

LABOUR POLICY IN A STATE CORPORATION:
A CASE STUDY OF THE SOUTH AFRICAN
IRON AND STEEL CORPORATION

(ARTICLE 2)

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INTRODUCTION

This article, the second* on labour policy in the South African Iron and Steel Corporation (ISCOR) has, as its central focus, 'the labour process'. Our concern is both with the current situation and the historical position of Black and White labour. Our emphasis is primarily on the reorganisation of the process of production as it affected the racial stratification of labour.

The various sections under which we discuss this are the following, (1) the position of Black and White workers in the current labour process and the trends in the reorganisation of this process (2) wages and hours of work, and (3) Black and White worker organisations. In the final section we draw some conclusions from our analysis.

The information was collected at the end of 1974, and, of course, the position particularly with respect to Trade Unions may have changed somewhat since that date. As we stressed in our first article, we have extensively utilised interviews with management personnel but supplemented this with other material, newspaper reports, company reports and published material etc. Finally, although the example of Iscor is instructive of trends in this regard, what has happened and is happening with respect to the labour process in Iscor cannot simply be generalised to South African firms in the manufacturing industry as a whole. Its position as a State Corporation, in particular, as we stress in the conclusion, has its effect on labour policy within Iscor.

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BLACK WORKERS IN THE LABOUR FORCE

(A) PRESENT PLACE IN THE PRODUCTION PROCESS

It is extremely difficult to establish what proportion of black workers fall into the different occupational categories. The answers given to questions show much variation, while the systems of classification themselves alter greatly with changes in the production process.

There are approximately 2 000 Black machine operators in the Pretoria plant. If the categories of skilled, semi skilled and unskilled are used, then the official classifications reveal that 5 082 Blacks are classified as unskilled, 2 170 as semi skilled and 250 as skilled. However; the high unskilled figure has to be viewed in terms of the ambiguity of these terms. It was repeatedly stated that there are very few totally unskilled workers ("raw labourers" as the White bosses called them) in the ordinary sense of the term. Most work has some skill content, especially in the production process. Work with the least skill content has nothing to do with actual production and forms part of the functions of "fetching, carrying and placing machinery". Apparently a fair amount of this takes place.

At the Semis plant in Saldanha, Iscor expects production to be highly dependent on coloured labour. Out of an expected total of 2 300 coloured workers 1 944 are to be employed as operators with the rest being assigned to primarily clerical positions (145). In the future it is intended to fill all artisanal positions with coloureds, while Africans will only be used for hard labour.

The Newcastle plant is the most heavily dependent on Africans in semi-skilled jobs. Almost all the machine operators are, or will be, local Zulu workers. Many jobs done by Whites at Pretoria are done by Blacks at Newcastle - e.g. crane drivers. There seems to be a tendency to try and use Indian workers as supervisors. This is apparently the case at Durnacol. There are virtually no Black women employed in any of the plants except in

purely service functions, e.g. in the canteens.

Although the classifications do not directly coincide, semi-skilled Black workers are usually operators and are defined as "someone in charge of an important piece of machinery". When Black workers are classified as skilled this does not however mean that they are craftsmen or artisans. Skilled Black workers are usually ancillary workers, e.g. personnel assistants, hospital workers, etc. They are not usually directly involved in the production process. It was not possible to discover what percentage of Black workers were employed in supervisory positions. There were Black "bossboys" with a team of Black operators working under them. These Black "supervisors" seemed to have a dual role of controlling the Black operators and liaising with the White supervisor in charge of the whole team.

(B) THE REORGANISATION OF THE LABOUR PROCESS

The advancement of Black workers into employment categories previously regarded as 'the White man's preserve' has been occurring since the beginnings of Iscor's operations (see Introduction to Article 1). The boom conditions of the mid 1960's and Iscor's expansion programmes resulted in Iscor management attempting to speed up the process. In July 1965, they attempted to make White pay increases conditional upon a relaxation of the job colour bar (Rand Daily Mail - 6/7/65). Originally the SA Iron and Steel Trades Association strongly opposed any adjustment in the job colour bar - formal or informal. However, they soon modified their stand to acceptance of this 'as a temporary measure' (Pretoria News - 6/8/65). Throughout the 60s the question of Black advancement was the critical bone of contention between management and White unions. Although some top job categories were officially reserved for Whites only in 1967, this was made dependent on a series of 'telescoping agreements' whereby extensive job fragmentation occurred particularly in respect of artisanal

occupations, and Blacks were allowed to perform these fragmented functions. Moreover, applications for specific exemptions, allowing Blacks to perform even the officially reserved White only jobs, could be made to the Industrial Council in the normal way (Rand Daily Mail - 27/9/67). As a result of the extensive fragmentation, some artisanal unions, notably the Boilermakers, which had previously supported the 'rate for the job' policy, began to demand the introduction of job reservation and the phasing out of Africans performing artisanal functions (Rand Daily Mail - 19/9/68.)

Black advancement into White jobs continued unabated but was always accompanied by the simultaneous advancement of White labour, and as long as this occurred, opposition from the White unions was muted and they generally accepted Black advancement programmes on this basis (Rand Daily Mail 19/10/72). However, according to J.P. Coetzee, Iscor's Managing Director, Iscor continued to lag behind industries in the private sector in utilising Blacks in semi-skilled positions "because of the political dynamite involved". The Corporation was said to be attempting to approach the problem "without treading on the toes of the Trade Unions and Government policy" (The Star 2/12/69).

Although "advancement" is the common description of this process, the word should be seen more in its ideological context when used in this manner than as an explanation of the dynamics of the process. What is actually taking place is not the benevolent advancement of Black workers, with them being the major beneficiaries, but a reorganisation of the whole labour process in order to increase the productive capacity of the plant.

As a result of increasing mechanisation and the overall shortage of skilled labour, skilled and artisanal jobs have continuously been broken down into a number of simpler tasks to be performed by Black operators. Simultaneously with this process of fragmenting a job, there has been a similar process of simply regarding a "White" job as "Black", or calling it another name and then

employing Black workers in it. It was clear, though, that a Black worker seldom took over the same job. In most cases Iscor used the occasion to restructure the labour process in order to increase productivity.

One of the most favoured ways of reorganising the labour process has been to appoint a skilled White artisan or operator in a supervisory capacity accompanied by several Black "assistants" who in fact do most of the productive work. In Pretoria, at least 400 Africans have been "advanced" as a result of a reorganisation of the labour process during the last few years. The categories where this has been most clearly prevalent have been greasers, fork lift drivers and winch operators. This movement has been even more pronounced at VanderBijl Park, whilst at Newcastle Blacks are allowed into more skilled positions than anywhere else. For example in VanderBijl Park all fork lift drivers and slingers are now Black, whilst in Newcastle they are being used as control operators in the steel smelting plant and the billet mill. The process of replacing Whites by Blacks is progressing much more rapidly in the newer works and many "White" jobs at Pretoria are done by Blacks at Newcastle.

It was universally acknowledged that this process of reorganisation has increased productivity. There did not appear to be any studies comparing White/Black efficiency but it was generally agreed that Black workers "were as efficient, if not more so". The view seemed to be that since many of these "upgraded" jobs were prize jobs for Black workers, Iscor therefore tended to "get the cream of the Black people", in marked contrast to many of the White workers recruited.

Although this process of reorganisation began well over 10 years ago, the pressure has been increasing over the last few years. Most operative jobs are either being regraded or fragmented, to be occupied by Black workers as quickly as is orderly possible. The White trade unions are always con-

sulted when an increased usage of Black workers is contemplated. They however have no say in the number of Black workers that can be upgraded. The White trade unions seem resigned to this process although they still resist when they think the benefits accruing to them are "unfair". In every wage agreement negotiated with White trade unions Iscor tries to build in 100-150 posts for Black operators in exchange for wage increases. Insofar as there is a struggle over the reorganisation of the labour process it takes place over the pace rather than the process itself. The contentious issue here is more at the level of the artisan with the white trade unions attempting to defend the deskilling or replacement by Blacks of this category. Iscor's present shortage of White workers reveals their clear need to cope with this problem by some fairly drastic action in the near future. The shortage of operators calculated on the absolute minimum for necessary tasks in Iscor is 17% at VanderBijl Park and 11% at Newcastle whilst for artisans it is 30% and 27% respectively. There are no serious shortages at Pretoria at present. The Kwazulu "government" apparently wants Iscor to train Blacks as journeymen (an artisanal category) in Newcastle. This is however meeting with some resistance from the White trade unions. Since Iscor claims to be unable to recruit Whites for these posts there is likely to be increasing friction over the issue of artisans in the future.

White trade union opposition to the replacement of "White" jobs has apparently lead to some discussion on the possibility of instituting a vertical racial division of labour in Iscor. Although most people seemed confused about the exact implications of such a scheme, there seem to be two possibilities under discussion. The one is some form of a vertical racial division of labour within a plant, i.e. separate racial teams. Exactly what this would entail is extremely unclear, and mostly we suspect guesswork on the part of some members of management. A second, more plausible idea was to have separate racial plants. For example, allow most of the work at Newcastle (as a border industrial area) to be done by Blacks, while in exchange protecting

some of the White jobs at the Pretoria plant. It is doubtful that this would entail a wholly White Pretoria works (or for that matter a wholly Black Newcastle plant), although this may be the ideological manner in which these ideas are being formulated and presented. We would stress, however, that to the best of our knowledge, no company decisions have been taken on this issue.

WHITE WORKERS IN THE LABOUR PROCESS

(A) PRESENT PLACE IN THE PRODUCTION PROCESS

The White/Black employment ratio at Pretoria works is about 1:1, and about 1:1,5 at VanderBijl Park. At Saldanha Bay the projected ratio will be about 1:1,7, and at Newcastle the ratio will be substantially lower - with Blacks performing a number of functions performed by Whites in the older work centres.

The high ratio of White to Black is, according to the personnel officer in charge of White labour, due to reasons grounded in historical and organisational factors. He stressed that Iscor management was of the firm opinion that "more reliance could be placed on White workers". The chances of vital production processes being disrupted were said to be substantially less where White workers were employed. The importance of this factor was obvious in a continuous production process industry, like steel-making, where a strike in one part of the plant would soon cripple the whole works. This question of the greater reliability of white workers was not simply a question of the responsibility of White workers as opposed to Black workers, but also a function of the White trade union structures and the laws governing them. Explicitly he stated that the problem involved in employing Black workers is that management might be unable to control any "wildcat" strikes. The existence of a functioning and cooperative White trade union structure with continuous discussion between them and management made such strikes by White workers unlikely while management were fearful of the converse in respect of Black workers.

Management went on to claim that, in fact, amongst White workers "strikes were an unknown thing in Iscor". This is an ideologically interesting but factually incorrect statement as there is a fairly extensive record of White strikes - official and unofficial - at Iscor. In 1941, one hundred men from the Pretoria heavy rolling mills went on strike for ten days over a wage dispute (Pretoria News 9/6/47) and in 1952 there was a major strike involving over 1 500 artisanal labourers which went on for over 10 days and was finally resolved by arbitration (Pretoria News 3/4/52). In 1956 a majority of workers in a combined meeting of artisans and operatives voted for strike action (Rand Daily Mail 3/10/56) but after a protracted disagreement with management were persuaded to accept arbitration. In November 1964, Iscor engine drivers and artisans went on a go-slow strike, "working to the manual", in support of higher wages (Pretoria News 23/11/64).

Historically, it was claimed, when Iscor was first established in the early 1930s, there was an abundance of White labour which had had some contact with industry and a rudimentary level of education. In other words they had already acquired some industrial discipline and low level skills - and their resultant higher productivity justified their employment as opposed to Black workers. Most management personnel expressed the view that, at present, White wages were not out of line with White productivity. Other members of management however complained at length about the low productivity rate among certain sections of the White work force. This was explained by the fact that due to the White labour shortage and also Iscor's marginally lower wages for Whites, Iscor was recruiting many "low quality Whites". Moreover, shift work was very unpopular with White workers and as a result Iscor was not getting the type of White labour it required. Substantiation for the latter point of view is provided by the high labour turnover for Whites - particularly amongst the younger workers (see the first Article).

At the Pretoria plant, apart from 1 500 white appren-

tices being trained for all plants, there were said to be 2 500 semi and skilled operatives, 1 400 maintenance artisans, 500 supervisors/foremen, 1 000 staff (400 personnel officers many of whom are involved in apprenticeship training and 600 financial/clerical/production planning personnel), and 400 management staff. These figures are for the Pretoria works only and do not therefore include Iscor head-quarters in Pretoria.

(B) THE REORGANISATION OF THE LABOUR PROCESS

Artisans are involved mainly in maintenance and ancillary work. Due to increasing mechanisation, production itself generally falls to the operative labourers. Due to the increasing usage of Black workers in operative positions previously occupied by Whites, the general trend is to retrain White operatives where possible as artisans. White workers that are unable to qualify for artisanal training are either retrained for a further job classification as "senior operative workers" or as supervisors. According to management, there were however many White operatives whose possibilities of retraining for higher positions were somewhat limited. The cardinal principle adopted in the restructuring of the labour process as a result of Black advancement, and accepted by both management and the White trade unions, is that a White worker is either retrained for a better position or guaranteed the same earnings as before. Thus, for example, lubrication was traditionally done by White workers accompanied by Black workers carrying two oil drums. It became obvious that not only could Blacks do the White workers jobs, but that they were more than likely doing it in any case and had been for several years past. So after negotiations with the trade unions, the younger White workers were retrained as journeymen or craftsmen, whilst the older White workers who were too old to be retrained, or to make their retraining worthwhile to management, were made supervisors over the Black workers involved in lubrication. As a result of this particular restructuring, more than 60% of White workers involved

received wage increases.

This is not to suggest that there are no conflicts between the trade unions and management over the restructuring of the production process. Frequently negotiations are long and tortuous, but differences are reconcilable and Iscor management feels that it has achieved its principal objectives in such negotiations.

HOURS OF WORK AND WAGES

All production work is shift work. There are two 8-hour shifts and a day shift of 9½ hours. It seems that the day shift works a five shift week (i.e. a 5 day week) while the other shifts do a seven shift week. Workers get every third weekend off to go back to their homes. Cheap transport is apparently provided. Because of the shortage of skilled and semi-skilled White workers there is an excessive amount of overtime, which is apparently one reason for the high rate of resignations amongst White workers, and contributes to the difficulties in recruiting artisans.

All jobs occupied by Blacks are evaluated and specified by a particular rate. Wage grades for Black workers at Pretoria are the following:

	<u>1972</u>	<u>1974</u>
Grade I	18c per hour	34c per hour
" II	20c " "	36c " "
" III	22c " "	39c " "
" IV	25c " "	42c " "
" V	28c " "	47c " "
" VI	31c " "	51c " "
" VII	34c " "	57c " "
" VIII	37c " "	64c " "
" IX	non existent	69c " "
" X	" "	79c " "
" XI	" "	89c " "

Within these grades, if yearly increments are not included, minimum and maximum wages differ by one cent. The skill division corresponds roughly to the following grades: grades I-III general

labourer; grades IV-V operators; grades VI-VIII supervisors/"bossboys"; grades IX-XI are for personnel workers etc. We were not able to obtain a detailed breakdown of the number of workers in each grade. However, a SEIFSA survey for Pretoria works done in 1974 provides some information. Unfortunately it does not include the whole Black labour force, so it is not possible to state what percentage of Black workers received a particular wage. Furthermore, the skill classification differs somewhat from the Pretoria works classification. It does, however, clearly reveal that half the Black labour force receives the minimum grade of wages.

SEIFSA survey: (minimum wages 26/11/74)

Grade I	35c per hour	3864 workers
" II	40c " "	648 "
" III	45c " "	179 "
" IV	50c " "	36 "
" V	55c " "	18 "
" VI	60c " "	1 "
" VII	70c " "	5 "
" VIII	-	-
" IX	86c+ " "	31 personnel assistants

Between 1972 and 1974 there were four wage increases for Black workers: October 1972 an increase of 15,8%; April 1973 an increase of 13,6%; October 1973 an increase of 20%; May 1974 an increase of 15,8%. Obviously these wage increases are in money terms and need to be deflated to take into account price increases which over these years showed quite substantial rises.

Black workers also receive increments for long service:

1-5 years	1c per hour per year
5-10 "	2c " " " "
10-15 "	3c " " " "
15-20 "	4c " " " "
20-25 "	5c " " " "
over 25 "	6c " " " "

After 10 years every worker receives a R30 bonus.

Iscor also has a "leave bonus system" for Black workers at the end of a completed contract. R37 to grade I workers; R39 to grade II workers; R43 to grade III workers; R47 to grade IV workers. There is however a catch. A worker only receives this if and when he returns for another contract period. Furthermore since contract workers don't receive holiday pay the word bonus is something of a misnomer. In this case it is more equivalent to their holiday pay. Non-contract Black workers receive three weeks full pay while on leave if they have worked for less than 10 years at Iscor and four weeks for more than 10 years service. Iscor belongs to the Steel and Engineering Industries Federation of South Africa (SEIFSA) which lays down minimum wages for all its members.

Iscor management claim that their wages are higher than SEIFSA regulation wages, but they do admit that they are lower than those generally paid in private industry. They also claim that they do not lose much labour to private industry. However, it is not easy for a contract worker to move to private industry for he has only one choice if he resigns - to return to his "homeland".

However the most important aspect of Black wages is not wage increase per se nor comparative wage levels between different industries but the relationship between the reorganisation of the labour process and wages. It was openly admitted by management, that when Black workers are moved up into reorganised White jobs or jobs are fragmented, they earn only 50-60% of the previous White skilled worker's wage. It was not possible to get any detailed figures on this issue, but experience suggests that it may even be a smaller percentage. Of course Iscor argue that the wages paid to Blacks do not include the food and housing provided in the compound, which White workers have to pay for out of their wages. However, the housing provided for Blacks (pitifully inadequate as it is) is no

longer a cost to Iscor, and mass produced food costs Iscor very little. All in all, Black upgraded workers, while having increased their production output, take home less money than the previously employed White workers with similar or less output per man.

We do not have any figures on White wages. It was, however, made clear that White wages were slightly lower than in private industry. However, as in other state sector enterprises, there were substantial fringe benefits that accrued to White workers. (See Article 1). Housing, for example, is an extremely important way of attracting and keeping White artisans. It is also a very important way of tying workers to the company, and serves to reinforce the hierarchical structure of the company.

BLACK WORKER ORGANISATION

Reported strikes by Black workers seem to have been few in the history of Iscor. In 1934 the first year of Iscor's operations, there was a strike of Black workers demanding a doubling of the wage per shift (Daily Despatch 27/4/1935). In June 1946 1 400 Black steel workers at the Union Steel corporation plant at Vereeniging went on strike to demand a wage increase of 2d per hour. This strike was organised by the African Iron and Steel Workers Union. After an initial report nothing more on it appeared in any of the newspapers (Rand Daily Mail 27/6/46). Of course, the fact that few strikes were reported in newspapers or admitted to by management does not necessarily mean that few strikes took place in Iscor's history

No Black trade unions are officially or unofficially recognised at Iscor and management clings steadfastly to the Government-backed works and liaison committees. Although specific data on their functioning was not available, it was possible to obtain some information. It should however be treated with a certain amount of reservation for the whole position of these committees is particularly

fluid in most industries at the moment. Furthermore, the information presented, apart from being extremely sketchy, very definitely represents managements' point of view.

The liaison committee was the main mechanism used in Pretoria. It consists of 15 members nominated by the workers and 15 nominated by management. The 15 management nominees were not necessarily Black production workers. The most powerful position, that of the chairman, was the automatic preserve of the White head of the Black personnel department. Most of the members nominated by the workers were long period workers. Indeed the very rules under which nomination occurred ensured this. Workers could not be nominated unless they had been with Iscor for more than three years. It was claimed that there was a great respect for age. Certainly most of the members nominated by workers were claimed to be over forty. The committee holds office for not less than two years. The service length being determined by the committee. The liaison committee marked a new attempt by Iscor to introduce some structure into its industrial relations. Before the introduction of liaison committees management only had "informal discussions" with Black workers. Management claimed to be satisfied with the liaison committee in this form.

WHITE WORKER ORGANISATION

Historically, White labour in Iscor has been divided at the level of production relations between essentially White artisanal and White operative labour. This division was evident in the first years of Iscor's operations. As mechanisation proceeded, this served to intensify the process of deskilling and the replacement of artisanal functions by semi-skilled workers resulted in the traditional craft unions opposing the interests of semi-skilled largely White operative labour. As a result the semi-skilled workers founded their own union in 1936 - the South African Iron and Steel Trades Association (S.A. Iron and Steel Trades Association, Monthly Report, December 1948).

There were almost immediate attempts by the Nationalist Party and Die Federasie van Afrikaanse Kultuur Verenigings to gain control of the association. This was at first resisted but by early 1938 prominent FAK members were well represented on the executive of the association and in 1949, the association withdrew from the South African Trades and Labour Council, over the question of Native trade unions affiliation, and formed a 'Coordinating Council' of their own in Pretoria. (The S.A. Worker (published by Coordinating Council of S.A. Trade Unions) January 1949, Vol. I, No 1).

The association declared that there was a basic congruence of interest between employers and employees, it did not believe in strikes and took the view that the best interests of White workers would be preserved by preventing any employment of Black labour in jobs thus far defined as 'civilised'.

The divisions between operative and artisanal labour were most clearly illustrated in the strikes of February 1952. Somewhat over 1 500 men came out on strike over the rate of artisan pay in Iscor (Rand Daily Mail 22/2/52) (1). The traditional craft unions - notably the Amalgamated Engineering Union, but also the boilermakers, electrical workers, woodworkers etc. (excepting the iron moulders) led the strike and the Trade and Labour Council offered full support. The South African Iron and Steel Trades Association gave no backing to the strike and reached a separate agreement with Iscor management.

The strategy of the SA Iron and Steel Trades Association is one of reliance on the State and appeal to the government rather than strike action which they have explicitly rejected in the past. Typically in 1956, when wage negotiations in Iscor were deadlocked the association appealed to the government and then to the individual cabinet ministers to intervene and L. van der Berg, General Secretary, declared "I say we must inform the Government of the position and tell them that the people that they have appointed are wrecking things" (Pretoria News 11/6/56).

Appeal to the State as guardian of the workers' interests has had particular relevance to the beneficiaries of the 'civilised' labour policy and workers in the State sector, but significantly the association has made much less headway in other privately owned steel plants - e.g. Highveld. The divisions within the White labour force have undoubtedly served to further weaken the White workers position vis a vis management and although, according to management concerned with White personnel, the Trade Unions operate a closed shop at Iscor this would appear to be merely a formal arrangement and not indicative of the power of the unions. There appears to be extensive on-going consultation between White workers and management over the crucial issues of Black job advancement and wages.

CONCLUSION

Much of the empirical material we have presented speaks for itself. However, it also needs to be placed within a theoretical context for the correct conclusions to be drawn. We will therefore close this case study with some concluding remarks which situate the material presented in the context of Iscor as a capitalist enterprise under the control of the State.

Insofar as Iscor is a capitalist enterprise it resembles all other capitalist firms. It necessarily incorporates the basic principles of such enterprises within its own organisation. The two most important and distinguishing features of a capitalist enterprise are (a) that it is dependent upon the continuous appropriation of surplus labour in the specific form of profit; and (b) that it has a form of internal organisation and control which ensures this. It is in terms of these principles that the place of Black and White workers in the production process and the re-organisation of the labour process needs to be viewed.

There is a tendency in South Africa to view the racial stratification of labour in the firm from

the point of view of its protective function for White labour only. This is a fundamentally incorrect approach. It is both theoretically incorrect and historically inaccurate. When applied to the current situation, it quite clearly performs the ideological function of masking the underlying reasons for the tendencies to reorganise the labour process. For here it simply shifts the focus of the main beneficiaries from White labour to Black labour. The very word "advancement" suggests this. Black workers now seem to be benevolently given the chance to increase their wages and their job prospects. This is all true but it masks reality instead of revealing it. For the words capital and profit are absent as the principal forces or as the main beneficiaries of this process. Yet as we have pointed out the principal effects of the reorganisation of the labour process are the increased productivity of Black labour to the relative benefit of profits rather than wages. For the increases in productivity are not matched by the wage increases given to the reorganised or upgraded Black workers.

The form of organisation and control, internally specific to the capitalist firm, depends primarily upon the existence of an institutional hierarchy. This encompasses a hierarchy of delegated authority, of divided functions and of wages. The primary function of such a hierarchy is to ensure the subordination of labour in the production process and the social division of labour. It does so by maintaining mechanisms of control and attempting, by organisational means, to divide the labour force. Racial divisions can therefore play an important part in the internal organisation of the firm, especially if they be made to roughly coincide with the hierarchies of control and supervision in the production process. As we have shown White labour tends to perform a different function in the labour process from that of Black workers. The Black workers tend primarily to be productive workers whilst the tendency amongst Whites is to perform the functions of supervision and control or to perform functions *ancillary* to the production process. Insofar as they perform this

function these Whites are objectively performing the appropriate organisational function of the capitalist enterprise. Such workers play a different political and economic function in the production process. Because of the fact that they are not directly involved in this process they are separated through the hierarchical divisions internal to the capitalist firm from the Black productive workers. It does not matter whether they are called 'artisans' or 'operators'. Their structural position is akin to that of the "new petty bourgeoisie" (2).

Some form of racial stratification in the labour force is therefore to the benefit of management. The continuous operation of the enterprise only serves to reinforce this by reinforcing hierarchical divisions of control. This is very clear in the new plants where new forms of racial stratification are being instituted even amongst Black workers. Using Indian supervisors in the predominantly African plant at Newcastle or setting up new racial hierarchies at Saldanha between Whites, Coloureds and Africans, is a good example of this. The appointment of "bossboys" to liaise with White supervisors and partially supervise Black operators introduces hierarchical divisions within the African labour force as well. The whole process of job fragmentation increases this system of hierarchy, and constantly reproduces the usage of unproductive Whites as supervisors over Black productive workers. The system of wages with its gross divisions and extreme accentuations serves the same functions. Furthermore it also serves to increase and reproduce conflicts between White artisans and White production workers as well as increasing competition amongst Black workers.

Managements' different attitude to worker organisations - e.g. encouraging trade unions for Whites and liaison committees for Blacks - serves to reinforce the hierarchical divisions within Iscor. The constitution of the liaison committee and its functioning quite clearly shows that, notwithstanding the ability of Black workers to vote 50% of its membership, it necessarily functions as an

effective instrument of containment and control.

The final aspect in which control is ensured through the hierarchical and racial division of labour refers obviously to the extra plant measures at Iscor. The fact that most of the Black labour force as contract workers are under the bureaucratic control of the state labour bureaux system means that greater control can be exercised over them, even outside of the production process. Further, their containment in compounds under strict company supervision means that Iscor has an extremely effective system of direct control over most of its productive workers. While these extra plant mechanisms are obviously important in Iscor, the preference to employ contract workers and house them in compounds should not be generalised to Private industry as a whole. Iscor is a heavy industrial enterprise, state owned with the possibility for constructing large compounds. Most private industries in other sectors do not conform to this pattern. They do not have the same problems in attracting local settled Black labour, and will have different preferences in regard to settled local labour or contract labour. They will attempt to ensure low absentee rates by other means than compounds. In other words, it would be a mistake to infer from this short description that the overall tendency in industry is to employ contract labour and ensure extra plant control in the same manner as Iscor.

Thus far we have been concerned only with racial stratification within Iscor as a capitalist enterprise. Iscor is, however, also a State Corporation and must also be seen in this context. In South Africa, the State is the principal employer of White labour and this has two major effects. Firstly, it operates to reinforce the already existent racial stratification within the society as a whole by absorbing surplus White labour that might not otherwise have been maintained in supervisory or ancillary functions in the private sector. In this way, the strict racial differentiation of labour is maintained, throughout the whole society. Secondly, the fact that the State

is the principle employer of labour has played an important function in securing the political and ideological support from the White wage earning strata for the form of state in South Africa.

In conclusion, the racial stratification within Iscor has its basis in the existence of the corporation as a capitalist enterprise. However, the existence of Iscor as a State enterprise and the specific function that it has served, along with other State enterprises, with regard to White labour in the society as a whole, explains the existence, within the corporation, of a higher White to Black ratio as compared with other, private, enterprises in South Africa.

FOOTNOTES:

- (1) Estimates vary. Iscor claimed 700 - see the *Star* 22/2/52. But other press reports claim over 1 500 - see the *Rand Daily Mail* 22/2/52.
- (2) See Poulantzas, N., *Classes in Contemporary Capitalism*, NLB 1975.