

Is there a strike wave – or a wave of media hysteria? KARL VON HOLDT argues that the real issue is not strikes, but a crisis of workplace relations. The solution could lie in a reconstruction accord and workplace reconstruction councils.

“Strike wave” *time for a reconstruction accord?*



Is it really the workers who have “unrealistic expectations” - or is it the employers, economists, journalists and politicians who have become almost hysterical about the current “strike wave” in South Africa? Of course, these sober representatives of economic “reality” would never dream of toyi toying in the streets - but they have been dancing their own kind of war-dance against labour militancy, using their own kind of cultural weapons - the newspapers, business conferences and TV.

The NP called for “unambiguous choices” in favour of “stability and economic growth”. The DP joined the war dance with warnings that as a developing country, SA “cannot afford militant unions much longer.” Fear that labour will threaten “investor confidence” has even spread to the ANC - with leadership making statements in public and private that union actions were selfish, and would frighten investors away and undermine the RDP.

The core of the media message has been that strikes discourage investment; that workers wages are so high that SA industry

cannot be competitive; and that low labour productivity exacerbates this problem. Several reports have argued that “weak leadership” in the unions has contributed to the “strike wave”. In effect, workers and their unions are presented as the source of our economic problems.

This response to recent strikes reveals something of the dangers facing the trade union movement in the new SA. The situation calls for bold and creative responses - such as a national accord on reconstruction, and workplace codetermination.

Strike wave?

But before discussing these options it is necessary to ask more searching questions about current worker actions.

Firstly, are we seeing a wave of strikes that is really dramatically different from what has gone before? The Andrew Levy strike figures quoted in the press are taken over too short a period of time to be a reliable indicator of trends for the year. There *have* been a number of protracted wage strikes. Some sectors which settled for lower than

inflation increases over the past two or more years have declared disputes. And there have been a number of stoppages over racism and management control. This does not add up to something dramatically different especially if the big strikes by teachers, municipal workers, metal and health workers in 1993 and 1992 are recalled. Rather, we are seeing the dramatic response of employers and commentators who expected – unrealistically – something very different: that workers would forget their demands and forego action once a democratic government had been elected.

However, while the *number* of strikes is not yet dramatically different, there is a new tone. Workers want change in the workplace - change to match the political changes in the country. This mood is captured in the response of one metalworker to a negotiations report back by a union organiser: "Why are you talking about SEIFSA? SEIFSA was finished with apartheid. We don't want to hear about SEIFSA anymore!"

Secondly, are workers' wages and labour productivity the key obstacle to SA's competitiveness on world markets? There is no evidence that they are. The kind of figures that they are used to "prove" this is the real problem say nothing useful about causes or solutions (By Bethlehem and Makgetla on p ...).

Thirdly, has "weak leadership" contributed to the strikes that have taken place? Again, there is no evidence for this. In general, the volatile nature of SA industrial relations has meant that many strikes over the past decade have been driven from below. The fact that this has occurred in some strikes this year has more to do with specific dynamics than with a new or general trend.

Crisis of workplace relations

Strikes are not the problem, nor are high wages or weak leadership. The problem is the crisis of relations in the apartheid workplace. Strikes are simply a manifestation of this. The South African workplace is characterised by sharp inequalities of power, wealth and skill along racial lines. Decision-making is the

prerogative of mostly white managers. Management practices are highly authoritarian and often racist. Income differentials between workers, supervisors and managers are among the highest in the world. All of this creates an experience of extreme injustice at work - which accounts for workers' conviction that things must change.

The experience of injustice generates a culture of resistance – which contributes to low productivity and often low quality work. The SA workplace is notoriously unproductive and inefficient, a pressure cooker of racial and class antagonisms. It is not strikes or wage increases that pose a threat to investment - it is the underlying crisis of the apartheid workplace. And responsibility for this crisis does not rest with black workers - it rests with employers.

Wage militancy – a problem for unions

But militant wage strikes and their underlying causes are also a problem for the trade unions. Protracted and bitter strikes make companies even less productive. Militant wage strikes are an attack on economic injustice, but they are not a viable long term strategy. They will not arrest the decline of industry, they cannot bring economic justice, and they will not transform workplace relations. There is a limit to the kind of pay increases unproductive companies can afford.

Indeed, a strategy of militant wage strikes may increase the stratification of the working class - it is often the best organised workers in the bigger and wealthier companies that make real gains, while the rest fall back into real poverty. The auto and Pick 'n Pay strikes confirm this point.

World Bank representative Isaac Sam comes to broadly similar conclusions. In an article on the Bank's recent document, *Reducing poverty in SA*, he argues: "The key here is a broad social consensus as to the legitimacy and fairness of economic policies. Indeed, to suggest that labour should bear the brunt of adjustment through reductions in real wages is contrary to the substance and spirit of the document's message." (*Business Day* 15/8/94).

Furthermore, wage militancy without a strategic vision can provide labour's enemies with weapons to attack and marginalise unions, as has been seen over the past few months. Labour runs the danger of becoming politically isolated, of being seen (however unfairly) as an *obstacle* to development, rather than one of its driving forces.

Wage restraint is also not a viable option for the unions. Their members would reject it and it would result in serious internal conflict. More importantly, wage restraint on its own would not solve SA's economic problems. It would not solve the crisis of workplace relations which is the source for many of these problems. It would not overcome economic injustice. If precedent is anything to go by, wage restraint would simply see excess profits distributed to shareholders and senior management, squandered in financial or property speculation, or invested outside SA.

National accord

The workplace crisis and economic injustice confront the trade union movement with serious dilemmas. The only way out of the trap of wage militancy is a bold new strategy. Indeed, a bold new strategy may open up new opportunities.

A national accord on reconstruction and development may provide exactly the strategy the trade unions need. The problem cannot be solved only at the workplace level, or even at the level of the industrial sector. What is needed is a redistribution of power and resources away from the elite which dominates the economy towards the masses – in other words, a movement towards economic justice. A Reconstruction and Development Accord (RDA) may provide the vehicle for achieving this. An essential part of such an accord would have to be establishing the workplace rights and institutions which could help to overcome the crisis of relations in the workplace.

The parties to an RDA would have to include labour, government and business, as well as organisations representing communities and rural people.

An RDA could include the following elements:

- an incomes policy

- some price control and subsidies on basic consumer goods
- a proactive and socially regulated investment policy
- a national training and grading framework, such as that proposed by COSATU
- the establishment of "reconstruction and development councils" in each workplace with rights in legislation
- a targeting of resources into the most pressing areas (housing, education, health, rural development)
- an expansion of the social wage
- establishing a monitoring body to ensure that all elements of such an accord are implemented.

The primary aim of an incomes policy would not be to restrain the wages of black workers, but to provide some kind of framework for fair incomes for *all* South Africans. This implies a redistribution of income from the highest paid (company directors, managers, senior state officials and the middle classes in general) towards the lowest paid. This could take place through increased taxes on the higher paid, an expanded social wage, minimum wage legislation and so on. Such a policy may mean wage restraint for higher-paid union members in the form of inflation indexed wage increases, and real wage increases for the lower paid members. An incomes policy of this sort would require centralised industrial bargaining in all industrial sectors.

Regulation of investment presents some of the most difficult problems, but it would be an essential component of an RDA. An accord will only hold if it is clear that the benefits of economic growth were going towards meeting the basic needs of the people. A variety of instruments for regulating investment could be explored, ranging from wage-earner funds on the Swedish model, or profit-sharing with the profits shared going into RDP funds, to active credit policies on the part of the state.

The accord would have to set reasonably clear targets for where investment and increased tax flows would be directed, so that its effectiveness could be monitored.



Crisis in workplace relations

Workplace councils

An RDA could provide the basis for a redistribution of power and resources at the national level. A similar process needs to take place in the workplace if the crisis of relations is to be resolved. The only way to do this is through some form of codetermination. Indeed, codetermination is implicit in many union demands over the past few years - demands for an end to unilateral restructuring, demands for access to company information, etc.

But codetermination – like other social policies – cannot simply be imported as a ‘model’ from other countries. South Africa needs to develop its own form of codetermination, built on South African traditions of struggle, and suited to the South African situation. ‘Reconstruction and development councils’ could be a viable form of codetermination in SA.

Why ‘reconstruction and development councils’? The RDP is the hegemonic political, economic and social programme in SA. Reconstruction and development councils would have legitimacy in the eyes of workers

and employers. They would link negotiations inside the workplace, over productivity, affirmative action and training, to the broader goals of the RDP. Thus codetermination negotiations need not be confined to narrow workplace concerns.

Corporate social responsibility funds, for example, should be on the agenda of such councils. The contribution of company and workers to the RDP could be discussed. Reconstruction and development councils could point workers towards the need to make and deepen linkages with community organisations.

We have examples in our own history that could transform the relation of workers - and companies – to the RDP and the community. In 1990 workers at Mercedes Benz negotiated with management to build a car for Nelson Mandela. Workers provided their labour free, and management provided the components. What is to prevent workers throughout SA from negotiating similar deals with their employers?

Workers at cement factories and brickyards, for example, could contribute one

days labour per month, matched by employers' provision of raw materials. The product of that day would then be contributed to the RDP. Workers and management could jointly present their contribution to a particular community. This would be a way of harnessing the political energy and idealism of the struggle against apartheid, to the struggle for reconstruction – at the same time stressing the social use of what is produced in the factories. It would make a powerful contribution to transforming the apartheid workplace.*

If workplace reconstruction and development councils were to be effective, they would require enabling legislation. This could take the form of laying out the conditions under which councils should be established, and what their rights and powers are. The law should guarantee their rights to company information; to negotiation over company restructuring, work organisation and

productivity; and joint decision-making over affirmative action and corporate social responsibility projects.

Campaigning for an RDA

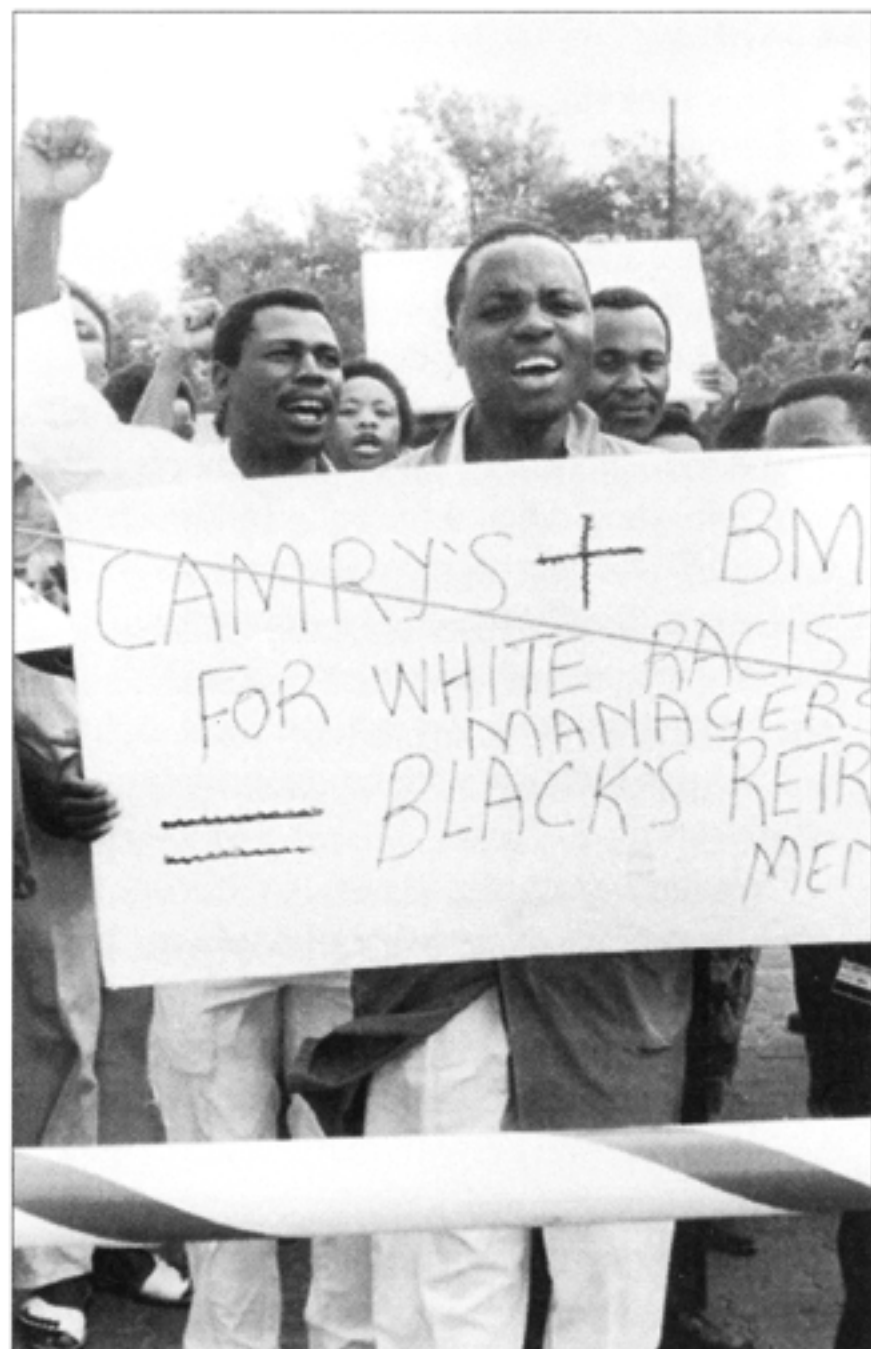
Clearly government support for an RDA and codetermination would be crucial to their success. Employers are certain to object to most of the ideas outlined above, and would put pressure on the government not to support them.

Only a concerted and broad-based campaign by the labour movement will place an RDA and workplace reconstruction and development councils on the agenda. Such a campaign could channel the energies and creativity of trade union activists into producing a real shift in the balance of forces. It would be a campaign for governing the workplace and the economy, not for ungovernability; a campaign for development, not resistance. A campaign such as this would enable the labour movement to present its perspective on how economic growth and economic justice can be achieved - and put labour's free marketeer critics on the defensive. If successful, such a campaign would once again place labour at the centre of change in SA. The trade unions could open up a new contestation over the central meaning of the RDP.

Could it succeed?

There are a number of obstacles to the success of a reconstruction and development accord.

- ❑ **Union members might not accept the degree of wage restraint and strike restraint that an accord would entail.** Wage militancy is the form of struggle that unionists know best. A reconstruction and development accord could only succeed with the active support of members. A campaign would have to be accompanied by an effective media and education programme within the unions to enable a full debate on the accord. The trade union

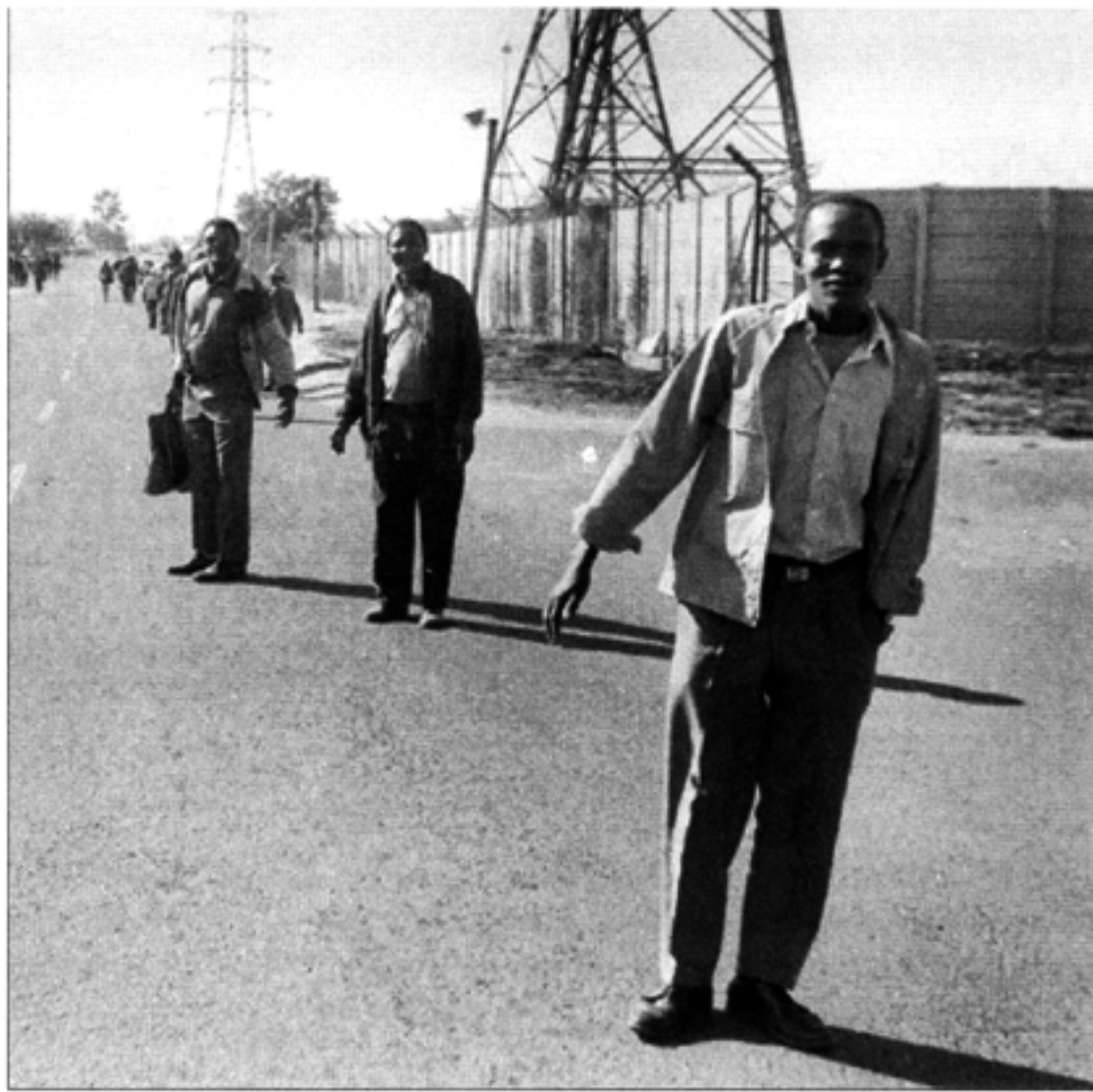


Camrys plus BMWs for white managers equals workplace crisis

* The NUM president has just made a similar call for workers and business to forego public holidays and donate the proceeds to the RDP

bargaining position could be debated and agreed by regional and national congresses to confirm mass support. If support was not forthcoming the project would have to be abandoned.

- **Does South Africa have the institutional capacity for such an accord?** The implementation of a complex agreement on incomes, prices, taxes, investment and state projects requires strong and capable institutions - both of the state and civil society. Current state institutions are corrupt and dedicated to other purposes. Employers' organisations are weak and cannot bind members. The trade union movement is not particularly coherent or centralised. These are disadvantages. However, institutions are built around projects, not in a vacuum, and an accord could stimulate institution building. The parties to an accord would have to carefully assess current institutional capacity, and tailor the accord to fit this. The agreement should not be so complex and all embracing as to invite failure. Elements can be added in future years, building on immediate success.
- Will the accord be implemented and monitored? One of the problems in the international experience of accords is that only those aspects that entail sacrifices on the part of labour are implemented, while aspects beneficial to ~~labour~~ ^{capital} are quietly shelved. There would have to be rigorous monitoring (noting the institutional problems referred to above) and the trade unions would have to keep campaigning around their concerns - with the threat of action and collapse of the accord if the agreement was not honoured.
- Would employers and government even



A long road to economic justice: auto strikes

consider the idea of an RDA?

This is a difficult question to answer. Most South African employers would reject the degree of social regulation entailed in an accord. But the trade unions have achieved extraordinary things in the past - the democratisation of the National Manpower Commission, the formation of the National Economic Forum, the acceptance of the RDP by virtually all social forces. There is no absolute reason why a broad-based campaign for an accord should not win wide social and ANC support, and increase the pressure on business to start negotiating. The NEF already provides a focus for such a campaign.

At the end of the day there is probably no alternative to a national accord and workplace codetermination for ending the stalemate in the workplace. It is a stalemate that will persist - and that in the end may well undermine the RDP - until the crisis in relations is resolved. Employers need to be pressurised to see that.

Trade unions too need to confront this reality. Now is the time for bold strategies. The alternative is militant wage strikes and political isolation. *R*