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Trial

Current labour unrest should not be seen as a threat but as an opportunity to transform the South African industrial relations system.

IAN MACUN and EDDIE WEBSTER explain why.

of strength

THE ongoing strikes that have characterised the post-election period have been discussed in the media primarily in terms of the impact of wage increases on the economy. This approach is superficial as it does not do justice to the complexity of the crisis in the workplace. It has also detracted from a long overdue debate on the transformation of our industrial relations system.

South Africa's legacy of a highly protected, inward-focused economy coupled to a tightly regulated and discriminatory labour market has led to the lack (with few exceptions) of any real innovative capability. The general trend has been to choose the path of least resistance or, where there is resistance, to repress it or sidestep it with the help of tariffs.

This legacy has not generated any long-term capacity for successful economic performance. Nor has it laid the foundations for employee participation or management-labour co-operation.

Against such a background, the current wave of strikes should not be seen as a threat but rather as an opportunity to transform the industrial relations system. It should not be used to denigrate trade unions or their demands. Instead the issues raised by the strikes need to be thoroughly debated.

What are the issues? The first and most prominent is that of wages. The clear message emerging from the media is that workers' wages are too high and their productivity too low. Workers are making demands that are not only unrealistic but also undermine the potential for economic growth. Statistics showing the low productivity of South African labour in relation to that of other countries and the comparatively high wage rates in this country have been a regular feature in the press.

The message: South Africa needs to lower its labour costs in order to become competitive and productive. This is one strategy for growth. It is also simplistic and unlikely to succeed.

As has been pointed out in more enlightened sectors of the media, South African wages may be high compared to other countries but they are not high when evaluated in relation to the social costs that these wages bear. In other words, a monthly wage of R850 goes much further for a worker in Thailand than a monthly wage of R1 500 in South Africa. In this country a worker's wage has to be shared with a large number of dependents, often as many as 10, including some who are unemployed.

Reducing wage costs runs the risk of setting in motion a downward spiral which never goes low enough and which leads to escalating conflict and industrial instability.

Instead of reducing wages to match the low level of productivity, a more viable alternative would be to increase productivity to outstrip current wage levels. Rather than relying on essentially short-term solutions, discussions should be centred around long-term, productivity-enhancing changes in working practices

The only alternative is to develop the industrial relations system in such a way that workers and their organisations have strong incentives to take part in reconstruction and to contribute to improved and efficient working methods.



CONFRONTATION: A unionist and a policeman clash during a recent strike in Cape Town.

and productive activity generally.

Certainly, improved and more efficient working practices need to be a part of this but so does the search for more creative uses of labour, training, the search for new markets, new product designs – in short, a more innovative and creative management of production and labour relations.

Innovative and creative management, along with well-targeted industrial policies, are likely to be key factors in the creation of new job opportunities. In short, a new industrial strategy, rather than low wages, is the best solution to unemployment.

A second issue raised by the strike wave is the role of government in industrial relations. Many no doubt expected that the presence of an ANC-dominated government would be enough to ensure industrial peace. Where conflict arose, a word in the right quarters would ensure a return to the status quo. Fortunately, organised workers have a more developed sense of democracy and constitutional rights – one which entitles them to pursue their interests without intervention by other parties and to do so by way of strike action.

How then should the government be responding to labour unrest? The guidelines for government action in the area of industrial relations are unambiguous and remain unchanged. Government should stay out and leave the parties to resolve their problems. However, what the government does need to do as a matter of urgency is to ensure that the right kinds of institutional and legal supports are established to help the parties to resolve their differences.

The National Manpower Commission is a key institution established for just this purpose and the Labour Relations Act (LRA) has been under review for some time. Hopefully, an improved LRA will soon be in place.

A third and equally fundamental issue raised by the strikes is that of the role of workers and trade unions in South Africa's reconstruction and development. In quite a few countries faced by economic difficulties,

there has been a tendency to make the environment in which unions operate more hostile and less supportive of workers. This approach has had its effects and, in some cases (for instance in the United Kingdom during the 1980s), has contributed to a weakening of trade unions.

But trade unions are idiosyncratic institutions that have their own particular histories. There can be little doubt that further hostility towards unions in South Africa will ensure the continuation of highly adversarial industrial relations and thus weaken this country's chances of economic recovery.

The only alternative is to develop the industrial relations system in such a way that workers and their organisations have strong incentives to take part in reconstruction and to contribute to improved and efficient working methods. Productivity, like so many other issues, can be made the subject of collective bargaining. This has already taken place in a number of companies.

The transformation of our industrial relations system is not a purely technical matter, however, but involves questions of power. The current strikes could be interpreted as a "trial of strength". In this sense, the strikes could be seen as dovetailing with the elections in which an historically subordinate political movement was able to wrest power from its former opponent. Trade unions may be aiming to duplicate this on the factory floor.

The nature of power in the political and in the industrial spheres is clearly not equivalent, but dramatic changes in national politics will inevitably impact on the workplace. It is not surprising that workers and their organisations have high expectations of achieving not only an improved standard of living but an effective voice in the workplace as well.

A creative response to the crisis in the workplace would be to extend the radical changes that have taken place in representation at the national political level to the level of the firm. The fact that so many

strikes have occurred since the April election and, more importantly, that the parties have been unable to find settlements although their respective positions were never very far apart, must surely serve as an indication of a fundamental weakness in our industrial relations system. It is a weakness caused by a continuing imbalance in power and influence which gives rise to recurring conflict.

Just as political democracy leads to social integration, so does industrial democracy. By enabling workers to hold management accountable and to question and influence decisions, meaningful industrial citizenship is brought about. What the strikes point to is an urgent need for representation in the workplace. This will help consolidate democracy in South Africa and improve economic performance.

The present deadlock between the parties in our industrial relations system is not unlike that which faced the Wiehahn Commission at the end of the 1970s. But the present challenge is much greater than that faced by Wiehahn – after all, the commission simply recognised the right of African workers to belong to unions. This created the opportunity for collective bargaining – a partial form of participation in decision making.

The challenge facing the industrial relations system at this stage of our history is more fundamental. It involves ensuring full participation in the workplace. This requires an unequivocal commitment from management and the government to genuine participation. It will also require a shift on the part of labour from a concern with wealth redistribution to include wealth creation.

These are the changes necessary to break the current deadlock on the shop floor. They are also the conditions necessary to ensure that strikes become the last resort in any industrial dispute.

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