 50. So that is definitely changing, and it has weakened the power of the workers.

Looking at changes generally, I don't know what is happening in Gauteng, but in KwaZulu-Natal there has been a drastic decrease in the number of strikes. That shows that employers are prepared to enter into dialogue with unions and workers.

Labour Bulletin: *What are your feelings about the proposed workplace forums in terms of their ability to address some of these difficulties you've identified organisationally, and with members?*

Coles: The biggest problem is the understanding of workplace forums. There is a fear of what the forums will lead to. It's one thing to look at employers, but anyone

who has spoken about it, or has ever started it, says: "Guys we are going to get swallowed up by these guys here". They are far more skilled, and since we don't understand the workplace forums clearly and we don't know what their long-term objectives are, we could easily be swallowed up by them. If they work to the benefit of employers, that would be the struggle have been for?

Labour Bulletin: *Are workers afraid of management's role in these forums?*

Coles: Remember that you cannot have all the membership in each company represented in the forums. You will have certain members who are not in NUMSA, and when they sit down to discuss, they will be used by management to demoralise other members. Some workers are not behind the labour movement, and prefer politics, because of the Northern Natal situation. So you will find that if a labour issue comes up, they will just accept it. Even the majority of the leadership has taken up just politics.

Labour Bulletin: *Do you think that these workplace forums will ever become sites of worker participation?*

Coles: No. The person that came up with this idea will have to come and convince us of what's behind the idea, and what the long-term goal is. It seems to me that we have come from a place where we talked about socialism, the days of FOSATU. Now I'm expected to come and participate in workplace forums and be part of planning when companies haven't changed; they still have the old system.

How can workplace forums work with the same system in place? When are we going to have black management in South Africa? We don't have the skills. How are we going to rush into something when the

structures are still the same old structures'

Labour Bulletin: Are you saying workplace forums require a complete transformation of the way the workplace is organised?

Coles: The structures have to change. The companies are changing, one white manager goes, another white manager comes, but he knows nothing about the company. They are bringing in managers that have skills in productivity and are moving away from the old system of management. They are bringing in these new skills and using them in the workplace forums. With this system they are improving their profits from maybe 60% to 70%, arguing this new system was accepted within the federation, how can we as a union go against them?

Labour Bulletin: Do you think that there has been a lack of consultation with regard to the workplace forums?

Cole: I would say there was a lack of communication. Some issues were discussed at leadership level, but they did not reach the grassroots. We need to look at this because the forums may or may not work as a result.

Labour Bulletin: What is your message to the labour movement in the rest of the country about what's happening in KwaZulu-Natal?

Coles: KwaZulu-Natal is a province that survives, it has unions. But the politics of the province and the worker movement are



Shouting from afar... national leader addresses a mass rally, Durban, 1993

totally different, so our approach to issues is different. Workers outside the province should take care not to isolate us. In KwaZulu-Natal, we feel we are being isolated. We are not given a chance to speak, since everything is centralised in Johannesburg.

We want to bring some of those resources to KwaZulu-Natal, so we can also have some say in our union's activities. Unions in Gauteng are next to the national offices and to the CECs, so they can discuss an issue with them one day and implement it the next. We cannot. These unions need to remember that KwaZulu-Natal is also part of the movement.

Labour Bulletin: Does this criticism come in at the level of membership and leadership?

Coles: Yes, I think this is what also demoralises KwaZulu-Natal employees. When they put their views forward, they don't know who they are putting them to because the decision makers are in Gauteng. ★

Siriana Pillay lectures at the Centre for Industrial and Labour Studies, University of Natal. Gary Phillips is completing a Masters degree at the Centre.

The unions in KwaZulu-Natal

Durban, the economic heartbeat of KwaZulu-Natal, is known as the 'Mother City' of South Africa's labour movement. The wave of strikes that began here in 1973, sparked off a nationwide workers' movement, challenging the might of the apartheid state and management's control of the shopfloor.

Legacy of democracy

The newly-developed workers' movement was characterised by democratic structures and processes, accountability, direct communication between its parts and the training and intellectual development of shop stewards.

COSATU unions took pride in building strong workers' structures in factories throughout the province. In contrast its chief rival in the province, the Inkatha-aligned United Workers' Union of South Africa (UWUSA), formed in the late 1980s, had little or no shopfloor presence.

COSATU's rival on the national stage, the Africanist/black consciousness National Council of Trade Unions (NACTU), formed in 1986, faced ideological and political problems from the start. An Africanist take-over in the late 1980s resulted in leading members leaving either to join COSATU or to start new unions such as the Azanian Workers Union (AZAWU — now part of the newly-established SA Independent Trade Union Confederation, *Sowetan* 3/8/95 &

Ten years ago the unions that emerged from the 1973 strikes came together in Durban to form the Congress of South African Trade Unions (COSATU). Where does the trade union movement in KwaZulu-Natal (KZN) stand now? Ishmail Lesufi, Evan Mantzaris and Devan Pillay interviewed union leaders in the province to find out.

7/8/95). AZAWU's Patrick Mkhize points out that NACTU had good shop stewards and organisers' courses from its inception. Its ultimate 'collapse' was due to the 'ideological confusion of some aspirant politicians'. From the mid-1980s the trade union scene was further complicated by the periodic appearance of many independent non-affiliated unions. Some disappeared as abruptly as they had emerged, others still exist today.

The impact of violence

The socio-economic riots that erupted in

Durban's townships in 1985 spread to all areas of KwaZulu Natal and had direct consequences for the labour movement (SA *Labour Bulletin* Vol 13 No 1/5, SA *Labour Bulletin* Vol 14 No 2) While the majority of leaders were closely aligned with the United Democratic Front (UDF), many of the shopstewards and rank and file were Inkatha members. Large numbers of workers were killed, maimed, injured and traumatised in a war with no end.

To its credit COSATU continued to recruit, train and educate workers in a province torn apart by hatred, chauvinism, death and divided loyalties. Mark Bennet of the South African Clothing and Textile Workers' Union (SACTWU) and Important Mkhize of the South African Commercial Catering and Allied Workers' Union (SACCAWU), were involved in COSATU during this period. They say that the organisers and shopstewards were activists with a solid trade union background, part of a coherent, united and transparent organisation with clear-cut internal communication channels.

Periodic training of shopstewards and organisers brought flexibility and discipline to the task of nurturing affiliates. According to Mkhize, service to members and direct contact between organisers and leaders were paramount. Nevertheless the violence impacted on the federation, destabilising many affiliates. Workers were obliged to play different roles on the shopfloor and in their communities.

Service declines

While the violence played a crucial part, other factors also reduced the capacity of unions in the province to service members. COSATU claims that lack of resources in some affiliates made it difficult to maintain regular contact with

its 251 000 members.

This opened a gap for the new independents and unions attached to other federations to win over rank and file members. COSATU's biggest losses were in medium and small enterprises. The daily queues of workers we saw, waiting patiently in union offices to talk to organisers about problems, were evidence of the service problem.

Workplaces in Durban, such as the University of Durban Westville, where the Transport and General Workers' Union (TGWU) has 100% membership amongst cleaning staff, have received no service for over a year — not even union representation at the annual wage negotiations. Union officials respond that rapid growth in membership has left organisers overstretched. The result is frustration for workers and a perception that COSATU unions no longer care about their well being.

Despite regular 'self-criticism' by federation leaders and shopstewards little has been done so far to alleviate the problem. Lack of funds, long distances, the small number of organisers and the lack of training for shopstewards are cited as reasons for the failure.

In Northern Natal, only NUMSA and TGWU have transport (1994 Regional Secretariat Report). Southern Natal reports misuse and abuse of union transport and other resources by organisers and officials. The recent merger of the two COSATU regions should help to rationalise the use of resources. This has also been a major reason for encouraging affiliates to merge.

NACTU interviewees (a shopsteward and an organiser who declined to give their names) feel that closing that federation's offices in Durban in the early 1990s left a gap in servicing members. Internal struggles and new strategies have

brought newly elected officials to most NACTU affiliates. However, the zest and enthusiasm of some organisers cannot make up for lack of resources, training and education. Like COSATU, NACTU faces serious questions from rank and file members about its commitment to servicing workers.

Interviews with independent unions reveal that all staff, from secretaries to senior officials are involved in servicing workers. Patrick Mkhize of AZAWU is general secretary, legal eagle, publicity officer and full-time union organiser. He appears in the industrial court to defend workers, bargains with company executives, leads strikes and writes all the union's documents. He is also the KwaZulu-Natal president of the Azanian Peoples Organisation (AZAPO).

Many smaller independent unions do not have telephones. Some are led by one or two persons. It is impossible to assess how they service their members.

SACTWU's Bennet believes it is time for workers to service themselves through 'collective will and struggle' on the shopfloor. He believes the unions should merely co-ordinate and guide this activity. However, the more conventional view is that the unions need to provide direct services to members. Different unions propose different solutions to the problem.

While SACCWU employs two paralegal staff to help workers appearing in the industrial and other courts, SACTWU employs private lawyers, an education officer who also services the Gauteng area, a media officer, one researcher and a number of organisers.

The widening gap

Bad service points to one of the most damaging trends facing the larger trade unions in KwaZulu-Natal — a growing gap

between leaders and members. The causes are primarily political and in some cases also economic. Trade union leaders have embarked on political careers at national and regional levels. The forthcoming local government elections may add to their ranks.

This has spurred competition between unions, with cases of 'richer' and larger unions luring able, hard-working organisers and leaders from other affiliates with offers of better wages and conditions. Amidst the demands of tripartite politics, electioneering, and strategising, the top leaders of COSATU seem out of touch with the increasing militancy and expectations of rank and file members.

Bennet believes that labour ought to "lead the country as an integral part of NEDLAC and the regional economic forums". After all COSATU initiated the debate and the first draft of the RDP, as the key to worker empowerment.

Ironically, union members have little contact with a process that sees former union leaders negotiating the future of the industrial relations system in national and provincial parliaments and NEDLAC. COSATU officials, speaking anonymously, claim that workers in most affiliates have little knowledge and considerable suspicion of proceedings in NEDLAC and of RDP initiatives. Many workers question the logic of highly successful national demonstrations against the Labour Relations Bill, followed by quiet acceptance of a law that is basically the same.

Mkhize admits that training and education are in a poor state in COSATU and its affiliates, contrary to the position in the mid to late eighties. Debates in the federation revolve around new thinking that well-developed organisers must educate shopstewards and members, but this has not happened to date.



A Durban local in 1993. How few locals meet...

Few people have tried to explain to workers the meaning of concepts like 'people-centred development' and 'growth through redistribution'. More than a year after the ANC's 1994 electoral triumph, the change, if any, in the lives of workers is for the worse. Unemployment remains a harsh reality, while health and education demands in African communities have not yet been met.

COSATU's unique strategy of struggle and negotiation – 'carrot and stick' in factory and community-based struggles – depended on a solid relationship between all its constituencies. This ensured that the federation's campaigns filtered down from top leadership to the rank and file and to communities.

The absence of that relationship at present means that the campaigns of COSATU and the tripartite alliance are either sporadic or rapidly lose their working class tradition and culture. May Day 1995 in Southern Natal, a workers' celebration was seen by the public as an ANC rally (regional

secretariat report 1995:5). Ordinary workers have publicly blamed the weakening of bonds between the rank and file and top leadership on a real (or perceived) arrogance amongst leaders.

In NACTU, organisers and shopstewards describe the relationship as distant. According to their organisers, some of the smaller independent unions, on the other hand, keep direct contact with their members through regular visits to places of work or the union offices.

Militancy, spontaneity, alienation or opportunism?

The new forms of struggles that have swept KwaZulu Natal and other parts of the country have their roots in many social, economic and political factors. The change of mood in affiliates before and after the democratic elections can be traced to lack of service to the workers, collapse of the locals, weak communication channels and disputes over COSATU's participation in direct

negotiations with state and capital amongst others.

The crisis committees and workers' committees at the King Edward and Prince Mshiyeni Memorial hospital strikes in 1995 caught the COSATU unions napping. When they did intervene their case was not helped by the provincial ANC's Minister of Health, Zweli Mkhize, calling the striking workers "a bunch of anarchists" (*Business Day* 31/8/1994). For those who followed the strike closely, it was a militant and innovative struggle that took place precisely because the unions supposedly representing the workers did not meet their responsibilities.

The Mooi River blockade in October 1994 by truck drivers who left the TGWU for the Turning Wheel International Workers Union (see *SA Labour Bulletin* Vol 18 No 5) and the spontaneous strikes in the Durban docks by non-unionised casuals and unionised workers in 1994 (*Daily News* 8/2/1995) also caught worker leadership unaware and ill-prepared. The key question is whether this pattern of militancy and direct action will continue and if so, for how long.

Sections of the rank and file as well as groups of organisers and shopstewards in the province strongly oppose the new Labour Relations Act. These workers and officials, a minority in COSATU, believe that the leadership of the South African labour movement has been party to a 'gentlemen's agreement' that accepts the macro-economic constraints of the globalised, neo-liberal world order.

Will this group abide by settlements reached with the state and capital through the tripartite alliance, or will they create a new resistance movement?

According to shopstewards and organisers, workers in KwaZulu-Natal and nationally are demanding a thorough briefing on national centralised

bargaining, the dynamics of the statutory councils and the consequences of long-term industrial strategy and policy. They want to know how these measures will affect working conditions, wages, salaries and the delivery of the redistributive aspects of the RDP. The COSATU leadership, Bennet says, might aspire to play the role of a 'left lobby' in NEDLAC and other tripartite, co-determination forums. However, it needs to start by assessing the possibilities of achieving tangible benefits for workers, and how the militant base will react if these benefits are not delivered promptly or at all.

Conclusion

A wide range of commentators has stated that South African labour has no alternative to playing a central role in the policy arena and political struggles unfolding in KwaZulu-Natal and the country as a whole. However it is evident that all is not well in KZN at least.

Violence and the widening gap between leaders and rank-and file has left workers exposed to the ravages of exploitation. Nevertheless, indications are that the wounded lion is ready to roar again. Rank and file workers are unlikely to accept a silent partnership in an industrial system many feel they had little part in shaping.

Future struggles will be shaped not only by institutional relationships and alliances, but also in the continuous process of rebuilding and revitalising the unions, leading them in new and innovative directions. If the union leadership fails here, workers have shown that they are not afraid to challenge bureaucracies, authorities, capital and the state both in KZN and nationally. What this will mean for the labour movement remains to be seen. ★

Women's empowerment a low priority

The major workers' federations, COSATU and NACTU, have campaigned for years for equal representation of women in union structures. However, a casual review of existing regional leadership structures in COSATU affiliates shows that the numerous congress resolutions have had little effect. The female power in COSATU unions is found behind switchboard computers.

At the 1995 merger conference gender structure co-ordinators said they were unable to organise the necessary campaigns. There is no information on gender issues in the regional offices of affiliates. Organisers feel that although COSATU has clear-cut positions and policies on gender issues, there are more serious problems to be addressed in both the short and long-term struggles of the federation.

Several visits to the NACTU offices revealed that the clerical staff was female, but all the organisers and officials, were male. Subsequent interviews with NACTU shopstewards revealed that although the federation believed in the struggle against sexism and has committed itself to the eradication of all forms of discrimination, gender issues are low on the list of priorities of the affiliates. NACTU leadership in KwaZulu-Natal, see 'workers control' and 'financial accountability' of the unions as much more important issues.

AZAWU seems to have 'gender power' firmly on its agenda. Two of the five top executive positions in this general union are occupied by women — namely Thoko Francisca Ngobobo, deputy president and Abigail Mabinda, treasurer. This is possibly a result of the fact that over 55% of the union's membership are women in the health, commerce, security and distribution industries. ★

Locals cease to exist

One of the key mechanisms of cross-sector and union-community working class democracy was the COSATU local. There have historically been 20 COSATU locals in KwaZulu-Natal.

According to official COSATU documents, the locals are in a state of 'collapse' (COSATU Southern Natal region merger report 1995), with not one local meeting regularly.

Continuing violence is given as a possible reason for the decline. However, shopstewards of smaller unions indicated in interviews that they avoided attending and participating in locals because they were ignored.

Local meetings were dominated by larger unions such as the National Union of Metalworkers of SA (NUMSA).

Agendas from locals' meetings give key reasons for weakness as lack of resources, violence, lack of leadership and lack of issues.

The last item is surprising given the challenges facing the labour movement. Contrary to the pre-1990 situation, youth and community groups are not keen to participate in the locals.

COSATU regional leadership seems genuinely worried about the situation in the locals and anxious to get them working again. ★

Self-Employed Women's Union

Tackling the class-gender intersection

In July 1994, a new type of organisation on the South African economic scene, the Self-Employed Women's Union (SEWU), was established in Durban. Basing itself on the Self-Employed Women's Association (SEWA) in Ahmedabad, India, SEWU organises self-employed women workers - women who are involved in economic activity; who earn their living by their own effort without exploiting the labour of others; and who have to earn their living without a regular or salaried job. SEWU's members are mainly street vendors and home-based "own-account" workers.

Although there is no traditional employer-employee relationship for these workers, the aim of the union is to make women and their work visible; to enable the collective self-empowerment of working women, and to build leadership among women situated at the bottom end of the economy.

Informal sector: workers or entrepreneurs?

While the formation of SEWU has largely been met with an interested response, there is at the same time a wide-spread scepticism about the notion of a workers' organisation in the informal sector, largely because we are supposed to believe that there are no workers in the informal sector - only entrepreneurs. In fact, those who are economically active outside of the formal sector are encouraged by every institution

Positioning itself within both the trade union and women's movements, the Self-Employed Women's Union hopes to be a living challenge to both patriarchal domination and capitalist exploitation in South Africa. Pat Horn explains how it does this.

imaginable - ranging from the Small Business Development Corporation (SBDC) upwards to big business and downwards to church organisations, non-governmental organisations and community based organisations - to perceive themselves as entrepreneurs and to empower themselves by developing entrepreneurial skills and talent.

People in this sector are often led to believe that every petty hawker, however small, can become a millionaire if enough regulations are brushed out of the way and the free market is left to its own devices. However, this doesn't explain why so many people in the informal economy remain so poor, even with deregulation, the scrapping of licences and a vastly liberalised Businesses Act.



There are success stories about individuals who have moved from the lowest positions in the informal sector to become highly successful big business tycoons. However, the reality is that the majority stay behind and remain poor. It is unrealistic to imagine the whole informal sector disappearing as all evolve into successful capitalists, leaving nobody behind. To encourage every informal sector person to see themselves as a potential millionaire, far from being a helpful incentive, denies the socio-economic realities of the informal sector.

Those who work outside of the formal economy do not constitute a homogenous classless entity. There are those who labour incessantly, those who exploit the labour of others, those who do both. What is known as the informal sector is stratified into class divisions just like the formal economy.

This is why it is deceptive to conceive of everybody in this sector as an entrepreneur. Some people move upwards from lower income-earning activities in search of better opportunities. Many, however, are not able

to do this. Many are constrained by a number of factors which constantly reinforce their position at the bottom of the pile. Lack of skills seriously limits the choices of many. Being saddled with the primary responsibility of feeding and caring for large numbers of dependants forces many women onto the streets without having the chance to develop the skills or accumulate sufficient start-up resources for the types of business which could render decent returns. Further stereotypical attitudes as to what constitutes 'women's work' channels many women into the lower income-earning sectors such as garment making (in competition with big factories), street vending, cooking and selling of food.

To encourage such people to see themselves as entrepreneurs with the ability to become millionaires is inappropriate, even disempowering. Competition (on which entrepreneurs are supposed to thrive) between people at the survival level of economic activity increases their vulnerability to exploitation.

Effects of deregulation

Where formal regulation falls away, new informal forms of regulation take its place. These new forms include informal 'take-overs' of areas; the extortion of money for the use of public space; the emergence of informal supply cartels with means of preventing people from obtaining their supplies elsewhere; informal price controls; and protection rackets. Just as in the case of a more strictly regulated framework, the people who are the most vulnerable in this situation are those with the least resources, the least defence against acts of violence, the least connections in high places, the most ignorant about the law and usually the women

Informal sector trade unions

Workers in the informal sector are clearly just as much in need of organisations to build collective unity and strength in the face of their oppression as workers in the formal economy, if not more so. As changes in the nature of work lead to more casualisation of labour and more intermittent and unstable forms of employment, the need for informal sector trade unions becomes more urgent. In fact, for workers in the formal sector to prevent employers using unorganised informal sector workers against them (as scabs during strikes or as cheaper casual labour replacing formal sector jobs) they would need to build alliances with organised workers in the informal sector.

A necessary condition for such alliances would be the existence of trade unions in both the formal and informal sectors. It is in the interests of the entire wider working class that workers in the informal sector should be organised as workers, rather than in amorphous organisations which make no distinction between workers and entrepreneurs

Defining informal sector workers

A practical difficulty in setting up informal sector trade unions is to define the scope of such trade unions. In a sector where the class divisions are smudgy and employment relationships are tenuous, how are workers defined? What about self-employed workers who have no dependence upon an employer but on people like suppliers and protection racketeers instead? Are they employers or workers? SEWU's answer to these questions is to consider self-employed workers, piece-workers and casual, intermittent and even unpaid workers as workers; but to consider people who employ other workers (including labour brokers and sub-contractors) to be employers

Because of the unequal nature of some co-worker relationships, such that a co-worker in the informal sector can sometimes be rather like an employee, SEWU's scope excluded anybody who has more than three other people working for her. This cut-off point of three (which was arrived at slightly arbitrarily) has thus far achieved the desired effect of excluding real entrepreneurs. A person with one or two other women working for or with her is then encouraged to join the union together with those others, rather than joining alone and leaving them out of it.

In the informal sector, the factor which is most important in distinguishing between 'workers' and 'entrepreneurs' is the *level of economic dependence* of the individual. The entrepreneur is a person with a higher level of economic dependence as an individual operator, and the worker would have a high level of economic dependence, not necessarily on an employer, but on suppliers, intermediaries, authorities controlling the place of work, protection racketeers, and would be unable to significantly reduce this level of dependence without uniting with others in a similar

situation to develop some collective bargaining power. Of course the dividing lines between these two possibilities are not always very clear, and informal sector trade unions would therefore need to consider how to define their scope in each different kind of informal sector activity according to the specific relationships and dynamics in that sector. Even in formal sector trade unions there is usually an argument as to what side of the class division lower management employees fall on, and this is usually determined by agreement about bargaining units.

Why a women's trade union?

At the launch of SEWU, a journalist asked one of the members why the trade union was being formed for women only. She replied 'It is the women who carry all the heavy burden. It is the women who have been suffering all these years. When our children are hungry, they come to us, not to their fathers. If the men want a union let them start their own.'

Although there are no up-to-date statistics on the informal sector or the gender composition thereof, women are most probably in the majority, particularly in the lower income-earning activities. Women have had less opportunities to move on to more profitable forms of trade, because of a number of additional disadvantages. Women acknowledge more child-care and domestic responsibilities. Sometimes women have no alternative but to operate in the informal sector because they can keep their children or grandchildren with them while they work.

Women therefore have less opportunity to go out and receive training to improve their skills or to learn new skills. When their own children have grown up, women are usually left looking after their grandchildren. Their child-care obligations never really come to an end. While many male members

of the informal sector are able to move up into more profitable economic activities, most of the women are stuck in low income survivalist activities for their whole lives. Another factor is that women tend to spend most, if not all, their income on their families' needs, whereas men on average spend a large proportion on themselves and their advancement.

The position of women at the bottom of the economy constantly reinforces, and is constantly reinforced by, their inferior status in a society which is patriarchal. In the informal economy, in the absence of the hierarchical organisation of work which orders formal production, the hierarchy which establishes itself is governed by the prevailing social order - patriarchal social relations. Women in the informal sector rely on men for protection, for resources and for access to markets. Their ability to be independent in these respects is substantially more limited than men's. Often, where an informal sector activity which was dominated by women becomes more profitable, it is gradually taken over by men.

One SEWU member, a street vendor in the Durban City Centre, was one of the first vendors to sell in the city centre. During the 1990s more and more vendors flooded the area, until it became seriously overcrowded. An official of the Durban City Council arrived at her workplace one day and asked her if she would agree to share her place with a man who wanted to start making a living by selling in the street. She agreed, because she felt sympathetic to the man and his situation. After a few weeks, the man started to claim the place as his own, and gave her an ultimatum to move off.

The City Council official could no longer remember having asked her to share her place with the man, and treated the matter as a squabble which had to be resolved with a bit of give and take on either side. He criticised the women for being

unnecessarily proprietary and stubborn. The man threatened to use violence against her if she refused to leave the place. The response of the City Council official to this threat was that she was bringing it upon herself by her unreasonable attitude. Normally, the woman would simply have had to leave the place. She would have had no way of bringing the injustice of the situation to light or having it redressed.

As a member of SEWU she remembered that unity is strength. She gathered a group of women selling nearby, and when the man arrived at the spot one morning, they joined arms and started singing loudly in unison "Wathinth' abafazi, wathinth' ubhokodo, uzokufa!". This apparently frightened him out of his wits. He ran off and reported to the City Council official, who said that he could not stop the women from singing if they wanted to. Unable to get any other support, the man decided to find himself another place to sell.

Based on the example of SEWA in India, SEWU was set up as a women's trade union, in order to address the oppression of women working outside of the informal economy, both as workers and as women. Another motivation for this was to enable SEWU to be able to build leadership among women in the sector. Other organisations in the informal sector (among them the African Council of Hawkers and Informal Businesses) tend to have about 80% women membership but 99% male leadership. In addition to the problem this creates for building women leadership, it also means that the problems which are specific to women are not really dealt with by these organisations. SEWU operates within this organisational gap, which is tackled in a more direct and focused way by confining the union's scope to women. Within an all-women's organisation, patriarchal relationships and dynamics do not

permeate the structures of the union itself, which makes the task of building unity to challenge patriarchal oppression more achievable.

The initial decision to start SEWU as a women's union was made by the founders, guided by their own analysis of the position of women in society and the most effective means of transforming this through an active programme of economic empowerment. However, the SEWU constitution contains the same democratic procedures to amend any of its provisions contained in other trade union constitutions. The members would be free to decide by a two-thirds majority to change the scope to allow for the recruitment of men. This question was posed to about 120 SEWU members at a workshop at the end of 1994 where the future direction of SEWU was being planned and discussed. The answer was unanimously against the inclusion of men.

The fact that SEWU is a women's-only trade union is more controversial outside SEWU than within. This makes for very interesting debates with other organisations. As the only women's organisation which is also a trade union, SEWU's existence stands as a bit of a challenge to the trade union movement for choosing to be a women's organisation, and to the women's movement for choosing to be a trade union. For that very reason, SEWU regards itself as a unique and important part of both the trade union movement and the women's movement in South Africa. As such SEWU hopes to be a living challenge to both patriarchal domination and capitalist exploitation in our society. ★

Pat Horn has been a trade unionist since the early 1970s. She is one of the founders and organisers of the Self Employed Women's Union (SEWU)

Dock work in Durban

An end to casual labour?

Dock workers in Durban and in other ports will be registered and brought into the ambit of a National Dock Labour Scheme if employers, the Transport and General Workers Union (TGWU) and stevedoring employers reach agreement in current negotiations.

The Labour Scheme would provide a guaranteed *minimum* number of days worked per week after registering all dock workers, somewhat on the lines of dock schemes in Europe.

The agreement will affect the 650 casual workers registered with the TGWU, and an estimated 1 500 casual workers awaiting their registration. TGWU has about 1 000 permanent stevedores as members.

This would be a major victory for the union, but it comes after some bitter battles over decasualisation in the Durban harbour, in the wake of a new mood of conciliation between employers and the union in efforts to implement the RDP in the docks (SA Labour Bulletin, Vol 18 No 6). This was followed by some of the most painful strikes the harbour has seen for some time, as well as uneasy relations between the TGWU and the South African Railway and Harbour Workers Union (SARHWU) which organises the railway workers in the docks.

The first strike by casuals from the many small stevedoring operations took place on 7 February 1995, to demand permanent employment and an end to labour brokers. 'We are worried that we are getting old

by David Hemson

with no rights, no pension, but slavery. We want no rats here on the wharf,' read a statement by the Dock Casual Workers' Organisation.

Casual workers involved in stevedoring (loading and unloading ships) in Durban, the busiest harbour of Africa, have demanded their jobs be made permanent. Some of these workers, numbering roughly 1 000 and as many as 2 000 at peak employment times, have worked in the harbour for over 43 years, but face a future of uncertainty.

The frustration of these workers, mixed with rising expectations, has led to continual local strikes at Keeley's, at Imperial Chemical Industries (ICI), at the South African Container Depot (SACD) and other companies. This followed the Dock Casual Workers' Organisation's demands for an end to labour broking. They submitted lists of long standing employees they argued should be accepted as permanent workers. These disputes often involved violence against strikers by police and clashes with scabs brought in by the labour brokers, often white scabs from The Ark (a Christian welfare hostel).

Workers are in a strong position: ships are queuing at Durban harbour because of a backlog in shifting containers and other

cargo. The upturn in the economy has brought an explosion in the container trade which has grown by about 25% this year alone, a rise from 46 000 units in February 1994 to 62 000 in September 1994.

Durban could become the Singapore of Southern Africa, but to do so, it is argued, it must become "world class". In well-equipped ports, about 40 containers per ship per hour are shifted, but in Durban employers claim only 20 containers are shifted because of poor facilities. An urgent upgrading programme is being introduced, using existing and second-hand cranes.

The TGWU supports upgrading, but argues that in addition, labour standards have to rise and casual labour has to end. Workers are looking forward to uniting the two unions on the principle of "one union,

one industry" and have called on both SARHUU and TGWU to create a forum to discuss issues with employers.

Have the docks finally entered into the New South Africa? There are optimistic signs; a Maritime Industry Training Board is being introduced to establish national standards of training, health and safety. Workers, pushed to work faster in very dangerous conditions, want health and safety committees in every company. Now that Keeley, previously regarded as an anti-union company, is telling unorganised workers to "go to the union", there is certainly hope of better things to come. ★

David Hemson is a lecturer at the University of Durban Westville and a former docks organiser

Interview with Willie Cirah, Durban TGWU docks organiser

"I think the main issue to be addressed in the forthcoming negotiations is how we can achieve the National Dock Labour Scheme. The hottest debate will probably be around the guaranteed working week. Some permanent workers are currently on a three-day guaranteed working week, while others are on a four or six-day week.

Since we cannot allow the conditions of some workers to be lowered, we need government support for a guaranteed working week. A forum comprising government and companies needs to be created to discuss this further.

Another crucial issue is the creation of an Industrial Council as the proposed Labour Scheme cannot be effective unless a negotiations forum exists. The government will need to exert influence through the Port Authority for a satisfactory outcome to be reached.

Most employers are in agreement with the

Labour Scheme, but we may need to make separate agreements with the smaller companies, who seem to think we are working in collusion with larger companies, such as Rennles.

The labour pool will mean the statutory registration of workers. The problem currently is labour brokers continue to employ workers, creating an inflow of more casual workers in the docks. These labour brokers are also drawing up lists of their employees and forwarding them to companies. How can we organise a labour pool under these conditions? The brokers went as far as to increase wages from R40 to R60 per week for a week or two, hoping to make workers think they were improving conditions. It's quite a mess.

Both TGWU and SARHUU need to unite for the negotiations to be successful. We must pool all our resources if we are to meet workers' needs." ★

'Clothes for next to nothing'

Rethinking global competition

While conducting an industrial survey in Newcastle in mid 1995, a colleague and I encountered the sign 'Clothes for next to nothing'. It belongs to a small South African firm not, as one might expect, to one of the many Taiwanese clothing producers who have located to Newcastle since the late 1980s. Yet it conveys with great clarity the effects of global competition, originating in Asia, on KwaZulu Natal (KZN). As the South African economy opens up to global competition, cheap imports from China are stripping the profits of the knitwear industry, the major source of economic growth in Newcastle over the past five years.

Because the Newcastle economy is so closely linked to Asian investment and trade, its experience speaks directly to debates over industrial competitiveness, particularly whether South Africa can (or should) compete in relatively low wage, labour-intensive industries such as clothing.

Broadly the debate is between 'low road' neo-liberals, who invoke 'Asian experience' to press for deregulation and lower wages, and 'high road' post-Fordists, who emphasize a high wage, high skill and high tech path of industrial growth for the country.

Real wages in places like Newcastle are in fact low relative to those in China, although nominal wages are high. Despite large numbers of extremely poor people, South African industries, even in very low-

Gillian Hart challenges the orthodoxies of the 'low road' versus the 'high road' models of development, and argues that the Asian experience suggests land reform is central to industrial strategy.

wage locations, cannot compete with those in China and other parts of Asia.

Why? A key part of the answer is that redistribution of resources to provide a social security net preceded industrialisation in rapidly growing Asian economies. These indirect forms of social security - most notably access to land, along with education and health care - subsidise industrial wages. In South Africa, the reverse is true. Dispossession has systematically eroded the conditions of social reproduction of the large majority of the population.

These comparative insights help to reframe the low versus high road debates. Rather than low wages or high technology, the key economic imperative is for institutional innovations that provide access to resources that people can use more productively. This is why access to land and agrarian questions are so critical

This is also why organised labour needs to address the land question, rather than focusing primarily on debates over industrial competitiveness.

Potholes and cul de sacs

Neo-liberals maintain that South African wages are artificially high, and advocate unleashing competitive forces, with a minimum of labour market regulation. Particularly in KZN, provincial politicians and leaders are actively promoting low wage export-orientated clothing production. This takes advantage of the fact that South Africa is not subject to clothing export quotas under the Multi-Fibre Agreement (see for example Smith, 1995).

In fact, labour market conditions in Newcastle already approximate neo-liberal prescriptions. Wages are typically less than half those in areas covered by Industrial Council wage determination'. Experience in Newcastle, however, suggests that industrialisation based on low wages and generally exploitative labour practices produces extremely high levels of conflict (Hart and Todes, 1995). A new round of foreign investment is coming into Newcastle, taking advantage of the loophole in clothing export regulations. These investors are likely to be far more 'footloose' - and less amenable to local pressure - than the more locally-based producers, currently threatened with extinction by global competition. By the same token, new foreign investors are better able to play local government off against other towns with similar conditions. There is a distinct possibility of Newcastle and other towns engaging in mutually destructive rounds of place-based competition, wage cutting, and escalating labour conflict.

Yet the answer does not lie in a high tech road to industrial competition. Even if it could be constructed, the elevated high road is likely to be a limited-access highway

passing through, and disconnected from, peri-urban and rural communities. The fortunate few to traverse the highway will mainly be men, and to argue that their wages will cascade down the embankments alleviating poverty along the way is, at best, naïve. This is the central dilemma of industrial policy, and is the key reason why the high versus low road debate ends in a cul de sac.

The Industrial Strategy Project (ISP) position is that "given South African wage levels, it is not possible to compete in a range of low-productivity, unskilled labour-intensive industries without high levels of protection which undermine the consumption power of working-class incomes, as well as those of the unemployed" (Kaplinsky, 1994: p535). However, since South Africa's wages are transmitted into global price equivalents via the exchange rate, the ISP report "leaves open the possibility that the exchange rate may have to depreciate and thus, in international price units, we are opening the possibility for a reduction in wages" (*ibid*).

To suppose that problems of unemployment can be resolved via exchange rate policy is almost as problematic as the neo-liberal answer of lowering wages directly. Measured in terms of market exchange rates, the lowest wages in the Newcastle clothing industry, i.e. women's, are roughly 90% higher than for equivalent work in China (i.e. R70/week or just over US\$19, compared with US\$10 in China). Accordingly, to bring even Newcastle wages into line with those in China would require massive exchange rate devaluation - a potential disaster in the long-term.

Although wages in Newcastle are substantially higher than those in China when measured in market exchange rates, real wages are lower. According to the most

recently available data on purchasing power parity (PPP), which takes into account domestic prices of goods and services, a nominal wage of US\$10 in China, translates into \$55 at PPP. A nominal wage of US\$19 in South Africa, is worth less than \$10 at PPP – about 30% lower than the Chinese wage².

The measurement of real wages is, of course, slippery and contentious and these figures only represent rough estimates of magnitude. But such discrepancies between wages and social welfare do signify profound differences in political and economic structures and social processes. In the rapidly growing Asian economies, indirect forms of social security are operating to subsidise industrial wages. This is one of the key reasons why, despite large agglomerations of desperately poor people in places like Newcastle, South Africa cannot compete with low wage Asian producers.

Dispossession vs redistribution

'Asian experience' is currently being invoked in South Africa not only to advocate low road wage-cutting, but also to legitimise a general retreat from redistribution (for example, *Sunday Times*, 30/7/1995, p1)³. But industrialisation in the fast-growing East

Asian economies was preceded by a redistribution of resources that provided a social security net. Despite diversity within, and across, East Asian societies, from capitalist Taiwan to communist and post-communist China, including Japan, South Korea, the city states of Hong Kong and Singapore, and most recently Vietnam, there is an important thread that ties together Asian 'success' in the second half of the 20th century. These highly diverse states have secured the conditions of social reproduction of the large majority of the population⁴.

In *The Mek-Keip Mel Syndrome* (1990), Manuel Castells and his colleagues point out that state-subsidised housing in Hong Kong and Singapore operated to lower the money wage while maintaining the social wage, and contributed in major ways to competitiveness. In societies with large (and largely impoverished) agrarian populations, housing cannot perform this function unless access is narrowly restricted – which is what effectively happened in the city states. In China, housing, and other forms of social security accorded to urban dwellers, is maintained through a form of influx control. In the post reform era, the heavy state-owned enterprises in which many urban



Bread winners cannot survive low wages



The need to expand livelihoods in the local economy: crucial for industrial strategy.

residents work are becoming obsolete, and these privileges are increasingly difficult to maintain. The limits of housing as a redistributive agent are becoming painfully evident in South Africa.

This is the reason the land question in South Africa is so crucial. East Asian industrialisation was preceded by redistributive land reform that provided both a social security net, and a broad basis for industrial growth. In the late 1940s, the US occupation forces in Japan, Taiwan and South Korea implemented land reforms that eliminated predatory rural elites. These reforms also provided the peasantry with access to what were typically tiny pieces of land, and the state with access to agricultural surpluses⁵. The newly-victorious Communist Party in China did much the same.

With the partial exception of South Korea, industrial growth in East Asia has been closely linked to agriculture. These agriculture-industry linkages have assumed various forms, and have shifted over time. In both China and Taiwan, for example,

agricultural surpluses formed the basis of similar state-led heavy industrialisation in the early post-war period (Selden and Ka, 1993)⁶. Since the 1960s, much of the rapid growth of smaller-scale, labour intensive industry in Taiwan, as well as in post-reform China, has been located in rural and peri-urban areas.

Over the past decade in China most industrial growth has come from small-scale enterprises in densely-settled villages and towns, owned, and operated by, local government. The bulk of profits generated by these rural industries are controlled by local government. In many instances, they are retained and reinvested in industry, as well as used to expand social services in the locality (for example, Oi, 1992). In other parts of China - particularly the southern coastal regions where much of the export production is located - foreign investors are profiting directly from social investments made during the communist era, while running these investments down (for example, Hsing, 1995).

Although industrial decentralisation has

assumed varying forms in different East Asian countries and sub-regions within countries (Hart, 1993), there is an important common element. It has developed on a foundation of economic security for the large majority of the population. Even though wages in rural industries are below those in major urban areas, they are supplemented by other secure sources of income in the local economy. The secret of East Asian 'competitiveness' lies in the way industrial wages are effectively subsidised by other forms of social and economic security.

Productive linkages between land holdings, agrarian, and industrial processes in different Asian settings were not deliberately engineered by omniscient states; rather, they were the outcome of struggles at multiple levels of society. They are also far from utopian, in addition to various forms of labour repression and deep gender inequalities, rural industrialisation has often exacerbated environmental degradation. Yet the redistributive dimension of recent East Asian history explodes the neo-liberal myth and highlights the crucial links between production and the conditions of social reproduction.

These links help to explain why low-wage industrialisation in South Africa is so problematic. Conditions in Newcastle and similar regions of South Africa are the opposite of those that formed the basis of rural industrialisation in East Asia. Instead of broadly-based systems of access to land, brutal dispossession has stripped people of the associated social and economic security. Low wages in decentralised industries are not backed up by systems of support as they are in Asia. On the contrary, the cost of living in places like Newcastle is not much different from Durban. In addition, workers who travel from adjacent townships into Newcastle pay high transport costs, which eats up a larger proportion of workers'

wages than in Durban.

A second key set of differences relates to the composition of the workforce. In Asia, the workforce in labour intensive industries is made up predominantly of young unmarried women linked to households with land. The relationship of these young women to their families varies in different parts of Asia, as does their capacity to control their earnings (see for example, Wolf, 1992). For the majority, however, industrial work represents a discrete phase of their lives between schooling and marriage. As yet, we know little of the women workers who constitute the labour force in Newcastle, where they come from, the conditions of their lives, or their understanding of factory work and workers' rights.

When one walks through many of the factories, two impressions are particularly powerful. One is that many are older women who probably bear the major responsibility for raising children, and may well be providing the bulk of support to their households from their painfully low-wage jobs. The other is the palpable resentment of the workers towards their employers - a reflection of the deep tensions in capital labour relations that leads many employers to complain bitterly about 'low productivity'.

Despite being problematic, these jobs may well be extinguished by global competition - a possibility that underscores the imperative for redistribution.

The redistribution imperative

Industrial debates cast in terms of low wages versus high technology are missing a key point, the imperative for redistributive institutional innovations that will enable people to use resources more productively. One possible answer to the problems posed by 'Clothes for next to nothing' is 'Land reform next to something'. This in turn

requires a fundamental rethinking of land reform

Instead of focusing primarily on small farmers and agriculture⁴, land reform needs to be understood as a means to create conditions in which people can construct livelihoods from a variety of sources, both agricultural and non-agricultural, in more effective and productive ways. East Asian experience suggests that land reform capable of supporting multi-livelihoods calls for access to small plots of land in close proximity to other sources of income and services. A very small but well-watered piece of land that can support intensive cultivation and is close to other income opportunities is likely to be far more useful for large numbers of poor families – and particularly women – than becoming a farm household whenever land happens to become available through the market.

As I have argued more fully elsewhere (Hart, 1995), the economic and political preconditions for agrarian reform to support multiple livelihood may exist, especially in relatively densely settled sub-regions, like Northwestern KwaZulu Natal, that are neither rural nor urban. The physical potential lies in the buffer zones once designed to separate white towns and black townships, along with other nearby land. These large, empty tracts of land present major opportunities for redistribution along East Asian lines. Because these areas are close to existing towns, the costs of supplying basic services will be far lower than in more remote rural regions.

Buffer zones and adjacent land are not simply physical spaces that happen to be strategically located, well resourced, and unused; they exemplify new political spaces in the context of local government restructuring. Buffer zones are becoming part of new political entities. Since large parts of these areas were owned by former white town councils, thousands of hectares will come under the jurisdiction of new local governments. If they are not so already, buffer

zones and adjacent land will quickly become intensely contested spaces, and the locus of multiple competing claims and aspirations.

Political mobilisation, combined with policy initiatives at multiple levels, will be essential to ensure that these areas generate growth of livelihood opportunities based on democratic allocation of resources. Because questions of land access and land use will be situated in the context of local government restructuring, there is at least a possibility that this type of agrarian reform may be more conducive to broadly-based political mobilisation than the small farmer model, as well as to women's property rights.

Whether or not these potentials are realised will depend first and foremost on local political dynamics. Organised labour has a crucial role to play in helping to organise and negotiate broadly-based redistributive measures to *expand livelihoods in local economies*.

Rather than lower wages or higher technology, this is likely to be the most effective strategy for coping with intensified global competition.

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Footnotes

1. Wages in Newcastle are currently governed by Wage Board determinations.
2. The data on the relationship between market exchange rates and purchasing power parity for South Africa are from *Trends in International Distribution of Gross World Product* published by the United Nations Department for Economic and Social Information and Policy Analysis Statistical Division, 1993. This source does not provide data on PPP for China. The data that I have used for China are International Monetary Fund estimates published

in the *New York Times* of May 20, 1993. As I explain more fully in my forthcoming book, data on PPP are highly politicized and extremely slippery.

4. Unlike neo-liberal incantations notwithstanding, there is growing understanding of the (various) interventions and characters of different Asian states in the post-war period. Indeed "the political and institutional conditions for successful state intervention" (Sender 1991, p.513; see also Nathrass 1994) have now become part of the economic restructuring debate.
5. The situation in Southern Asia (ie Malaysia, Indonesia, Thailand, and the Philippines) is more diverse in terms of both redistribution and growth. I shall elaborate these variations in my forthcoming book.
6. Both in intent and in practice, these reforms were highly conservative (Kuppel 1994).
7. At least in Taiwan, rural consumption rose despite the transfer of agricultural surpluses, what was happening was that labour's share in rapidly growing non-agricultural income was increasing while food prices remained low (Lee 1971).
8. The problem is not, as neo-liberal critics frequently assert, that industrialization in places like Newcastle has been "artificially" induced by subsidies; this point is examined more fully in Hart and Tooley (1995).
9. In South Africa today, debates around land reform and agricultural restructuring are taking place in domains quite separate from industrial debates. These initiatives place primary emphasis on the creation of small black farmers through market based land reform, and the strong presumption is that agriculture will form the centrepiece of livelihood. It was in fact the World Bank that initially placed land reform on the South African policy agenda (World Bank, 1993; see also Runwanger and Deuringer 1993; Lipton and Lipton 1993).

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Gillian Hart is professor of Geography at the University of California, Berkeley.

Growth and development

Strategies for KwaZulu-Natal

The dynamics within KwaZulu-Natal and between KwaZulu-Natal and the central government have been overwhelmingly dominated by political as opposed to economic and development considerations. As a result, decisions around the roles and responsibilities of provincial and central government on matters of economic development are often approached in an emotional and short-sighted manner.

Attempts by the province to formally contribute to the national economic and development process have often been dismissed by the role players at central level (be they business, labour or government) as an attempt to foster federalism and balkanise the South African economy. Within the province there have been misplaced calls for powers and responsibilities over economic and development matters way beyond the capacity which exists within the province.

There is an urgent need to move beyond these debates and begin to devise a framework which devolves both economic and political decision-making downwards to community or enterprise levels. This, however, needs to take consideration of the potential roles, responsibilities and capacities of the different levels of political and economic administration.

This is particularly important given the national growth and development strategies being developed by central government. The National Economic, Development and

There are specific obstacles to economic development in KwaZulu-Natal, but also special opportunities. Gareth Coleman assesses the options.

Labour Council (NEDLAC) is witness to the important role that partnerships will play in driving the policy frameworks for economic development. However, the partnerships established and agreements made at NEDLAC will be limited to a group of nationally structured stakeholders. Despite the broad representivity of such organisations, participation in national forums is often done with very little consultation as their memberships are spread across the country. The hundreds of thousands of community and other social interests organised locally or provincially will never have their voices heard - nor will they feel bound to any agreements reached at national level.

If economic and development strategies developed centrally are going to be effective, ways have to be found to ensure that the various stakeholders within provinces contribute to the formation of such strategies and their implementation. Such views have less to do with issues of balkanisation and federalism than they do

with good common sense

Key features of the KZN economy

The economy of KwaZulu Natal does not stand apart from the national and international economy as its success is integrally linked to the success of the South African economy and that of the entire southern African region.

There are certain features of the composition and dynamics of the provincial economy which distinguish it from other provinces. These features act either as a constraint or opportunity to the economic development process.

Constraints

Violence and Investment

The history of KwaZulu Natal has been a particularly violent one. Currently however violence within the province is affecting growth and development in very fundamental ways.

First it is inhibiting investment in the province. Second it is becoming increasingly difficult to effect development in townships without facing disruption from crime and violence. The number of trucks hijacked and equipment and building materials stolen from sites in KwaZulu Natal provides a frightening statistic. Third in communities where there are existing tensions development processes have often fuelled these tensions and increased rather than reduced violence.

Some of these difficulties could be overcome if developers embarked on more extensive community consultation programmes which could place control of and responsibility for projects in the hands of the community. However, the dialectic between violence and investment and development in KwaZulu Natal needs careful consideration if economic development is going to reduce levels of violence and crime.

Political Instability

There are great levels of political instability in KwaZulu Natal. The largest party rules with a majority of just over 50% and is a different party to that which holds the majority nationally. The internal balance of power coupled with the national situation has created an unfavourable climate of political instability. Politicians who tend to place economic and development considerations second to securing votes and maintaining power, have been unable to attain a level of political stability conducive to economic growth.

At present, the majority party in the province is at odds with the central government over a range of issues ranging from the payment of traditional leaders through to powers which ostensibly should already have been devolved to provinces. The domination of political agendas has meant that the political process has been unable to establish a viable foundation for economic development. Politicians have spent their time debating where the capital should be, not in terms of economic sustainability, but in terms of clear political criteria.

Administration

This political instability has spilt over into the administration of the province, which has often been abandoned by the politicians.

Difficulties which impact on all levels of government around the country but which have particularly impacted on the administration within KwaZulu Natal include

- moving from an administrative to executive and legislative power,
- lack of relevant training in the public service,
- poor management within government,
- no clear policy direction,
- severe capacity limitations
- bureaucratic accounting systems,

□ political interference.

Traditional leaders

Traditional leaders play a specific role in the politics of development in KwaZulu-Natal. Of all the provinces, the traditional leaders in KwaZulu-Natal enjoy the greatest level of power. In a number of areas traditional structures are the only administration within community life and act as key mediators in the development process. The position of traditional structures has been affected through acting as development structures for past political administrations, which have not fostered widespread community participation or economic empowerment within communities.

Traditional structures also tend to suppress other forms of community structures which may be more relevant to the development needs of a community. This need not be the situation. Yet while the role of traditional authorities is bound up with the province's political conflict, it is likely to be the case for some time to come. The fact remains, however, that any growth and development strategy has to grapple with the role of traditional leaders if it is to record any level of success.

Poverty and landlessness

There is also widespread landlessness and poverty in KwaZulu-Natal - a result of past economic and political policies. This landlessness has developed historically through years of land dispossession and the establishment of commercial agriculture. It finds its expression in all areas - small towns, peri urban metropolises and rural areas. The situation is worsened by a lack of access to services and water in a number of areas.



Durban harbour, a major asset.

Continuing violence, political instability, weaknesses in administration, poverty and landlessness, all act as real constraints to economic growth and development within KwaZulu-Natal. While these constraints need to be addressed, a concerted effort also has to be made to build upon the existing economic strengths and advantages of the province.

Opportunities

Ports and economic infrastructure

The existence in KwaZulu-Natal of the country's two largest ports is central to both the national and provincial economies. National trade policies and transportation policies affecting the development of the ports, require strong national regulation but with significant input from both provinces and local authorities and economies. The industrial and economic heartland of South Africa, situated in Gauteng and Mpumalanga, rely on both the import and export of goods through the ports on the eastern coast of the country.

The ports also provide direct economic opportunities to local citizens. Hence both

provincial and local authorities and stakeholders need to be able to provide frameworks to influence the development of these ports. This holds true for other forms of large scale infrastructure investment in the province, whether it be a new airport, roads or casinos.

Manufacturing

The dominant form of economic activity in the province is manufacturing. Some manufacturing sectors in KwaZulu Natal - including minerals, metals, agro-industry, clothing and textile - show distinct areas of advantage. Mechanisms need to be established to attempt to provide a framework in which sectors may expand and grow.

Decisions regarding the future 'winners' in the provincial economy have to be taken in consideration of a range of factors:

- value added,
- contribution to provincial and national GDP,
- international trends, developments and competitiveness,
- impact on redistribution,
- job creation.

The past development of mining and manufacturing in the province has provided some backbone for the spread of manufacturing development across the province. The 'T' of development extending from Richards Bay-Empangeni on the north coast, to Port Shepstone on the South, and from Durban in the east to Pinetown and Pietermaritzburg on the west provides the core of manufacturing in the province. The Thukela and northern Natal area, although experiencing difficulties, also offers real opportunities to the provincial economy.

These areas of manufacturing concentration need to be utilised, but at the same time ensuring that they are able to open up, and provide access to persons outside of these direct areas.

Tourism

KwaZulu Natal has aspirations of being one of the playgrounds of international tourism. Already the province absorbs the majority of domestic tourists. Clearly there are a number of attractions in the province. The tourist market is, however, very susceptible to reports of violence.

There are also limits to tourism as a viable strategy for growth in an economy dominated by manufacturing. It remains, however, an area where redistribution and community-driven tourism can contribute directly to growth. To ensure that this occurs, local people have to be able to develop a stake in the tourism market.

Agriculture

KwaZulu-Natal agriculture has potential in a number of key areas. The province has clear advantages in sugar cane, timber, horticulture, red meat and dairy ing, poultry and food field crops.

Such potential needs to be turned into jobs and economic growth. This can only be achieved through agrarian reform, land redistribution and investment in agro-industry.

Developing strategies

The dominant strategy for economic development in KwaZulu Natal has to date been implied rather than openly stated. This has been driven by established business interests and entails primarily investing in large infrastructure projects in particular areas of the economy. The International Convention Centre, Hilton Hotel, Point Development, casinos and the international airport at La Mercy reveal a bias in the direction of tourism which will absorb large scale private and public expenditure. The intention of such projects is that they will impact across the economy.

Another strong trend in the manufacturing economy is the attraction of

international investors in the low wage sector of the economy - to compete internationally around labour costs. This strategy has emerged out of events rather than through a structured process of negotiations between stakeholders.

The slow rate of delivery of the RDP and the need to build effective and lasting strategies has been recognised by all stakeholders in the province. In November 1994 all stakeholders pledged support for the establishment of a clear vision and development strategy for the province. Various programmes have been launched within provincial government and between provincial government, business, labour, community and social groups - a number of which have been organised under the KwaZulu-Natal Regional Economic Forum. Currently a process to establish a growth and development strategy is well advanced within the province.

Just as there are central issues that require resolution to grow the economy nationally, there are also certain key issues that will have to be resolved in reaching agreement around a growth and development strategy in the province. Such key areas of contention will require trade offs among the province's stakeholders.

Growth path: Consensus needs to be reached over a development and growth path to guide the province in the future. This has to take place within the framework established nationally. There are nevertheless some issues which can only be resolved provincially. These relate primarily to strategies around the spatial location of industry, clusters and sectors to be supported.

There is, however, no clarity as to the instruments available that could address these issues. There needs to be investigation into, and implementation of, strategies to support beneficiation, growth related infrastructure, emerging businesses,

shopfloor democracy and productivity

Moreover, agreement needs to be reached on how state procurement policies should be restructured to facilitate technological innovation and redistribution.

Investment priorities: Any growth and development strategy needs to be translated into agreement by both the public and private sector over the policies and priorities for investment. Which areas constitute priorities for private sector investment, and what areas should the government be funding?

Unless a framework for investment is agreed on, investment decisions could potentially entrench past inequalities.

Nature of partnership: While there is agreement between government, business, labour, Non-Government Organisations (NGOs) and the community sectors on the need for a partnership, there is no agreement on the extent and form of such partnerships. The strength of partnerships in the economic development process is based on the collective strengths of the partners. Unless consciously addressed, the inequalities which exist tend to be carried through into these partnerships.

Roles of government: Agreement has to be reached on the roles and responsibilities of different levels of government regarding the promotion of economic development.

Formal constitutions are unable to effectively account for how such functions get implemented in reality. Such issues will only be resolved in the process of delivery and negotiation between different tiers of government and stakeholders. It is a matter which requires constant attention and monitoring to ensure that it does not become an obstacle to the growth and development process in the country. ★

Garth Coleman is Director of the KwaZulu-Natal Regional Economic Forum

Workplace change for who?



Bublungu: When and how was the 'change process' started?

Themba: A protest march was called by the union branch, I think it was the VAT protest in 1991, and we informed management that all workers would be joining it. It took place during the week. All the workers went to the protest march. When we returned from the march, management wanted to discipline us and they even threatened to dismiss workers. But we fought the case.

They suggested we devise a plan that would prevent similar confrontations in future. So we asked them to give us an idea of the plan they had in mind. They could not tell us what they had in mind. They organised a workshop where their plan would be revealed. The shopstewards' committee, middle and top management, and some supervisors all attended. The workshop started with a value-sharing session. That is how the change process started.

Zim: We went there, comrade. We discussed a lot of things around the conference table but on the issue of participation we deadlocked. The workers raised the issue that participation is not only meant for the factory floor, it should also include the higher levels, even the board of directors where they make decisions.

Sydwell: The workshop was conducted by ITISA. Their approach was to move from the

Sakhela Bublungu interviews shopstewards from a Johannesburg company about the 'change process' introduced by management, and why they withdrew.

past to the present explaining how the situation has changed. We had a session where we discussed new values for the company and we, as shopstewards, put forward the issues we felt should be addressed by the company.

We returned to the company having agreed to certain values except the issue of participation. We felt the process could not be implemented immediately because the workers should also be consulted on the issue in the same way that ITISA had consulted us. Management agreed and we held a little 'CODESA', everybody was called to the training centre and afforded an opportunity to state their views.

Bublungu: Did you manage to resolve the deadlock on the issue of participation?

Zim: No, but a compromise position was agreed upon whereby it was decided that this process should be started at factory level. After a while we would see how this

was shaping up and from there perhaps send shopstewards to the decision-making level. But that was not an undertaking, it was just a statement postponing the issue. We agreed to that statement.

Bublungu: Did you, as workers and shopstewards, enter the process with your own clear proposals? If so, what did you want to achieve out of the process?

Themba: Before we went to the workshop we had a meeting in town with some comrades from Wits University. We were suspicious of the whole thing and wanted suggestions from people who would have knowledge of what management might want. They gave us some guidelines as to what we should be doing.

Sydwell: We wanted to be represented in decision making structures of the company; from the general manager's structure down to the team leaders' structure on the shopfloor. We wanted to have our representatives present and involved in everything being done by the company. These representatives would also tabulate our proposals. We did not want management telling us about decisions they have already made though they affect us directly. We did not like management dictating to us.

Bublungu: What did you, as shopstewards and the workforce, think of management's proposal for a 'change process' at that stage?

Themba: Well, the whole thing caused a split within the committee; there were those who were for the 'change process' and those who were against it.

Zimb: We all shared the concern that this 'change process' was merely to jack-up the

production of the managers, and therefore it wasn't beneficial to us. Even though they were stating this change process would benefit everybody, we believed that the bigger share would go to management, and the majority of the people who were contributing to the wealth of the company would be left penniless.

Sydwell: From ITISA's summary of the discussions it was clear we all have common views on a number of issues. But on some issues there were differing opinions; management fears that we, as workers, want to take control of the running of the factory.

From our side we are suspicious of management because no matter what they may say, they are still white, they are the oppressors, and there will always be a hidden agenda behind their promises. So instead of us starting this 'change process' with a good spirit, mistrust developed. Neither side trusted the other.

At that time we also took decisions on a number of issues but we soon discovered that management was making fools of us. They would say "yes, we will do this" but at the end of the day when they were supposed to take action we would find that they were not abiding by decisions.

Bublungu: I want to go back to the question of a split among the shopstewards. But first I would like to understand why the 'change process' was suspended?

Sydwell: When the process started it looked like a good thing that would benefit all of us. I think ten out of the 13 shopstewards supported the process. It got to a stage where other factories were sending their managers here and at meetings the shopstewards explained how the process could transform the way factories operate.

We saw the 'change process' as a means of empowering workers on the shopfloor thereby enabling them to have decision making powers and control over the work they do. The managers then took the process to their factories, implemented it in their own way and it succeeded. Now our management was faced with the question why was the 'change process' not working in our factory?

Management made things difficult by saying that we need certain training. We did not understand this but agreed to the suggestion because we felt that such training would be provided soon. Now they said we should start somewhere. We asked where they thought we should start. They said we should concern ourselves with issues and decisions related to our specific jobs on the shopfloor and end there. In other words, they were shifting the emphasis away from decision making at management level to the specific jobs that workers were doing. In effect they were telling us we should only concern ourselves with task related decisions on the shopfloor.

This 'training' and the discussion process conducted by MISA started appearing as a strategy to co-opt us.

There was nothing that could satisfactorily address the needs of the workers in such a way that they would be happy in their jobs. From there we felt our participation in the 'change process' would be a waste of time. The 'change process' failed or appeared to fail at that point because of lack of participation by the workers, and it stopped there. It was suspended at that stage until management gave clarity to the term 'change process', and explained what changes they wanted to implement.

We put the ball into their court and said since management was always rejecting our proposals, they must now come up with a

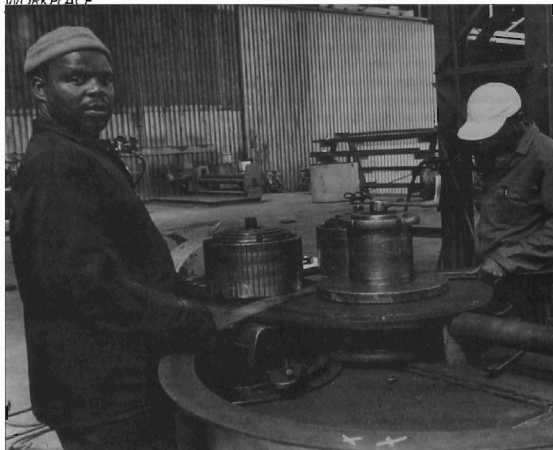
proposal outlining the changes they wanted to implement which would please everybody.

Themba: Well there were values agreed upon, but not signed. A structure was set up to deal with those values, the value sharing committee, and that is where the whole suspension of the process started. The whole issue was really confusing and we were never sure what exactly we were expected to do. Zimi and I resigned from the shopstewards' committee at that time because we had stopped being accountable to the workers. The workers were alone and we decided to return to them. The remaining shopstewards were happy with the situation but we started mobilising the workers against the 'change process'. It was suspended that time.

Zimi: There was this guy who was the human resources manager. When we came back from the workshop he said we needed to establish a steering committee that will look into the values and address some of the issues. We stated that the committee should not have the power to take decisions, but whatever decisions that they might want to take should be brought onto this table.

In our meetings with management and shopstewards whenever a problem arose this guy would say, "why don't we elect a committee that will look directly into that problem?" We ended up with eleven committees and most of the shopstewards were involved in one or more of those committees. When we looked at the situation we saw that it was creating problems, it seemed as if we were forgetting our duties, and instead concentrating our efforts on other committees.

However, some of the comrades on these committees felt things were going smoothly. But there were some of us who



"...Democratisation should benefit workers, not just increase productivity..."

felt strongly that things were not going according to plan. So when we had our feedback session with the workers, we explained the situation, our position and our fears. Okay, even those who sided with the change process explained their position. But most of the people actually supported the idea that the process should be suspended.

I mean we couldn't have eleven committees! It also seemed at the time that the union wasn't functioning the way it used to. There were a lot of cases where shop stewards, instead of attending a case, were in another meeting; a planning meeting, a steering committee meeting, a task force, a canteen committee.. There were a lot of committees! We decided then

that it should be suspended.

However, there were hard feelings among the committee members. In a committee you have influential people, and whenever we had feedback sessions people always looked towards those people, their idols.

This created a division because some people took sides with those committee members who wanted to maintain the process. There were also popular people on the shopfloor, some being ex-shop stewards, who also supported the idea of going ahead with this process. We only managed to suspend it because the majority of the people said, "no, it should be suspended".

***Huhlungu:** What role did the union play in all this? What advice, support or*

backup did they provide?

Themba: The only document I came across from the union gave us three options. The first was that we should let it happen and not involve ourselves, or that we get involved in order to control the process. The other stated that we should just resist it. It seemed to me that they didn't have a clear idea as to what should happen. Apart from that document I have not seen them playing a role. The organiser and the BFC are not giving any advice. We are just battling on our own.

It's difficult for me to say they don't know what to do about the situation. I think they know what damage it will cause for the union. I find it odd that they are so relaxed and not doing anything about the situation.

As for the officials, I don't think they are specialist enough to deal with this issue. We are on the same level as them when it comes to understanding the issues and no-one is in a position to give any advice. Management does whatever they want.

Zim: They have helped us in a way comrade. But I believe that they are also uncertain about this issue. They only gave us those three options, either you reject it, or you let it happen or you do it jointly.

Buhlungu: *It seems to me that while you express a desire for change in the workplace you are also sceptical of the change process initiated by management. What would you say is needed to democratise the workplace?*

Themba: That's a very difficult question. As you know, in South Africa we have never seen a democratic workplace. It's difficult to come up with an answer. You cannot start by democratising the workplace while

management is undemocratic.

In this case it should start with the management, with us having representatives on their structures, from the board of directors downwards. This will prevent them from doing something we believe is wrong. It must not be a question of democratising only for the purpose of generating productivity. It must be democratising in the sense that workers will be able to gain something out of the whole thing. It must not gain one party.

When we first put forward our proposal we stated that we wanted people to participate in those structures and we wanted them to undergo training in order to be able to work with those books. Well, they promised they would do that but so far nothing has happened.

Syduell: Yes we were clear about that. Our view was that before the general manager does anything in the company there must be a committee of worker representatives that he consults with first. Let me clarify, at the moment he has got a management committee that he consults with all the time.

We also want representatives present on that committee. We do not want decisions reaching us as instructions, "we are now doing this", from the supervisors, via the middle managers, via the operations manager, via the general manager. We explained that we do not want to send representatives there to disrupt discussions.

We wanted somebody who would be there and, if there was a need to table a proposal from the workers, that person would be able to table those proposals as part of the decision-making process. The purpose of such representation would be to ensure that the views of the workers are taken into account when decisions are being made.

Ziml: We want to take part in decisions because we believe our fate should not lie in the hands of just one individual, it should be the group who decides whether an individual has done a wrong thing. And it should be decided jointly what should be done about it

We would like to get rid of the structures, supervisors and team leaders. There is a belief that people cannot work without supervisors, but I believe they can. If people are made to feel a sense of belonging to the company, they can generate wealth, but only if they know they'll have a share in the profits of the company.

Sydwell: People are saying we should get rid of team leaders and supervisors because they think it's the supervisors who are pressurising the workers because decisions are made at the top when it gets to the supervisors there's no discussion. Supervisors are merely told, "go and tell the workers to do this".

The enemy of the workers is now the supervisors. The team leaders are working under the supervisors, so when the supervisors have to relay orders from management the first people they tell are the team leaders. The team leaders must go and deliver the order to the workers.

The management, from middle management up to the general manager, is now away from that problem. The problem lies with the supervisor and the team leader. It is so easy to say yes, let the company get rid of the supervisor and the team leader, but management will still impose instructions onto the workers - that is not going to stop when they take the supervisor and the team leader away. It will remain the same. Someone else will take over that job.

The only way to solve the problem is to

have representatives on those structures. A representative will ensure that workers' problems are placed on the agenda and addressed at the meetings.

Bublungu: Any concluding comments?

Sydwell: Change is something that everybody wants in our country, especially in the workplace because that's where the pressure of the capitalist lies.

So, when these people talk about change, it's something that we need. But if you want change your managing, I don't think that you will tell me that, 'Sydwell, I think it's wrong to do that. What is right is this'.

The first thing that you should do is that you must ask me, the person that has been oppressed by you and say, 'what things do you think will suit you or relieve you from this pressure?' Then I will list down what I want. On those things there will be something that you cannot address or which will be beyond your control. Then it will be a compromise through negotiation, in order to come to something that will suit all of us.

Ziml: I am confident that the workers will listen to us because they respect us more than management. We have a direct influence over them, not in terms of dictating to them, but by explaining our point of view.

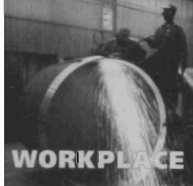
It is up to them whether they accept our point of view or not. If they feel they want to reject it, it is up to them. ★

Some months after the interview Sydwell, Themba and Ziml were recontacted.

Sukheela Bublungu is on the editorial board of the SA Labour Bulletin. He works in the Sociology Department at Wits University and is involved in the Sociology of Work Project (SWOP).

Workplace forums

Undermining unions?



The new Labour Relations Act (LRA) is a breakthrough in putting workplace co-determination rights for trade unions on the agenda. However there are two problems with the way the LRA does this.

Firstly the co-determination rights (by which I mean rights to information, consultation and joint decision making) are quite weak. For example, joint decision making is limited to very specific human resource issues (disciplinary code, affirmative action) and excludes production issues. The forums only have information and consultation rights on production issues.

Secondly, the provision in the draft LRA for employers to finance the expert training of worker representatives has disappeared in the final LRA. This is a very serious - perhaps fatal - blow for the prospects of workplace democracy.

Thirdly, the LRA gives these co-determination rights to employee based workplace forums, rather than directly to union structures. This is a great weakness in the Act and is the main issue discussed in this article.

The LRA does, however, allow for unions and employers to reach agreement on a different structure of representation. In this short article I argue that the workplace forums as set out in the Act are inappropriate and divisive.¹ Unions should push as hard as possible for union based co-determination structures in their

Karl von Holdt warns that workplace forums may create confusion and division in the workplace and suggests strategies to prevent this.

workplaces

The labour movement seeks a transformation of the current workplace. There should be greater democratic rights to participate in decision making, more opportunities for workers to enhance their skills, an end to discrimination and racism, and a more co-operative management. There is some overlap between these goals and the goals of management, since many managers are desperate to overcome the inefficiencies and conflicts of the apartheid workplace. Some realise they must co-operate with unions if they are to succeed in this task.

But managers and workers differ widely on the meaning of participation, productivity, multi-skilling and upgrading, affirmative action and a host of other workplace issues. The next few years will see a sharp contest over the nature and scope of change. Employees in a single workplace lack the expertise, capacities and organisational strength to engage in these struggles. Only the organisational power and resources of the union will enable

workers to make a real difference.

The workplace forums in the LRA should be evaluated from this perspective. Despite its employee based forums, the LRA does recognise the importance of the unions and gives them certain rights - for example, only majority union/s can trigger a forum and unions have privileged rights to put up candidates. However, these rights may not be sufficient to offset the problems and dangers of establishing separate employee-based forums.

The main problems with the forums are:

- they attempt to separate collective bargaining issues from production issues,
- they may weaken rather than strengthen unions,
- they create two forums in the workplace;
- they threaten to fundamentally undermine the tradition of worker representation through shopstewards that has been built over two decades of union struggle.

Production and collective bargaining

The LRA separates traditional collective bargaining over wages and conditions of work from negotiations over production issues. The union will engage directly in collective bargaining over wages and conditions, either through the shopstewards in the workplace or in a centralised bargaining forum.

Employee representatives, on the other hand, will engage in consultation and joint decision-making on production and human resource issues with management via the workplace forums. This separation is based on the assumption that collective bargaining relations are conflictual, whereas production and human resource issues should be dealt with co-operatively.

At a theoretical level this assumption is questionable. Workers and managers often have sharply opposing interests on production issues - health and safety,

training, production targets, supervision and staffing levels. These issues impact on costs and profits. This means conflict

Only through a combination of organisational strength and legal rights can workers compel managers to take their views into account. The separation of collective bargaining (conflict) and production (co-operation) is a management ploy to weaken union involvement in production. This is why managers constantly seek to establish non-union forums such as quality circles and green areas to engage workers on production issues. It is the main reason unionists have opposed the forums².

Nor can the separation be sustained at a practical level. In the modern economy the distinction between production and collective bargaining is artificial. Training may mean higher wages and better productivity. Increased production may worsen working conditions. Improved quality might require better working conditions, and could improve bonuses. Shiftwork might improve production but lead to loss of overtime pay. It is essential for both management and employees to co-ordinate negotiations on all these issues - and the only way to do this on the employee side of the table is through the trade unions.

Instead of separating production and collective bargaining, trade unions are already extending the collective bargaining agenda to a range of production-linked issues, mostly in centralised forums covering entire industrial sectors. These include training, grading and pay systems, and productivity guidelines. According to the draft LRA, these union-negotiated frameworks will be concretised and implemented by non-union bodies in the workplace - the workplace forums. What do the shopstewards do as union representatives

in the plant if the workplace forum flouts union guidelines? Go on strike? Again, co-ordination between industry and plant level is vital, and only the union can achieve this!

Forums may weaken unions

There are several ways in which workplace forums may strengthen unions which are able to use them effectively. Firstly, they limit management's prerogative by obliging it to provide information, to engage in joint decision making or to consult on a wide range of issues. Secondly, they provide access to resources such as meeting time and full time representatives in big companies.

However, there are also strong possibilities that the forums could weaken unions. Workers may see less need to join a union, since they are guaranteed representation on the forum whether they are union members or not.

Union negotiating strength may be diluted in the forum by the presence of representatives of lower management and other non members.

In addition, unions may be weakened by division and conflict caused by the existence of *two structures* in the workplace. Furthermore, forums may *undermine the traditional form of union organisation* in the workplace.

Two structures

The LRA envisages two distinct worker structures in the workplace, with two different elections. In one election trade union members elect their shopstewards. There may be several shopsteward committees if there is more than one union in the workplace. The shopstewards will engage in collective bargaining.

In the second elections all employees will vote for candidates - mostly nominated by the shopstewards - to the workplace

forum. This will negotiate with management over production and human resource issues. Two elections and two elected power bases are a recipe for confusion, competition and conflict.

There are always different groupings, different interests and rivalries among workers. The union's job is to organise, unify and accommodate these. The Bill's proposal will make this task more difficult, creating the scope for all kinds of divisions and conflicts as different factions vie for support. For example, the shopstewards could use collective bargaining to undermine or campaign against forum agreements and vice versa.

This is not a far fetched possibility. Most workplaces undergoing restructuring experience conflicts and divisions among workers and among shopstewards (see for example, the interview with shopstewards on p53). Even the union's own candidates to the workplace forum (including shopstewards) may start to deny that they are accountable to the union, since they have been elected by all employees. Creating two structures will make it more difficult for the union to build unity and a coherent strategy.

Many managers will be tempted to take advantage by playing one structure off against the other. How many shopstewards have experienced managers who try to undermine the union's credibility by rejecting their proposals, and then accepting the very same ideas from non-union forums such as green areas? Where the relationship is bad, both management and the union may try to outsmart and frustrate each other by shifting issues from structure to structure.

Over time it will be difficult to maintain two strong structures, both representing workers and both negotiating with management, in the same workplace. In general, the stronger structure will tend to



Working next to a green area meeting place... a mistake to separate production issues and collective bargaining.

drive out the weaker. In Sweden, before the Co-determination Act in the 1970s, weak forums with consultation rights were marginalised by the unions that had more power and credibility. In the Zambian copperbelt, on the other hand, management succeeded in marginalising the unions by granting real benefits and improvements to workers through non union forums.

It is difficult to predict which will be stronger in SA - the shopstewards committee or the forum. The forum enjoys greater rights and resources than the shopstewards: time off for meetings, full time delegates, access to experts. But the shopstewards have organisational power, the backing of the union and the exclusive right to engage in collective bargaining over wages and conditions. Some shopstewards will probably sit as representatives on the forum.

There are two possibilities: that the workplace forum becomes the focus of

worker representation, weakening the shopstewards committee; or that the workplace forum remains a more or less irrelevant talk shop as the shopstewards maintain their dominance. In other words, the workplace forum will *either* undermine the union, *or* it will be so weak that it is not much use to anyone.

Supporters of the LRA will argue that it has safeguards to prevent the forums weakening the union. For example, only majority unions can trigger forums. Candidates may only be nominated by a registered union, or with the support of 20% of the employees (or 100 employees in a company employing more than 500). The union can recall its candidate, irrespective of what the employees (the voters) say.

But if union control is so absolute, why have what amount to sham elections for a separate body at all? On the other hand, if

control is not absolute, forums are likely to give rise to the problems outlined above

A parliament for the workplace?

Some supporters of the workplace forums have argued that they are like a parliament because all employees can vote. This makes them a superior form of democracy to trade union democracy based on union members only.

The analogy to parliament is misleading. Parliament is sovereign in its sphere of operation - national politics. The workplace forum is not sovereign in its sphere - the workplace. The workplace is not democratic, it is dominated by management and by capital. Workers can only engage in struggle to demagogue the workplace through a vehicle with organisational power - in short, a trade union.

But the analogy to parliament does point to another serious drawback: the forums introduce a *parliamentary form of representation* to the workplace, replacing the direct democracy of the shop steward tradition.

In our tradition shop stewards represent workers and the union. Candidates are nominated by union members in their constituency, and then elected. Through election, they become union representatives. The shop steward structure is the basis of all the higher constitutional structures of the union. Thus, in a very real way, members at the base create the union. "The workers are the union" - this was one of the basic principles of the unions of the '60s and '80s.

In the workplace forum, however, the workers vote for lists of candidates put forward by unions (or by a group of workers). In other words the union rather than the workers controls the candidates, even if workers elect them. This is fine as long as the union in the workplace consists of shop stewards elected in the traditional way.

But as I have argued above, if the forum becomes powerful, the shop steward committee is likely to become weaker. This will be even more true if the Commission for Conciliation, Mediation and Arbitration succeeds in reducing conflict over dismissals and discipline. Shop stewards will then have very little to do outside the workplace forum except engage in collective bargaining once a year. If centralised bargaining prevails, even this role will be reduced. The union election of shop stewards will become unimportant and wither away.

The union will become similar to a political party, appealing to voters for their votes in the forum elections, but not controlled by the voters. The union will lose its movement character, and the unique form of shopfloor and union democracy will disappear. The union itself may become less a mass organisation built through struggle than a service organisation providing advice to the forums, and occasionally calling strikes over collective bargaining.

The drafters claim that the workplace forums are based on South African experiments with union participation forums such as those at Volkswagen SA (VWSA). They are not. VWSA provides an example of union based participation: the shop stewards select delegates to the forum, there are no elections to the forum. The LRA's workplace forums will disrupt South African traditions of representation. Its lack of sensitivity to this is a serious weakness. The Act is likely to end up giving the workers only the gestures and shadows of democracy, rather than the real thing.

What can unions do?

In the tripartite negotiations over the new LRA, the trade unions proposed replacing the forums with union based rights to information, consultation and joint decision-

making. It is unfortunate that the many other hotly disputed points in the legislation distracted labour from standing firm on this proposal.

Given that the workplace forums are now enshrined in the LRA, how should unions proceed? Here are some options.

- Continue campaigning to change the law. The campaign could be linked to concrete struggles in the workplace for union-based rights. The more union-based rights are won, the more likely it is that the law will be changed to support this.
- Some unions are negotiating industry-wide frameworks on grading/training/wage structures, and on productivity. They could negotiate clauses that ensure the task of implementing these agreements belongs to workplace union structures. Such clauses could also empower union structures with the rights and resources that the LRA gives to workplace forums. This is the approach that the auto agreement takes (see *SA Labour Bulletin* Vol 19 No 4). Such a collective bargaining agreement would over-ride the LRA.
- Seek to establish union-based forums in select workplaces. A number of companies are keen to establish forums, but only unions can trigger them. The union can offer management a forum, on condition that it is union-based. Each union in the workplace could nominate representatives to the forum in proportion to its membership. Such a forum should have the rights and resources set out in the LRA, but would be directly accountable to the unions. There are managements that will accept this, as they want to avoid the problems outlined above. The LRA allows a collective agreement like this to override the workplace forum provisions. Constituencies outside the bargaining unit/s could also elect representatives

- If management refuses to go the union-based route, consider establishing a workplace forum as in the LRA. The union and its shopstewards can make use of the rights and resources of the workplace forum, but ensure that real negotiations take place through collective bargaining with the union. This route should only be chosen where organisation is strong and shopstewards have a clear strategy for workplace change.
- Unions may consider establishing a head office department dedicated to democracy in the workplace. Such a department could advise and service shopstewards participating in forums, monitor and co-ordinate different experiments, and generalise various strategies and experiences.

These options are based on two ideas: that trade unions are the only effective vehicle for democratising the workplace and compelling managers to co-operate with workers; and that the shopsteward tradition of organisation on the shopfloor is the foundation of our union movement and the most powerful resource provided by our history. Now is not the time to abandon it. ★

Footnotes and references

- 1 Differ on this issue from SWOP (1995), Letulere (1995) and Baskin (1995)
- 2 See Etkind (1995)
- 3 Letulere makes a similar point (1995 p14)
- 4 A possibility noted by Baskin (1995 p50)

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From confrontation to partnership



BY GIDEON SKHOSANA, GENERAL MANAGER,
PRODUCTIVITY AWARENESS, NPI

The Alrode, Alberton region of SA Breweries Ltd's (SAB) beer division has more than doubled its annual absolute output from 3.2 million hectolitres to 6.7 million hectolitres as a result of productivity improvements. The brewery thereby earned itself a coveted gold award in the National Productivity Awards competition for 1995.

The beer division has generally been regarded as an efficient and well-run organisation, but there were significant problems apparent at the Alrode brewery before the improvement drive was initiated five years ago.

Perhaps the most important single problem the region faced was the poor relationship between management and labour. Little or no common ground existed. The relationship between management and labour could best have been described as confrontational. A total of 2 895 man-days were lost due to industrial action in 1990/91.

On the production front operations were characterised by high usage variances such as wastage of raw materials, excessive unaccountable losses, poor productivity, high levels of machine downtime, poor factory efficiency and variable quality. Problems were dealt with in a reactive manner and "fire fighting" was the order of the day, with little attention being given to behaving proactively while guiding the organisation in a strategic manner.

Avoidable absenteeism was running at an average of 8% or higher.

Amongst employees there was little or no cognisance taken of larger organisational goals. There was virtually no strategic planning at Alrode (or in the division). In many ways it was true to say that the brewery was successful despite management and not because of it.

It is important to note that all productivity improvement efforts were initiated at a time when the Alrode region was about to undertake a R1 billion project to expand production capacity by some 75% from 80 000 hectolitres per week to 147 000 hectolitres per week. This project will be concluded in 1995.

The productivity improvement programme focused on the four areas of labour, capital and materials productivity, and general management initiatives.

To lay the foundation for the entire productivity drive, organisational changes in terms of a prosperity partnership programme were effected to improve relations with labour and move towards a climate where empowered employees could participate freely in decision-making in areas that affected them.

Results of the productivity programme have been significant, with massive gains made in most performance areas. Factory efficiencies were running in the mid-50%.

range in 1989 and for the current fiscal year these have improved to well above 70%. Absenteeism has declined to an average of less than 2%. Not one man-day was lost due to industrial action since introducing the prosperity partnership programme in 1990.

Controllable fixed costs have decreased from R22 per hectolitre to R15,70 per hectolitre. Labour productivity has improved more than 50% from less than 3 700 hectolitres per annum per man to in excess of 7 000 hectolitre per annum per man.

In 1990 the brewery had no National Occupational Safety Association (NOSA) grading. Today, it is a five-star operation and has won several regional safety competitions. The second successive million injury-free man hours was recently achieved. Absolute manning levels in the plant have dropped steadily over the last four years from a total headcount of 1 050 to current levels of about 950. This was achieved through natural attrition and the diligent use of contract workers. No retrenchments were made.

A major contribution to the productivity drive has been the effective introduction of new technology. Equipment installed as part of the expansion project and upgrades on existing infrastructure have incorporated the latest technology and large investments have been made to ensure effective technology transfers to maintenance and operating staff. The extent of this technology transfer programme is too wide for full description, but typically staff were released from duties for up to twelve weeks to be trained full time on the new equipment.

Dr Alan Clark, who has been general manager of the Alrode region since June

1994 after having been in human resource management at head office, says in the brewery's approach to world class manufacturing he focuses heavily on skilling and on giving shopfloor employees more ownership of the process.

"My approach is not focused that much on relationships but rather on using the previous relationship to get employees more skilled, more involved to manage their jobs. Another very important thing is that employees now understand the direct correlation between productivity and employment.

"They understand that if volumes drop because of poor productivity, high costs and waste, and there is a volume shift from this brewery to a competitor or another SAB brewery, that will directly affect jobs."

Adds quality assurance manager Ian Mackintosh, who has been with the Alrode region for 13 years and who concerns himself mainly with manufacturing and organisational development: "There is a dawning realisation among organised labour in South Africa, and specifically in our workforce, about the correlation between productivity, world class manufacturing practices and employment, and continued prosperity and economic growth. There is a growing willingness to become involved in discussions around issues such as productivity."

Government income

The contribution the SAB group makes to the national fiscus by way of excise, VAT and company tax is currently running at about 2,6% of government income. The beer division's contribution to the fiscus is twice that of the entire mining industry in South Africa and four times that of the gold mining industry.



MONEY, MONEY, MONEY

I'M GETTING MARRIED
IN THE MORNING

LEAVING ON A JETPLANE

WHEN I'M 64

IF I WERE A RICH MAN

ROCK A BYE BABY

OH TEACHER

WURLITZER

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Life assurance and long term financial planning



LIFE ASSURANCE companies are known to have a wide variety of products, or policies. How do we know which is best? In this article on life assurance and long term financial planning, *Itseng Mogorosi*, Senior Market Planner at Sanlam, explains how to go about deciding which is best for you.

We all need to plan for the future. Often people ask me: "Itseng, which policy do you think would be the best?" There is no simple answer, because what is best for one person is not necessarily the best for another. We all have different needs and therefore the best product would be the one that meets a specific need of a particular person.

But what are those needs?

The very first need that comes to mind is life cover, to care for your family when you are no longer able to. We all know that we are going to die someday, but we do not know when. If I should die today, I need to know that there will be money available to my family after my death.

The second need concerns disability. Should I become disabled and end up in a wheelchair, I may not be able to work and therefore not be able to earn money, or not as much as I am used to.

To some people this is a major concern, which leads to their specific need for disability cover. This may be as a result of a car accident, trauma or some occupational hazard.

Disability cover is not only for people with dependents, but also for single people. We sometimes hear them say: "Well, since I am not married and have no dependents, I do not really need life cover." But the question they should be asking is: "Who is

going to look after me if I become disabled?"

Then there is the professional person, for instance a medical doctor. Should he/she injure his/her hand and cease to operate he/she may still need to protect his/her income. He/she would need an "Income Protector" policy that will continue to provide some income while the 'doctor' is incapacitated.

What about our medium term needs, to educate our children, buy or make alterations to the house, an overseas trip, the next car etc? This leads to the need for savings, leading to profitable investments. One good reason for saving that comes to mind, is the cost of our children's studies. Education costs are high and are going to increase further, which makes enough funds a major need for many people today.

Since we all have various needs depending on our age, marital status, dreams and aspirations, our dependants and our occupations, that would determine the type of policy or policies we should take out.

A good assurance adviser or financial consultant should be able to do a financial needs analysis for you and advise accordingly.

There is also the need to provide for retirement. We need to start planning for retirement earlier in life. The longer you contribute towards a retirement plan, the more you will receive on retirement. A retirement annuity is the best discipline towards retirement planning as you can only make withdrawals when you reach 55 years. It is also the best way of supplementing your other pension schemes.

Assessing the 94/95 bargaining round

Major trends emerging from the round of negotiations ending in July this year included

- some real wage increases especially on the lower grades
- many workers continuing to earn wages below subsistence levels
- some progress towards reducing wage differentials between production workers, but little focus on the wage gap with management
- an increasing wage gap between unskilled workers in different industries
- the achievement of central bargaining where workers used their muscle, but evasion of industry minimums

COSATU needs to pay more attention to the widening gap between workers' pay and conditions in different industries. Without a clear solidarity based wage strategy, divisions and differences may grow in the future. Workers can make far greater gains if there is stronger co-ordination of wage and central bargaining struggles.

Wage settlements

In major bargaining agreements workers generally received increases at or above the official inflation figure of 10%. Negotiations took place in a context of economic growth and increasing profit. Gold mining was an exception with declining productivity, a lower gold price and continual employer threats of reduced employment if working costs increase. Despite this most mine

While unions have had some success in closing the wage gap within sectors, the wage gap between sectors is widening. Rob Rees discusses this and other challenges in his assessment of collective bargaining trends.

workers achieved 10% or higher while accepting continuous production (a seven day week)

Table one (see p70) summarises the wage settlements. It shows that lower grade workers received higher percentage increases. Only public servants like teachers and nurses, and workers under the Motor Industrial Council settled below inflation. It took three years of bargaining to reach agreement in motor. Overall, the early 90s trend of declining real wages was reversed.

Despite large increases for some workers in low job grades, many still earn below subsistence levels. Wages are particularly low in the construction, service, mining and farming sectors. These sectors have, relative to other sectors, high levels of employment and, mining aside, relatively low levels of organisation.

Table 1: Percentage wage increases 1995/6 and cash minimum wages as at August 1995

Sector	Lowest grade(s)	Minimum monthly wage	Top worker grades
Auto	12,64%	R 1 867	10%, possible premium
Eskom	10.3%	R 1 600	10,1%
Teachers	6%	R 1 590	5%
Tvl Furniture	12% on the schedule	R 1 520	12% on schedule
Transnet	22%	R 1 500	10%
Telkom	21%	R 1 500	11,5%
Chemical	Still to negotiate	R 1 489 ¹	
Big municipal	11%–29%	R 1 470	6%–9%
Sapos	-	R 1 450	10%
Engineering	12%	R 1 284	10,5%
Textile	13-18%	R 1 251-R1 442	-
Knitting	13,5%	R 1 256 (Natal)	13,5%+premium
Retail, large	10-14%	R 1 250	Smaller percent
Footwear	13%	R 1 243	13%
Public service	22%	R 1 100	4%
Clothing	13%	R 980 (Tvl)	13%
Building Tvl & W Cape	Still to negotiate 95/96	R 925	
Small municipal, other & Gauteng ²	20%	R 847	7,5%
Chamber gold ³	18-24%	R 838	10,5%
Chamber coal	18-24%	R 820	11,5%
Motor ⁴	19%	R 623	14%
Mine/quarries	10–13% (most bargains)	R 520 - R 1 645 ⁵	-
Civil engineering	Still to negotiate 95/96	R 275-R1 010	
Forestry	R 570–600 ⁶		
Domestic	-	Below R 182 ⁷	
Farming	-	Below R 182 ⁷	

Notes

- 1 These are average wages on the lowest band
- 2 This covers the SAMWU division of the Industrial Council for Local Government undertakings for the Provinces of Gauteng, North West, Mpumalanga and Northern Province.
- 3 Excludes Randgold which will pull the figures down
 - 1 This was the first settlement after three years
 - 5 This is a range from a copper mine (lowest figure) to a diamond mine (highest figure)
- 6 Estimates from the Forestry Owners Association for Paterson A grade.
- 7 Saldru 1993 figures, adjusted for inflation A third of all farming workers and 18% of all domestics earn below R182 (Saldru, 1995)

Long term trend

The trend is towards longer term agreements in line with auto. Government is negotiating a three year public service wage plan. The engineering task team will almost certainly follow suite. Longer agreements enable employers to plan expenditure with greater certainty. They reflect a growing institutionalisation of collective bargaining.

Employers are pressing to relate wage increases to productivity. The auto agreement provides for supplementary productivity related bargaining. When complete, engineering's national productivity framework will strengthen this trend. The agreement between Gencor mines and the National Union of Mineworkers (NUM) also provides for productivity bargaining. COSATU needs to adopt clearer positions on productivity related issues to avoid divisions amongst workers.

Wage differentials within enterprises

Unions are striving to reduce wage differentials. The focus is on the labourer/artisan wage gap with little attention to the production worker/manager gap. Strategies include demanding higher increases for the lowest grades, broad banding and benchmarking of lower grades to the artisan rate.

The higher percentage increases for lowest grade workers in most settlements may still see an increase in the actual rand wage gap. The public service showed the biggest proportionate reduction. Increases ranged from 22% for the lowest five grades to a freeze at the top, reducing the differential from 1.38 to 1.32. This is the only sector where negotiation covers both management and workers.

The public service illustrates the problem of narrowing wage differentials in the context of skilled labour shortages.

Computer personnel threaten strikes because private contractors earn higher rates, doctors say they will leave if their right to conduct private practices is curtailed, and the private sector poaches skilled personnel at the Department of Revenue, Customs and Excise (*Business Day* 19/7/95 and 28/7/95, Independent).

Continuing to reduce wage differentials by giving low increases to higher grades can result in a loss of skilled employees with a negative impact on delivery. The pressure will increase as South Africa becomes more globally integrated. A solution is to increase the supply of skilled labour through education and training, but this is a long term strategy.

Auto's three year programme reduces wage differentials both across the same grade (to a 10% spread in 1997) and between grades. Wages for grade one workers are set at a fixed ratio of 60% to the benchmark artisan rate.

A number of COSATU affiliates intend following the National Union of Metalworkers' (NUMSA) lead in reducing wage differentials by linking lower grades to a benchmark such as the artisan rate. The benchmark rate then determines rates for all other grades. An escape clause in the agreement allows auto employers to raise artisan rates above those agreed, in the event of a market shortage.

In auto the level chosen for the benchmark was a relatively low R20 per hour in 1997. The actual average artisan rate before settlement was R24 an hour. Auto negotiators point out that the benchmark rate excludes the more highly skilled and paid artisans. Other unions will need to decide how to determine the benchmark rate.

In the Chamber talks, the NUM achieved an 18.24% increase at the bottom by collapsing grade one workers into grade two. Similar broadbanding on Anglo mines

collapses grade two into grade three. A NUM-Chamber task committee will deal with job grading.

Engineering has agreed in principle to benchmark wages against the artisan rate. A task team preparing for next years wage round must work out the artisan rate along with wage differentials between grades and ways of accommodating diversity. Clearer leadership at NUMSA's bargaining conference earlier this year might have produced more gains and fewer referrals to the task team.

In the textile negotiations the South African Clothing and Textile Workers Union (SACTWU) put forward different demands for the broadbanded categories of unskilled, semi-skilled and skilled workers. Similarly, the South African Municipal Workers Union (SAMWU) aims to decrease differentials through differential rand amounts at different wage levels.

COSATU affiliates are approaching the wage gap issue in a number of different ways. Some unions still bargain for across the board percentage or rand increases. A percentage across the board maintains the wage gap between grades, while a rand across the board can result in higher paid members receiving below inflation increases. The rand across the board is common in decentralised bargaining where complex strategies are difficult to implement. Unions that continue to demand rand across the board increases can expect growing dissatisfaction from higher paid members.

Action to address the 'apartheid wage gap' is focused on wage differentials between blue-collar production workers and not on the larger 'class wage gap'. Middle managers cost employers seven to



Artisan and assistant: unions are concentrating on closing this wage gap.

ten times the wage of a labourer and double that of an artisan (PE Corporate, 1995). International figures on gross income shows that these ratios (middle management: artisan: labourer) are higher in Johannesburg than in Jakarta (Indonesia), Dusseldorf (Germany) and Seoul (South Korea) but lower than in Sao Paulo (Brazil) and Bangkok (Thailand) (Union Bank of Switzerland, 1994).

However, only in the public service are unions engaging with this issue. Even at the propaganda level there was a noticeable silence this year regarding salaries of senior management and directors. This seems an important area of ideological battle - part and parcel of retaining the sympathy of the

poor, particularly those outside the trade unions.

Education and training

Unions are also pushing education and training for members. The effort is uneven and COSATU needs to facilitate greater co-ordination and information sharing. Increasing the supply of skilled labour may reduce the differentials between labourers and skilled workers. However unions should continue the push to raise wages at the bottom, in relation to worker needs.

Only the auto industry has a clear agreement to pay workers for skills even when they are not used in production. Other employers argue for the skills to deliver productivity increases before they will pay (interview 9/94). This means that workers will receive higher pay for skills acquired outside the production process than for the same level of skill acquired through experience (thus prejudicing older workers).

On the mines, the NUM reached agreement in July on a framework for adult basic education and training. The agreement provides wide access for workers, their families and, where possible, the wider community. All stakeholders will govern the programme with employers paying. Employers, however, want the education restricted to basic numeracy and literacy, while the NUM wants social studies included. It is vitally important for unions that adult basic education includes social studies to widen workers' understanding.

NUMSA's vision of the skilling process in the engineering industry will take a long time to realise. Karl von Holdt sees most workers continuing in routine assembly, machine minding and operating jobs with little opportunity to use wider skills learnt (K von Holdt, 1995). This may apply in other industries. Workers need to know this to avoid serious disappointment in the

future. If employers resist paying for unused skills then many workers will also not increase their pay.

For a number of unions education and training is a policy area that needs more development. Unions like the Paper, Printing and Allied Workers Union (PPAWU) and the South African Commercial, Catering and Allied Workers Union (SACCAWU) sit on training boards, but in the absence of clear policy, employers drive the process. Others such as the Post Office and Telecommunications Workers Association (POTWA) and the South African Railway and Harbour Workers Union (SAHHWU) are beginning to develop policy in this important area.

Unions can increase the supply of skilled workers by demanding wider access to training and securing career paths for their members. Keith Lockwood from Sacob argues that increasing the supply of skilled labour is the way to reduce wage differentials rather than benchmarking (interview 3/95). Artisan wages in the furniture and construction industries which allowed black workers higher levels of artisan training are lower than those in the metal and mining industries where access to artisan training was more restricted (Bennel, 1992).

It is important to ensure the widest possible access by workers to training. This depends on extensive time-off, something that many employers resist. At the same time making wages dependant on skills can backfire, and undermine the struggles against historically racist labour markets and for a decent wage based on need.

Wage differences across companies

Many employers pay below agreed minimums, and wages are far lower in the old homeland and decentralised areas. Evidence from the engineering, construction and Western Cape clothing

sectors indicates widespread evasion of industrial council minima (interview, 8/95, Rees 1995b). Strategies to combat evasion may include strengthening the industrial council inspectorate and/or empowering other organisations to undertake this task.

However, the general trend is towards accepting different schedules for smaller employers who cannot afford to pay the negotiated minimum wages. Statements from COSATU such as 'We don't expect township shops to pay the same wages as the large retailers' (*Business Day*), and the emphasis in the LRA on accommodating small business are indications of this, as is the NUMSA commitment to deal with diversity in the engineering sector when tackling wage differentials

There is presently a proliferation of small and medium businesses, and unions *must* develop new strategies to organise them. The Small and Combined Workers Union that operated in the Kew industrial area may offer some useful experience. A powerful link between workers in small and large businesses is necessary to avoid divisions.

Along with wider union acceptance of flexibility, go attempts to regulate it. The demand that sub-contractors should pay the rate for the job and allow union membership replaces the demand to end sub-contracting. But without the extension of central bargaining agreements, sub-contractors can pay far below the minimum rate. In both the public service and the Chamber-NUM wage agreements lack extensions to cover sub-contractors. Unions need to strive for maximum extension of central agreements

Similarly with casualisation: in a novel proposal the Transport and General Workers Union (TGWU) calls for one pool of casual labour at the docks governed by minimum rates of pay and conditions. This would ensure that workers share the available work at negotiated rates of pay. At a wage

board hearing earlier in the year SACCAWU negotiated payment for Sunday work at normal rates in exchange for a 40 hour week, and a reduction of the ratio between casual and permanent workers. SACCAWU recognises that even where it opposes flexibility, the employers are making gains. The union has to engage with flexibility, bringing its own terms and conditions to the table.

The drive by major companies to slim down into their 'core' business will continue and employment of uncovered temporary workers is likely to increase. Unions must think strategically around this question, in particular regarding the extension of organisation and minimum standards to affected workers.

Wages in the old homeland and decentralised areas are generally far lower than in urban areas. SACTWU deals with this by demanding a sliding scale of increases for workers in these areas, starting at a third of the industrial council minima for July 1995, progressively increasing to 80% by the year 2 000. Some employers have agreed to this. At the same time the union wants employers to join the clothing industrial council. In the engineering and the Transvaal furniture industrial council, task groups are addressing these questions.

One of the problems facing SACTWU and other unions is that any existing council wishing to extend its scope has to apply for extension, providing space for employers to resist.

Differentials between industries

Differentials within some industries may be declining, but the large wage gaps across industries remain, and may be increasing. Unions need to give more attention to this problem with its potential for creating divisions.

Whilst the lowest graded auto worker earns a basic wage of over R2 000 per

Table 2: Average wages for skilled (similar position to artisan) and unskilled workers as at August 1995

Sector	Average unskilled	Multiples of domestic wages	Average skilled	Multiples of building wages
Domestic	R 432	1	-	-
Mining	R 605	> 1.4	R 4 772	2
Farming	R 636	< 1.5	-	-
Building	R 867	2	R 2 316	1
Tyldomg	R 980	2.3	R 2 383	1
Goods transport	R 1 181	2.7	R 399	11.7
Engineering	R 1 647	3.8	R 4 766	2
Furniture/Txt	R 1 762	4	R 2 859	1.2
Auto	R 2 054	4.8	R 4 614	2
Eskom	R 2 075	4.8	R 3 750	1.6

Notes

Domestic and farming unskilled figures are sector averages updated for inflation (Saldru, 1995)

Mining 21% of mining workers earn below this figure (Saldru, 1995)

Goods transport Wage figures are for the end of 1994

Auto The unskilled figure is the midpoint for grade 1 workers

Eskom The wage rates are median figures

month, close to 2 million workers earn under R600 a month - the majority of them farm and domestic workers (Saldru, 1995). Table 2 shows the relation of monthly domestic wages to wages in a number of other industries. Auto and Eskom workers earn five times the average domestic worker's wage. The farmworker to domestic ratio is much lower than the 1.5 shown. This is because the farmworker figure is the sector average and not the unskilled average. It is significant that there is a much smaller gap between skilled workers (artisan or equivalent)

Smit has compared the ten lowest paying industries in the manufacturing sector with the ten highest paying industries in 1982 and 1998 (Smit, M, 1994)

Using race as a proxy for skill he finds that coloured and black workers in high wage industries get more than double the average wage of those in low wage industries. The gap is noticeably smaller for white/skilled workers. The inter industry wage differential for black/unskilled workers increased by 15% in this period whilst decreasing for both white and coloured workers (Smit, M, 1994, p18). While these results are not directly comparable with the data in Table 2, there is no apparent reduction in unskilled inter-industry wage differentials.

For international comparison we slotted South Africa into a World Bank table on urban/rural wage ratios for selected occupations. We used two figures for the

rural wage, the first is the average farmworker's wage, the second an estimate of the average farm labourers' (unskilled) wage.

Table 3 shows that in South Africa the iron and steel labourer earns four times the wage of a farm labourer (excludes food, travel and housing subsidies). This is comparatively high, but India at over five to one is higher. The construction labourer in South Africa earns double the farm labourer's wage, above most other countries by a small margin.

Can COSATU define a solidarity based wage policy to deal with this increasing divide between unskilled workers (and we speak only of the formally employed)? Does it make sense to split off weaker sectors (farming, service sectors) into independent union formations? While we argue that this may increase their weakness, the way we structure central bargaining can do the same. The auto agreement commits the parties to encourage the expansion of the auto forum into an industrial council providing for all workers in the sector: assembly, components, tyre and body manufacturers. This is a basis for wider solidarity, although delayed by the three year settlement in auto. But what happens to petrol attendants?

As the integration of the South African economy escalates, pressures will increase to lower labour costs, especially for unskilled labour. It is essential for COSATU to develop a federation-wide wage policy based on solidarity. Even within some affiliates this is a crucial debate. Equally important for cheap labour sectors like farming and mining is industry restructuring. The NUM is hoping to use

Table 3: Ratio of wages in selected urban industrial occupations to rural wages

Country	Iron & steel labourer	Construction labourer
SA, using estimated farm labourer	4,12	2,17
SA, using average farm worker	2,59	1,36
Cameroon	1,52	1,52
Costa Rica	1,09	1,10
Cote d'Ivoire	3,95	8,80
Fiji	1,46	1,17
India	8,43	1,70
Indonesia	1,50	1,34
Jordan	1,32	1,23
Kenya	1,37	1,87
Peru	1,63	1,43
Philippines	1,96	1,67
Trinidad & Tobago	2,19	1,54
Tunisia	1,79	1,56

Source: Data derived from the World Development Report 1995, Saldru, 1995, CSS & Selfsa.

continuous production negotiations to raise wider issues of restructuring.

Central industrial bargaining

The trend against central bargaining spearheaded by the state and employers in the eighties has turned. Those sectors that either threatened or took action against employers, have made the biggest gains towards central industrial bargaining with the exception of the public service parastatals. Recent gains in setting up industrial bargains include TGWU in security, cleaning and goods transport. The Chemical Workers Industrial Union (CWIU)

won in principle commitment to set up both sectoral bargains to deal with wages and costs of employment, and one national forum to deal with social issues. SACTWU won a number of sub-sector industrial councils for the textile industry.

Increasing central bargaining makes demarcation more important. CWU, for example, wants its members presently covered by the Nicsemi agreement pulled out into a separate plastic sectoral council. This highlights how important it is for COSATU to make progress in determining demarcation.

SARFPU through the Transnet council has built closer relationships with some of the more conservative unions. Earlier this year workers from different unions engaged in joint action, illustrating wider possibilities for worker unity, given the correct strategy and use of central bargaining forums.

The experience is by no means all positive. The recent settlement in the Transvaal Furniture Industrial Council may be particularly negative. PPWAWU spent six years in legal wrangles and finally this year

won two out of the nine union seats on the council. Confusion about procedures and poor backup for negotiators led to an agreement providing for 12% across the board on the scheduled wage rates, specifically excluding additional plant bargaining. Historically most PPWAWU plants obtained higher increases than those set at the industrial council. This is a lesson for PPWAWU and other unions to ensure that they set both minimum and actual wage increases centrally.

Some unions continue to negotiate and win national company bargains, as a step towards national industrial bargaining. There are dangers that gains made through company bargaining will lead workers to resist moving into industry bargaining. This is particularly because national company bargaining generally takes place at larger companies where the wage rates are above sector averages.

A useful strategy to consider in relation to central wage bargaining may be to use wage board determinations. Earlier in the year SACCWU in effect engaged in national



Can the unions develop wage solidarity between low paid sectors like construction, and high paid sectors?

bargaining with the major retail employer's federation. The product of these negotiations formed the basis of the legislated wage determination. Strengthening this route for unions will require some changes to the law.

The message from the new LRA is clear, if unions want central industrial bargaining they will have to use their muscle. In this context it makes sense for unions to link their demands and struggles through COSATU.

Both the struggle for central bargaining in the LRA and the CWTU struggle would have gained immeasurably if, for example, FFWAWU and SACCAWU were also placing pressure on their own employers. Realising the possibilities depends on better coordination in the future.

Hours of work and overtime

COSATU unions have raised the demand for a 40 hour week for almost a decade now, but it is commonly dropped in the process of negotiations and there has been little progress. At the Transnet negotiations the parties referred the 40 hour week demand to a sub-committee, where the question of productivity is also likely to arise.

Given the possibility of changing hours of work through legislation, COSATU needs to do more strategising here, particularly on employment implications. At least one employer source indicated no problem with a reduced working week in engineering or manufacturing generally, provided there was a corresponding drop in pay. The public sector is also acknowledging certain limits on working hours, especially for the police, and providing funds to pay overtime.

In sectors like long distance transport there are serious safety hazards associated with excessive overtime. Workers may earn over half their income from overtime.

Increasing benefits

NUM is making some progress in reaching housing agreements, with JCI recently agreeing to make land available for development. NUMSA, in the motor negotiations, has won a provident fund with employer's contributions reaching the artisan level in two years time. NUM and SACTWU (clothing) achieved increased contributions to their provident fund and a task team will look at future contributions and levels of benefits in the mining industry. A number of unions including SACCAWU and SAMWU are winning agreement from employers to let workers join worker controlled provident funds.

Conclusion

Unions are reducing certain wage differentials and reversing the lowering of real wages associated with the early 90s. But millions of workers still earn below subsistence wages and the unskilled inter-industry wage gap seems to be growing. Unions have made big steps towards achieving central bargaining, yet many companies avoid paying the minimums. There is little focus on the large wage differentials between managers and workers.

The emerging challenge is to reduce inter-industry wage differentials and increase productivity to benefit a wider working class constituency. More thought needs to go into how inter-industry differentials relate to national bargaining (NEDLAC), contracting out, poverty and unemployment.

COSATU needs to support the response to this challenge through stronger coordination and effective sharing of information and strategy.

Rob Rees works for the COSATU-linked National Labour and Economic Development Institute (NALEDI).

Striking nurses

Trapped in frustration

The recent spate of nurses' strikes in Gauteng, Eastern Cape, Free State, Mpumalanga and KwaZulu Natal should have come as no surprise to anyone involved in the profession. Nurses have been expressing their concerns to their trade unions over the past eight years, and to their professional and governing bodies since 1957, when the Nursing Act was introduced.

The Nursing Act ensured segregationist policies governed all aspects of nurses' educational, professional and work experience. The relationship of South African nurses' governing and professional bodies and the National Party subdued their grievances until 1994, when the nurses' strikes threatened to bring down the health care system.

The 'cycle of action' South African nurses are caught in predates this year's unpopular protests. In the past, these nurses may have been praised for uniting against an 'oppressive regime'. This year, their actions were called 'irresponsible', 'unprofessional', 'unethical', 'criminal'.

The nurses' use of insurgency tactics forms the basis for both public and private criticisms. In the 'new' South Africa, these forms of protest are considered inappropriate. But the issues they raise - chronic and extreme deprivation as a result of inadequate remuneration (R1 500 monthly after three to five years of college or university training and ten years

Thembeke Gwagwa and June Webber analyse the conditions under which nurses work, and various attempts to organise them. They question those who are making it more difficult to unify nurses under DENOSA.

experience), poor working conditions, frequently under resourced settings, and inadequate representation - are indisputably, considered valid.

In the face of the conditions nurses are forced to work under, can their actions be considered inappropriate? Their actions have also raised moral and ethical questions. The response to the strikes has been varied and generally hard hitting. While their 'issues' have been affirmed, they have not been separated from the protest 'action' of striking, drawing attention from across the political, state and social spectrum.

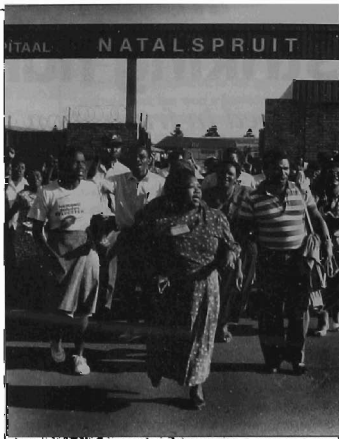
Politicians want nurses back at work and for the problem to disappear. One lucid representative of the Gauteng government, Mr Amos Masondo, suggested that the "Gauteng government has a responsibility to the taxpayers, not to pay striking nurses" (*Mercury*, 7/9/95). A lame and contradictory statement given that nurses too are tax-

payers.

On the other hand, the Gauteng Premier, Tokyo Sexwale, has suggested the problem is out of his jurisdiction as "it comes under the jurisdiction of the national bargaining chamber", (*Mercury*, 8/9/95). The Minister of Health, Dr Nkosazana Zuma, has been quoted on national news as stating that nurses' salaries are the responsibility of the Ministry of Public Service and Administration. Indeed, it is argued that since nurses are represented during collective bargaining, they should have nothing to complain about. But given the extent of fragmentation within the nursing profession, it is clear that nurses as a whole, are not in fact 'represented' in the central bargaining chamber.

Newspaper headlines are telling about what the public response has been: 'The strike killed our babies' (*Sunday Tribune*, 10/9/95); 'Cancer toddlers' whimpers go unheard' (*Mercury*, 9/95); 'Nurses and policemen say pay up if you want crime levels to come down' (*The Saturday Paper*, 7/10/95); 'Poorly-paid nurses want a taste of the gravy' (*Sunday Tribune*, 10/9/95)

The nurses' strikes send shivers through the organisations aspiring to represent them. The National Education, Health and Allied Workers' Union (NEHAWU) and the Hospital Personnel Association of South Africa (HOSPERSA) supported the government's position condemning the strike action (*Mercury*, 7/9/95). The South African Nurses' Association has also condemned the action as an inappropriate manoeuvre for 'achieving their rights' (*Mercury*, 8/7/95) This is an association



NEHAWU strike... not geared to nurses' needs.

that accepted a 5% raise on behalf of nurses when representing them at the bargaining table, an increase considered appropriate by both NEHAWU and HOSPERSA. And the newly-formed Democratic Nursing Organisation of South Africa (DENOSA) has positioned itself squarely on the fence; on the one hand voicing sympathy with the nurses' issues, on the other, distancing itself from the strike action.

So where does this leave nurses? South African nurses are a highly fragmented grouping of professionals caught in a series of dilemmas and tensions that have confounded their capacity to either organise effectively or confront their situation in a unified manner. They number over 140 000, are largely black, and until recently, governed mainly by white elites. Their

ability to organise and effectively negotiate has been impaired by a legacy of governance steeped in doctrines of apartheid. For example, in the late 1950s nurses were the first black women to be issued with passes. This policy was upheld by the South African Nurses Council, who legislated that nurses could only register for specific nursing courses upon producing an identity number something impossible without a pass. Opposition was met with a massive police response, impeding the possibility of mobilising and leading the way to women succumbing to pass laws. In the early 1980s, the South African Nurses Association (SANA) disqualified black nurses from their organisation and facilitated the establishment of 'homeland' professional associations.

For black nurses, affiliation to their professional bodies and the medical world gave them status within their communities. As a marginalised group, nursing was one of the only professions open to black women. These two factors displaced black nurses' responses to the exploitation experienced in their professional and work environments, as well as to their 'mother' association, SANA.

Other factors have contributed to this perceived complacency. Nurses undergo rigorous training, within highly authoritarian and hierarchical structures preparing them for a subservient role within the health care system. As one nurse succinctly stated last year, 'Creative thinking has never been stimulated (in nursing). Nursing lectures are the most degrading experience. It's highly regimented with few subjects taught beyond nursing. No interpersonal skills. Political realities are not taught, they don't know the national health plan. Nurses are not supposed to question. Four years in that mode and the day she qualifies she's supposed to question'. Nurses are expected to conform to a mode

of behaviour that is consistent with the ethos of the profession, their environment has offered them little intellectual diversity, hampering their capacity to critically analyse the ranging levels of their subordination.

By the late 1980s nurses were severely fragmented in South Africa. Many remained affiliated with the professional bodies that prescribed mandatory membership in order to acquire indemnity insurance. At the same time, NEHAWU was gaining support from nurses who were disillusioned by these professional bodies. Their attempts to affiliate with NEHAWU were short lived. The union was not geared towards issues specifically affecting nurses, resulting in many distancing themselves from the union, while others retained NEHAWU as their representative structure. By the early 1990s, a string of new groupings and movements had been formed, involving a more radical brand of nurses, dissatisfied with the SANA/NEHAWU options, further fragmenting the profession.

In 1992 the Concerned Nurses of South Africa (CONSA) initiated a transitional process aimed at organising one professional body, representative of all nurses in South Africa. The new body would have the capacity to represent both labour and professional issues that arise in nursing and would engage in a transformed mode of operation, a consultative mode.

The initiative was eventually joined by all formal and semi formal nursing grouping in South Africa, including SANA. In 1994, CONSA unanimously elected to begin a one-year interim process which would lead to the formation of a new structure, DENOSA. DENOSA is currently actively engaging in finalising the transformation process, informing nurses about the new structure and attending to any matters that affect the nursing profession.

But DENOSA is entangled in the SANA

dissolution process. This has distracted the organisation from taking leadership on many issues nurses are insistent receive urgent attention. In the wake of this, yet another grouping has emerged, the Nurses' Forum, which is seeking to form yet another body for nurses. Their orientation, capacity, reasons for not aligning with DENOSA are unclear, yet they do have the support of Sam Shilowa, General Secretary of COSATU, who seeks to increase COSATU's membership by offering nurses yet "another vehicle to unify them" (*Daily Dispatch*, 27/9/95).

Nurses in South Africa, in whatever organisational guise, are insistent that their issues receive attention. They have used every channel previously available to them to seek resolution, including COSATU.

They are now highly fragmented, frustrated and trapped in a 'cycle of action' that has been damaging to their professional status. The solution clearly calls for unified and representative leadership that can hear their issues and negotiate a path forward. DENOSA offers this potential, but it is constrained by the 'push-pull' of the many organisations and groupings which still hope and promise to 'represent' them.

Many questions remain unanswered: Should COSATU be playing a major role in wooing nurses into their organisation or should they acknowledge the process that is under-way and put their support behind that?

The transitional process was agreed to by all nursing bodies in South Africa. Why now has SANA insisted upon a vote for dissolution? Should SANA be permitted to postpone dissolution of its association, thus delaying the capacity of the Interim



Nurses on strike at Baragwanath Hospital – September 1995.

DENOSA to be seen as the representative organisation for nurses? And what is the role of the government in this process? With the welfare of the population at stake, can these delays in responding to the issues of nurses be left unattended?

1. A majority of SANA members have since indeed voted against the dissolution of SANA - ed.

Thembeke Guwaga worked at the Industrial Health Unit, in the Centre for Industrial and Labour Studies at Natal University; she is now an office-bearer with DENOSA. June Webber is a sociologist and is completing a Masters degree at Natal University in nurses' organisation in South Africa.

Organising nurses

The recent nurses' strike has brought the question of organising nurses into sharp focus. Nurses reacted angrily to any comment about their strike that was not one of unqualified support. Anyone who would express appreciation of the nurses' grievances and problems, but also appreciate the plight of patients, was automatically labelled as being against the nurses and therefore an enemy of the nurses' cause.

As the strike continued we saw the emergence of anarchy. One would consistently hear phrases like "We don't need an organisation, we need money". In the demonstrations one would find placards like "De Klerk saved us" or "Vote NP". For his comments as the state president, Nelson Mandela was called on to apologise or else nurses would not vote in the local government elections.

Every opportunist used the nurses' strike as a platform. Democratic Party leader Tony Leon visited Baragwanath Hospital and came out claiming that it was the first time that he understood how little nurses earned. This was far from the truth as the Democratic Party was part of the establishment that created this situation.

The PAC, in certain regions totally hijacked the nurses' strike and antagonised virtually all stakeholders with a direct interest in the health services. This reached a stage where the nurses' forum in some regions wrote letters to the government on

Gwede Mantashe argues that there are a number of practical ways in which COSATU can, and should, assist nurses in organising themselves

PAC, letterheads.

The National Party rejoiced about a crisis which was the product of their 40 years of misrule. They said the mess could be corrected within 18 months.

It was a mistake on the part of the ANC-led Government of National Unity, however, to display the might of the state in dealing with this crisis. Nurses who undergo three to four years of training, earn a gross salary of about R3 000, while a secretary, who undergoes one year of training, earns R1 000 plus. The Government of National Unity should have had more understanding of the unhealthy gap between professionals and bureaucrats in the public sector.

This background forms a basis for developing an organisational approach for nurses. Organisation is the solution. COSATU should now take the lead.

COSATU and nurses

COSATU did not take the opportunity presented by the formation of concerned nurses or Transitional Nurses Committee or



PHOTO: ELKHOUT, MVAHE, GDC

Nurses' strike, Johannesburg, 1995.

Democratic Nurses Organisation of South Africa (DENOSA) This failure to respond was due to COSATU's emphasis on 'one industry, one union' at the expense of 'one federation, one country'. I am making this observation because nurses were always told to go into the National Education, Health and Allied Workers Union (NEHAWU) Some of us within COSATU argued that the approach used in respect of teachers (a separate teachers union affiliated to COSATU) was the correct one and therefore should be used in organising nurses. We understood that it was necessary for the federation to consciously address the desire of nurses to be organised as professionals and the need to link the professionals to the federation of trade unions. This would bring the necessary balance between the working class leadership and the intellectual input necessary for any working class formation.

I am now submitting that this approach was correct then and it is correct today. The structure of Industrial unions can be discussed within the federation after we have allowed those unions outside the federation to be affiliates of COSATU. The price we are paying for this lack of innovation is the chaos we see in the health

sector. This chaos can lead to our paying the ultimate price, the reversal of the process of democratisation in our country.

We all know that nature does not allow a vacuum to exist. It is obvious that if progressive forces are not close enough to the nurses, counter-revolutionary elements can hijack the nurses' cause. The indications of that are quite visible.

As a federation COSATU has a responsibility to help nurses organise themselves. This should start with assistance in areas where help is urgent. We need to assist in the Eastern Cape and break the deadlock. We need to change the approach from that of anarchy to that of collective bargaining. With the current situation the risk is high that the nurses' problem may be forgotten in the next budget. If need be we should offer to second people to assist setting up the organisational structures, with COSATU paying their employment packages. This assistance should be unconditional, without demanding affiliation to COSATU.

One key issue should be to help nurses get organised and make them understand that their collective power is more important than their short-term demands.

Affiliation to COSATU¹ or otherwise should be a decision taken by the organisation after it has been set up. In engaging the nurses we should strive to find a link between the ground already covered by DENOSA and the emerging Nurses Forum. There may be no obvious link, but the organisational work by DENOSA may have had an awakening effect. This will need consolidation. There should be no hang up about the name of the organisation. This should be an issue for the launching congress.

I want to emphasise that it should not be COSATU¹ starting an organisation for nurses but COSATU¹ assisting nurses forming their own organisation. We have the necessary experience within the federation. Affiliates should be approached to second staff to this project.

Nurses and transformation

Our overall approach in organising nurses must be informed by the need for transformation of the state machinery. In

this case the need for the transformation of the public health sector is glaring. Professionals in this sector need an effective communication and discussion programme. In the process nurses will be made to understand their broader role in the society.

This is an attempt to come up with a practical approach rather than a theoretical approach to a very complex problem facing us. The framework outlined here can be used by both the national and regional structures of COSATU¹. We can make a very important contribution to the organisation and transformation of the health sector.

This is also an attempt to provoke a healthy debate on this very important subject. We will be on the lookout for responses in the next edition.

Gwede Mantsoe is assistant general secretary of the National Union of Mineworkers.

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Settlement week

The KwaZulu-Natal experience



INDEPENDENT MEDIATION SERVICE OF SOUTH AFRICA

Mediation notes

South Africa faces important changes to its industrial relations system, especially with the new Labour Relations Act becoming a reality. The cornerstone of the Act is the dispute system based on conciliation, mediation and arbitration.

Independent Mediation Service of South Africa (IMSSA), the Industrial Court and the Ministry of Labour jointly promoted Settlement Week recently to address conflict resolution in the industrial relations arena. Originally planned to run from 2 - 6 October, it was extended for five weeks in KwaZulu-Natal, giving parties an opportunity to experience the new system of dispute resolution and the Industrial Court a chance to address its backlog.

This article looks at Settlement Week in KwaZulu-Natal and draws out some important implications for the Commission for Conciliation, Mediation and Arbitration (CCMA).

Background

The idea of a Settlement Week(s) originated in the United States where they are held in different states on an annual, biannual or triennial basis. Participation in some schemes is voluntary whilst others are compulsory. One interesting documented example is the Queensland Settlement Week, in New Zealand in 1992. Court cases (not just Labour matters) awaiting trial in the Queensland Supreme Court and District Court, were referred to mediation. The main aim was to reduce the court backlog and to promote mediation as an alternative to litigation.

In KwaZulu-Natal, the Settlement Week

by Sbaida Bobot

organisers found that matters going before the Industrial Court in the province face a waiting period of around one year. They also established that many disputes referred to the Industrial Court for determination could be better resolved through mediation, arbitration or a combination of the two. Parties waiting for cases to be processed before the court were strongly encouraged to resolve their disputes by such alternative means during Settlement Week.

Participation was entirely voluntary and subject to agreement between all parties to a particular dispute. The processes were conducted by an experienced panel drawn from members of the Industrial Court and mediators and arbitrators operating under the auspices of IMSSA.

Statistical overview

Of the total of 505 cases referred by the court, 44 were settled by the parties themselves in the course of dealing with Settlement Week documentation. One hundred and seventy-three cases were finally referred to Settlement Week by agreement between the parties. An encouraging response.

Negotiation or arbitration resolved 88% of these cases. Of the remainder only 6% (11 cases) were actually processed and unresolved, while the remaining 12 cases were not processed, in most instances because parties withdrew their agreement

to participate.

The statistics show the remarkable success of the weeks particularly given the adversarial legacy of our industrial relations system.

Implications for the CCMA

The traditional view of dispute resolution maintains that disputes about the application of rights are best suited to arbitration, whilst interest disputes should be referred to mediation. This is based on the assumption that disputes of right usually concern the interpretation, application and administration of existing rights or norms and are therefore easily resolved by reference to existing standards or norms.

An analysis of the Settlement Week statistics and a closer look at the nature of disputes referred challenges this traditional view. A significant number of cases referred to Settlement Week could be regarded as disputes of "right" and a high settlement rate was achieved through mediation. This reflects positively on the promotion of mediation as the primary dispute resolution mechanism under the Act. The new LRA compels parties in dispute to attempt mediation/conciliation prior to resorting to adjudication or industrial action.

Various submissions on the draft LRA negotiating document emphasised that the CCMA is likely to encounter serious capacity problems in carrying out its functions. IMSSA's submission on the Draft LRA Bill outlined the following reasons for these capacity problems:

- the commission will have to service the former homelands,
- the Act now covers millions of "new" employees,
- commissioners will be expected to perform a wide range of functions, for example, mediation, arbitration and fact finding.

Overcoming these obstacles will require substantial financial and human resources. Proposed solutions include accredited agencies, part-time commissioners and introducing the CCMA's services on an

incremental basis. Another way to deal with capacity problems is to set aside half a day for mediation so that one commissioner can conduct two mediation processes per day. This was done successfully during the KwaZulu-Natal Settlement Week. The CCMA Commissioners, like the Settlement Week mediators should be trained to "narrow issues" early in the mediation process.

The time limit placed on mediators encouraged speedy resolution of disputes and was cost effective. It encouraged mediators to be as creative as possible in maximising settlement opportunities early in the process.

Most cases were initially referred to Settlement Week by one party only. Settlement Week staff then made both written and telephone contact with second parties, advising them of the nature of mediation/arbitration, redressing any misunderstandings and encouraging use of the processes. This endeavour was crucial in securing the consent of the other party. In a similar way, if the CCMA were given a client service capability, it could play an active role in persuading parties to resolve their disputes through mediation. This seems possible, given that the Act already extends its role beyond dispute resolution to giving advice and assistance in disputes and providing training.

Conclusion

The Settlement Week project was extremely successful in KwaZulu-Natal. It promoted conflict resolution in the labour field and assisted in addressing the Industrial Court's backlog. The new Labour Relations Act, recognised as a "comprehensive plan for modernising and streamlining South African labour law", can draw on the success of the Settlement Week project for its dispute resolution function.

Shelda Bobot is the KwaZulu Natal Settlement Week Co-ordinator and a lecturer at the Centre for Industrial and Labour Studies University of Natal.



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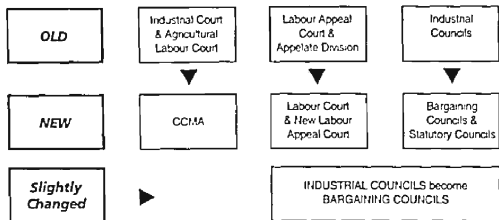
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The institutional landscape of the new LRA

The new Labour Relations Act (LRA) will bring institutional changes to the field of industrial relations. Some of the old institutions will disappear altogether. This table illustrates the major changes.

by Robert Lagrange



Existing Industrial Councils will become bargaining councils (BCs). The BCs must have independent exemption bodies accommodating small and medium enterprises in their constitutions. In appointing people to sit on the exemption bodies, the councils will have to take account of recommendations from institutions identified by the Minister of Labour in consultation with the Minister of Trade and Industry and after consulting NEDLAC. In addition, when councils seek extension of their agreements they will have to specify fair criteria for granting

exemptions.

For constitutional reasons, council agents no longer have the right to question people on an employer's premises. On the other hand, shopstewards of a majority union in a company gain rights to information for the purpose of monitoring agreements. This area deserves revision to permit council agents to interview consenting individuals on an employer's premises.

NEW – Statutory Councils

Statutory councils (SCs) are limited bargaining councils. They may be

established by employers employing 30% of a sector or by unions with 30% membership in a sector. The main difference is that wage agreements negotiated in an SC only bind the parties to the agreement and cannot be extended to non-parties

OUT – Conciliation Boards and Industrial Court

The Industrial Court (IC) and conciliation boards no longer exist but the Commission for Conciliation, Mediation and Arbitration (CCMA), the councils and the Labour Court have taken over some of their roles.

- A trained mediator appointed by the CCMA or council will replace the conciliation board
- Unfair dismissals: the CCMA or councils will deal with most individual cases through arbitration.

The Labour Court will deal with collective dismissals (strikes, retrenchments) and cases of alleged invalid dismissals (for example, victimisation, sexual discrimination cases).

- Only the CCMA may arbitrate and conciliate in the following disputes:
 - statutory organisational rights
 - picketing rules (where parties cannot agree)
 - disclosure rights
 - statutory organisational rights
 - interpretation and application of collective agreements where the agreement itself does not provide for arbitration for such a dispute or where it is effectively inoperative
 - demarcation disputes over sectoral boundaries
 - determination of workplace forum consultation where parties cannot agree
 - disputes over joint decision making in workplace forums.
- The CCMA or an accredited council can arbitrate on the following disputes:
 - minimum statutory severance pay due
 - unfair individual dismissals for incapacity

or misconduct.

- advisory arbitration over a refusal to bargain
- With a few exceptions, parties to compulsory arbitration proceedings do not have to pay a fee.
- Disputes that require judgement by the Labour Court are broadly the following:
 - disputes over freedom of association
 - disputes over organisational rights and collective bargaining that are not provided for by compulsory arbitration
 - disputes over the application and interpretation of Chapter Three of the new LRA (relating to organisational and collective bargaining rights)
 - strikes and lock-outs including strike dismissals
 - recovery of requested payment in kind during a strike
 - enforcement of picketing rights
 - protest action
 - decisions by the registrar on registration questions
 - review of arbitration awards
 - disputes between registered unions and members about the compliance of a union or employers' association with its constitution
 - disputes over compliance with the Act (not provided for otherwise)
 - review of decisions of state in its capacity as employer
 - retrenchment disputes
 - general review of acts done in the course of the performance of certain functions under the Act
 - disputes over 'residual' unfair labour practices (such as unfair discrimination for invalid reasons).
- Old disputes:

The IC will remain in existence and continue to sit until all the cases arising from disputes under the old LRA have been dealt with.

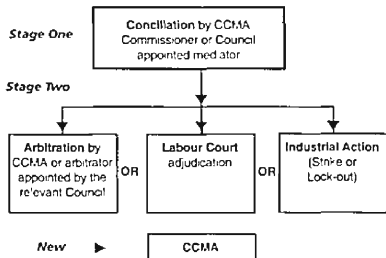
Dispute procedures in the new Act are

shown in the diagram alongside. As in the old Act there are two phases.

The success of the new LRA will depend largely on the successful operation of the CCMA.

It has many different tasks under the Act and is intended to operate independently of the Department of Labour under the direction of the NEDLAC parties and funded by the state.

Schematic Representation of Basic Two Stage Dispute Procedure in the Act



Staff appointments

The CCMA will appoint full or part time commissioners to carry out dispute settlement.

Ordinary commissioners will undergo a period of probation. All commissioners will be appointed on fixed term contracts. They can be removed for serious misconduct, incapacity and/or serious violation of the CCMA's code of conduct for commissioners. This should allay some concerns of organised labour about the lack of labour and management control, until recently, over appointments of presiding officers of the industrial court.

In appointing commissioners, account must be taken of the need to create an independent and competent commission, representative in respect of race and gender. A legal qualification is not essential.

☐ The CCMA has the following tasks:

- conciliate (mediate) any dispute requiring compulsory mediation under the Act if there is no Council with jurisdiction over the dispute
- arbitrate on any matter requiring

compulsory arbitration under the Act if there is no Council with jurisdiction over the dispute, or if a party obstructs arbitration taking place under an agreement.

- arbitrate on certain disputes that councils do not have arbitration powers over (for example, organisational rights, picketing rights)
- arbitrate on disputes over the interpretation and application of agreements where those agreements do not provide for arbitration on this issue
- accredit and subsidise councils and private agencies to perform compulsory conciliation and arbitration functions under the Act
- offer to resolve disputes
- conduct or oversee ballots of registered unions and employer organisations if so requested
- publish guidelines
- advise on procedures to be followed under the Act
- conduct relevant research

New - Labour Court

The Labour Court will only hear cases involving collective dismissal and cases where important constitutional values are at stake, such as racial discrimination claims

Appointments

The President, acting on the advice of NEDLAC and the Judicial Service Commission will appoint judges of the Labour Court after consultation with the Minister of Justice and the Judge President of the Labour Court. Candidates must have labour law expertise and be a supreme court judge or a legal practitioner of ten years experience.

Three Labour Court judges will make up the Labour Appeal Court (LAC) that will hear appeals from the Labour Court. The LAC comprises five judges in all including the President and Deputy President of the Labour Court. The Labour Court has the same powers and status under the Act as the Supreme Court on labour matters. Decisions of the Labour Appeal Court are to be regarded as equivalent to decisions of the Appellate Division of the Supreme Court.

NEW - Dispute resolution bodies

Private dispute resolution bodies (for example, IDRASA, IMSSA, MCC, etc) can become Accredited Agencies able to perform the limited compulsory conciliation (mediation) and arbitration roles of Councils. These will consist mainly of mediation and arbitration of dismissals for reasons of incapacity or misconduct.

Councils must be accredited by the CCMA if they do not appoint an agency to perform the council dispute resolution functions. An agency does not require accreditation in order to do private dispute resolution work. It is a little unclear how fees for the compulsory services will be determined and the Act needs to be clarified in this respect.

Existing registered unions will remain registered, but may not have racial provisions

in their constitutions. They *must* include a balloting provision in their constitutions for legal strikes. However, the failure to ballot in terms of the constitution will not result in a strike being declared illegal. So employers will not be able to rely on invalid strike ballots as they did in the past to put an obstacle in the way of otherwise legitimate industrial action.

Registered unions must be independent organisations. A union will be considered independent if it is free from the influence or control of an employer or employers' organisation. The Labour Court may decide whether or not a union is independent on application by another registered union. Registered unions will have more rights than un-registered ones. Registration will be far easier as unions no longer have to establish whether they are sufficiently representative in a particular sector. ★

Robert Legrange is a researcher at the Centre for Applied Legal Studies, University of the Witwatersrand

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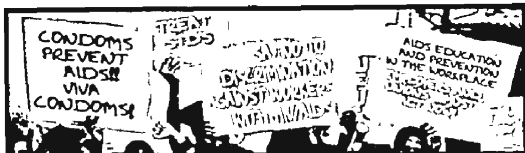
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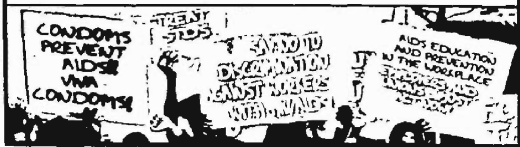
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Paulos Ngcobo

I was born on 7 May 1963 in Pietermaritzburg, in a place called Table Mountain. From there I went to another place called Ntombani near Richmond, where I did Form 1 up until Form 2. From there I moved to Sparrow High School until matric. After which I moved to Durban.

In Durban, in 1983, I was employed by a company called CI Caravan. While I was being interviewed by the personnel manager, the foreman came to the personnel officer, and he said, "I'm dismissing this chap. I'm not happy about his performance. I've given him a couple of verbal warnings, and now I'm terminating his service". I felt that I was not going to last long there. It terrified me that the level of dismissal was so high, and that it was so easy for the foreman to walk in and tell the personnel officer to prepare a salary and dismiss someone.

I worked for that company for three months, before I was elected as a shopsteward. I was still under probation and the company was not happy about my election. They were earmarking me for another position, because they thought I was brilliant and bright and I was still young. But the workers insisted that they wanted me to be a shopsteward.

At the time I was employed I did not know that the union was trying to recruit workers into the union. I remember the comrades that were involved were Jabulani from the South African Clothing and Textile

Paulos Ngcobo, COSATU regional secretary, in KwaZulu-Natal talks about his life as a unionist, and the difficulties facing the federation in the Province.

Workers Union (SACTWU); Willis Mchunu, who is now the speaker of parliament in KwaZulu-Natal; and Dumisani Mbanjwa, now in the National Union of Metalworkers of South Africa (NUMSA) head office. The union got in at the plant, introduced themselves, began to recruit and started to negotiate a recognition agreement.

I worked as a shopsteward in the company for almost three years, as local secretary of the Metal and Allied Workers Union (MAWU). In 1985 I was elected as a full-time shopsteward in the plant. At the time CI Caravan had about nine plants. In the agreement we negotiated for one full-time shopsteward, the person would be responsible for co-ordinating all the plants.

Offers of promotion

In 1986 they closed down the plant in Pinetown with the intention of going to Ladysmith. I was offered three positions by the company. They said I must be a supervisor in Ladysmith, because I was very vocal, and I was also respected by the workers.

They offered me a position to work in the stores in Ladysmith, or to work in the development side. The development side meant that I was going to work in the department where they start afresh with the new model of the caravan. This would have been a promotion. I would have been the first black to work there. I turned down all these offers, which meant I was going to be unemployed for six months.

It was very difficult for me to convince my family why I didn't take one of those positions. They felt that it was because I was lazy. I went to stay with my parents in the rural area for six months. When I came back, there were two things that could happen: either I crossed the floor, or the union considered employing me.

The branch executive committee decided to employ me as an administrator in Clairwood. There was no typewriter or anything in the office, only a desk and a chair.

The comrades I was working with, Victor Malunga and Vusi Mshezi, felt that I couldn't sit in the office all day doing absolutely nothing, while they were going out to organise and recruit. I started to go out with them, and that was how I was trained as an organiser. We started organising the



PHOTO: TONY GIBSON

factories, and they started allocating factories to me to organise by myself. In the branch executive committee, it became a hot issue that I was employed as an administrator but in fact I was doing something else.

We then began recruiting in Newcastle. It was Victor Malunga that had to go to Newcastle to recruit workers into MAWU. I had to replace Victor in Clairwood as a local organiser. He went there for three months, after that Vusi had to follow him. I had to

work for Vusi as well. After that it was Mangopes Hlatshwayo that had to go, and then I had to go to Tsipingo. And lastly it was Gordon Bailey that had to go, and then I had to go to Pinetown to replace him.

And then Pinetown said, enough is enough. We don't want him to be taken as a sprinkler, or as a person who is going to work as a substitute for other comrades. They convinced the branch executive committee that I must now become the local organiser in Pinetown.

I worked in Pinetown up until 1990, when I was employed as the organiser responsible for the motor sector. It took me some time to understand the motor sector, but it was an interesting sector because it was very disorganised. In every workshop or service station, NUMSA only had four members out of 20. Even though we had a closed-shop arrangement, workers did not even know that they belonged to a trade union.

Then in November 1993 I was elected as the regional secretary of COSATU, which is the position that I still hold.

Frustrated about COSATU

Now I am very frustrated about the role of COSATU. I feel that we are not servicing our affiliates, in the sense that we do not have the capacity ourselves.

There are 17 locals in the province, and I am responsible for all of them. I don't have the capacity on the ground to service those locals. I don't have people that are employed by COSATU who could service them.

But we are doing nothing in order to improve the situation. Instead of us putting resources at the local level, we are doing the opposite. If we get a call from workers who say that they are sick and tired of their affiliate and want to join COSATU, there is nothing I can do.

They will say workers are no longer

interested in being members of that affiliate. There is nothing else one can do because there are no regional organisers that can go and convince them to remain. Our hands are tied as a federation. Workers will flock to our offices complaining about their affiliates not servicing them. But the only thing we can do is to speak to their secretary.

The constitution of COSATU needs to be looked at again. The lack of power of the locals is something that is frustrating them. Some of the COSATU office bearers are beginning to be organisers of those particular affiliates because they do not have the resources on the ground.

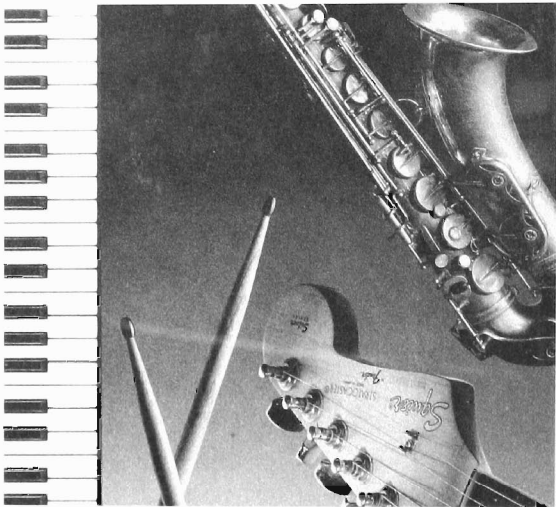
Special problems in KwaZulu-Natal

If you take KwaZulu-Natal, we are dealing with the situation where the IFP is in control of the province, and wants to be independent from South Africa.

They talk about their own army, their own police, their own department of labour, and everything. Now to have the capacity as COSATU, to resist that situation we need to be empowered.

I think we are making a mistake in the federation by treating KwaZulu-Natal as though it was just an ordinary province, like any other province. Here, we talk about the promotion of export processing zones (EPZs). In other provinces it's very easy for you to go and talk to the minister that wants to start EPZs. But here the IFP is trying to woo investors on the basis that they will not have to deal with trade unions that will worry them.

There is a perception among the leadership that the problems we have in KwaZulu-Natal are not national problems. The problems we have in KwaZulu-Natal are a national crisis, because the IFP is intending to destabilise the whole country. If we do not deal with the problems in KwaZulu-Natal emphatically, then the whole country will be in turmoil in the very near future. ★



Trade union healthcare is no different to jazz – individuality is great but harmony needs everyone to play a part.

Sounds simple but, in the past, that just wasn't the case. Management made all decisions concerning worker's healthcare. Happily the situation has now evolved. To foster a harmonious relationship between management and workers Medscheme actively seeks to play the facilitator role.

In a democratic way, as part of all negotiations, we make available an impartial benefits negotiations unit, skilled in interacting with both parties. Through consultation, both parties structure and co-determine the most appropriate fund. And it's then the

virtue of unity and strength in numbers is seen – a healthplan that meets both individual and collective needs.

For over twenty years, Medscheme has been formulating, implementing and administering schemes that deliver real, meaningful benefits to workers and management. We provide excellent cover for over 2 million workers and their families in more than 60 healthplans. With your scheme in harmony, care for one can be care for all.

medscheme
Harmonising The Healthcare
Of The Nation



Head office: 300 Kent Ave, Randburg, 2194. Negotiated Benefits Hotline: 0800 319544

REGD OFFICE: WILLOWDALE