

THE POLITICS OF WORKERS' COMPENSATION

Workers' compensation laws meet not only the interests of workers, but also those of the state and capital. The following article looks at workers' compensation within the general framework of the reproduction of the working class, and of the capital-labour relation.

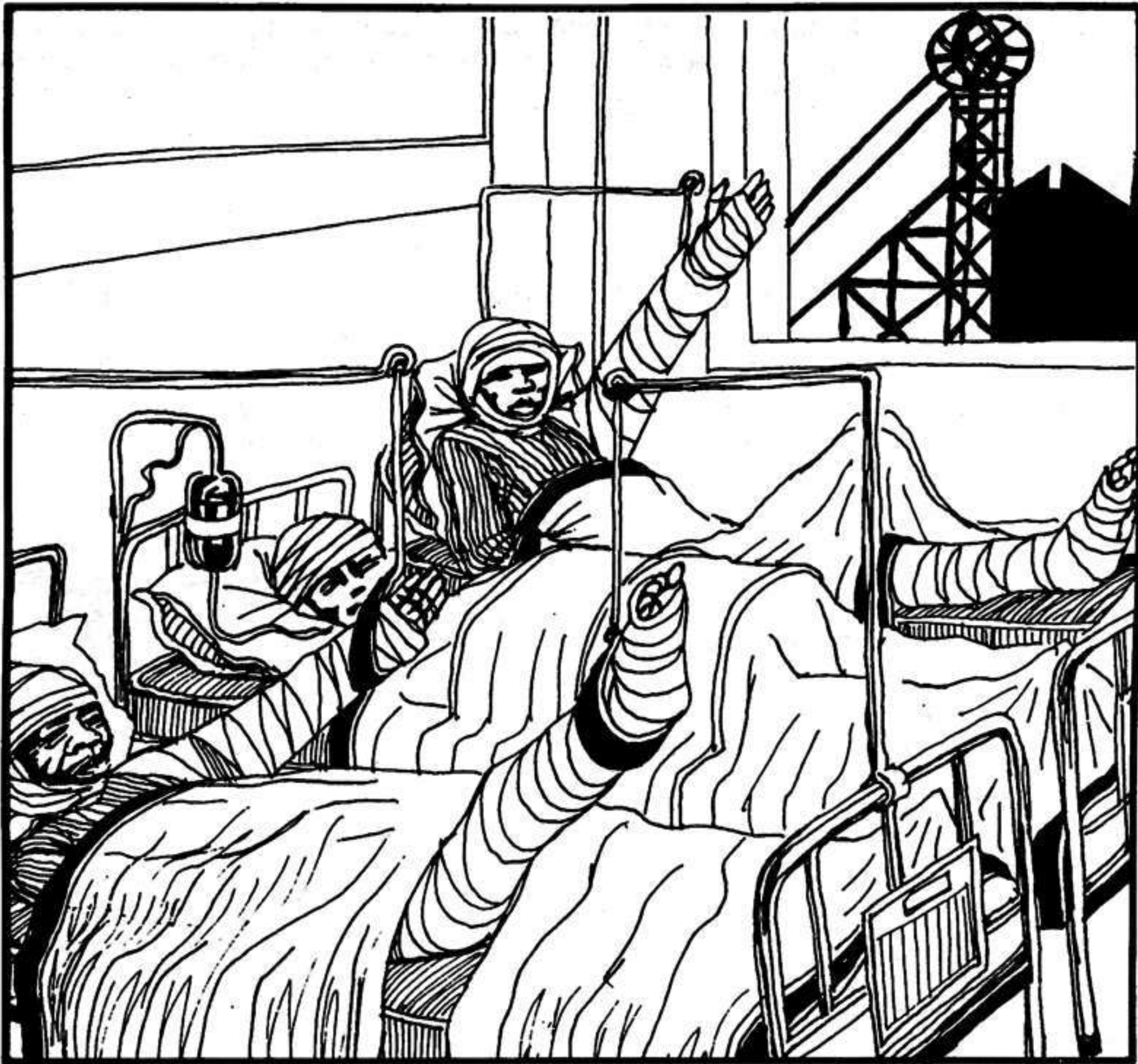
Workers' compensation and the reproduction of the working class

In advanced capitalist states, workers' compensation legislation forms part of a package of social security laws. These laws, to some extent, ensure the survival (however minimal) of workers outside of work, so that production in the capitalist sector can continue over time. This is what is referred to as the reproduction of the working class.

In South Africa, workmen's compensation legislation was introduced at the turn of the century, but workers' compensation insurance only became compulsory in 1934. The 1941 Workmen's Compensation Act finally brought workers' compensation under the executive powers of the state.

The 1941 Act was passed at a time when it was in the interests of advanced capital to have management-worker relations regulated and regularised, and in this way to minimise class conflict.

The events of World War II brought about economic, political and ideological crises in South Africa. With a shortage of white labour, black workers were called upon to fill semi-skilled and skilled positions in industry. At the same time, labour organisations were gaining in strength. While some repressive legislation was passed to control workers, workers' economic and political support was needed by capital and the state, and some concessions were therefore granted to them.



State intervention

In the early workers' compensation system in South Africa, industrial enterprises paid insurance premiums to private insurance companies, which then paid out certain amounts to workers in the event of industrial accidents or diseases. Industrial enterprises, however, opposed the high insurance premiums that they had to pay to these insurance companies and lobbied for a state-run social insurance scheme. The state took over the bulk of workers' compensation through the Workmen's Compensation Act of 1941, which forms the blueprint of today's compensation legislation.

Through this legislation, the state is brought into the capital-labour relation. By passing, enforcing, and administering this legislation, the state becomes involved in ensuring that the particular capital-labour relation continues.

Furthermore, the state assumes an active role in the reproduction of labour power.

The state gains from this arrangement ideologically: it appears to take on a neutral role in the struggles between capital and labour; or it even appears to represent the interests of the working class.

Capital's gains

Even though the introduction of social security legislation was, in many instances, a victory for working class struggles, it must be remembered that capital is able to gain from concessions made to the working class.

In the South African state-run workers' compensation scheme, workers are denied access to common law; they cannot institute civil cases against their employers as such, not even in the case of additional compensation claims where employer negligence is involved.



There is little incentive for employers to improve safety conditions

Compensation, as well as additional compensation claims are paid out from the Workmen's Compensation Fund, into which employers pay certain fixed contributions. This type of insurance is relatively cheap for employers, since they cannot be held directly responsible for the social costs arising out of an accident or disease.

And because they cannot be held directly responsible, there is very little incentive to improve health and safety conditions at the workplace, so as to prevent work-related accidents and disease in the first place.

Exclusions from the Workmen's Compensation Act

Capital has, in many ways, been able to exercise its dominance in social security legislation. This is manifested, among other things, in the fact that the state has not been able to introduce a uniform compensation system; the divisions and interests of different sectors of capital are reflected in the workers' compensation system as it stands today.

Mining capital, for instance, had made its own compensation arrangements through the Rand Mutual Assurance Company before 1940, and the 1941 Act allowed for this arrangement to continue.

Sectors in which workers were organisationally and politically in a weak position, were excluded from the workmen's compensation scheme: domestic workers, employers with less than five workers and, until 1964, agricultural workers as well.

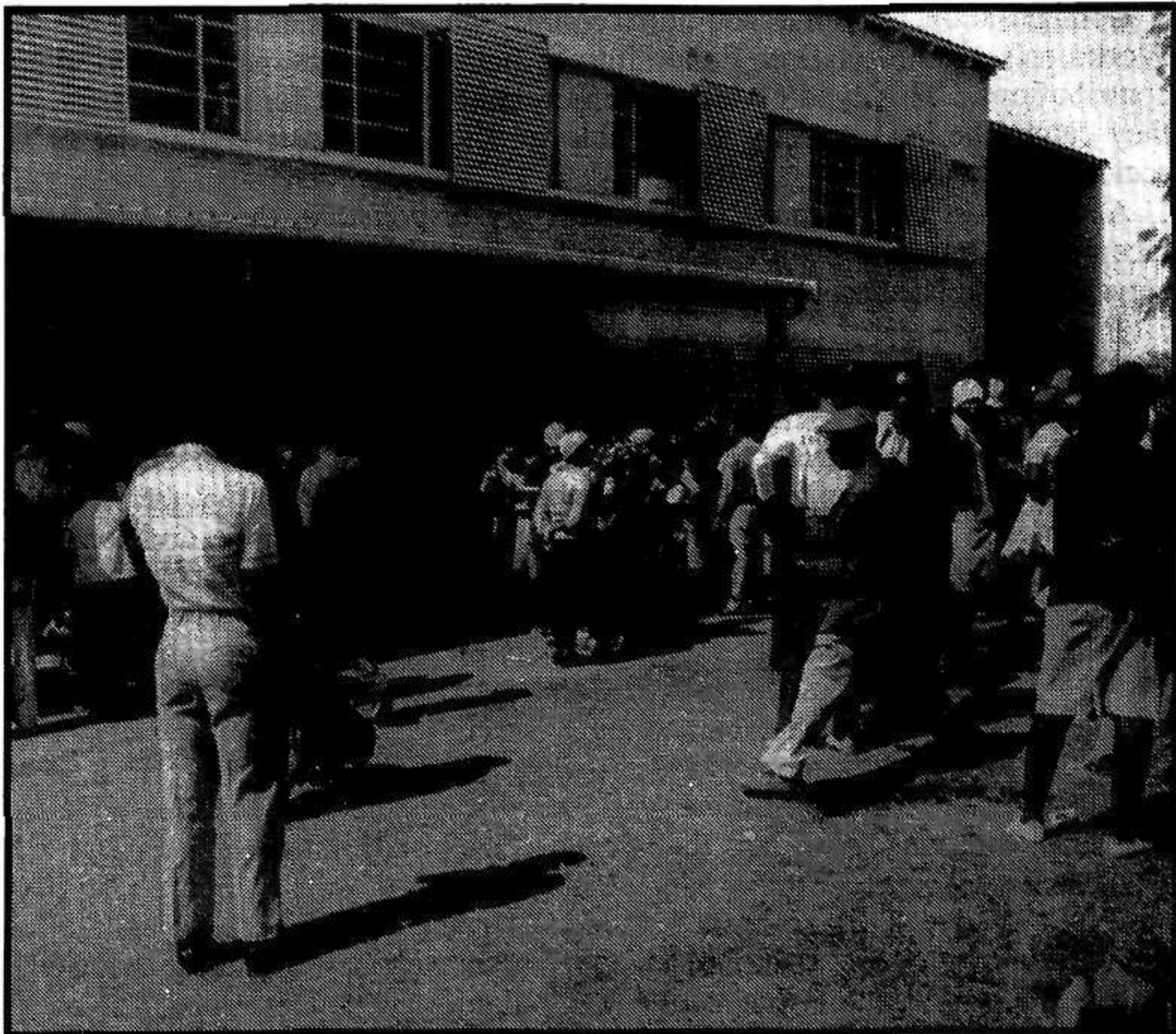
State employees, likewise, are excluded from the workmen's compensation scheme, though for different reasons. One possible explanation might be that the state wishes to maintain its ideologically significant role of appearing to be separate from capital. State workers are paid compensation through a separate compensation scheme, or directly by the state.

Discrimination on the basis of race and class

Apart from the lack of uniformity of the workmen's compensation system, as far as coverage is concerned, there are vast differences within the Workmen's Compensation Act's provisions for the various income groups.

Overt discriminatory elements were contained in the early South African compensation legislation. The 1914 Workmen's Compensation Act dealt specifically with white labour, while a separate law - the Black Labour Regulation Act - dealt with compensation for black labour, with provisions for very much lower compensation awards. Provisions for black workers' compensation were introduced in the Workmen's Compensation Acts from 1934 onwards.

However, under the 1941 Act, racial discrimination remains, as white and black workers are compensated differently. Furthermore, compensation awards vary with the percentage of wage levels, thus discriminating against lower-paid workers, who are mostly blacks.



There is a large pool of "healthy" unemployed workers available

Discrimination against black workers also occurs at the level of practices concerning industrial diseases. The legislation concerning industrial disease attempts to genuinely compensate white miners, whereas black miners receive very much lower awards.

In the case of black workers, moreover, there is a tendency to exclude them from the workforce without any compensation payment, by retrenching them as soon as symptoms of an occupational disease have been diagnosed.

As there is, at present, a large pool of "healthy" unemployed workers available, employers can afford to disregard the full costs of the reproduction of labour power in the short term. The present political system in South Africa facilitates the marginalisation of "unproductive" labour, by expediting workers to the various "homelands".

Information in this article is from D. Rosengarten: "Worker's Compensation - South Africa, A Case Study": BA Hons Dissertation (Development Studies), University of the Witwatersrand, Johannesburg, March 1983.