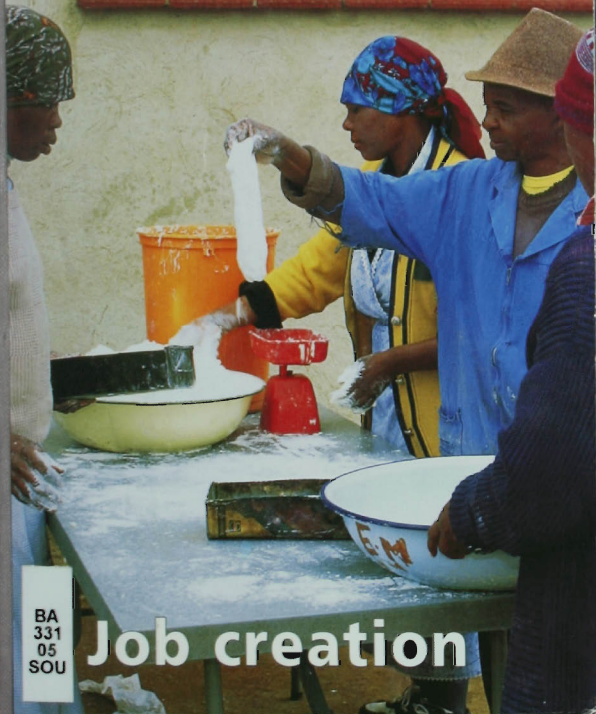


SOUTH AFRICAN
**LABOUR
BULLETIN**

Volume 22 Number 2 April 1998

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SOUTH AFRICAN

LABOUR BULLETIN

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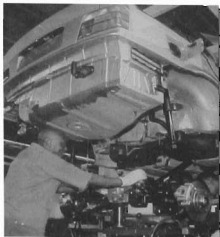
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All photographs by William Matlala unless otherwise stated.

The views expressed by contributors are not necessarily those of the editorial board of Umnyano Publications

As South Africa gears up for another round of elections, its citizens are reflecting on what has been achieved since 1994

A sober assessment must conclude that, for the majority, things are getting worse rather than better.

The scourge of poverty is biting deep. The state of health of a nation's children is used all over the world as an indicator of progress. In South Africa, 25% of children between the age of six months and six years suffer from malnutrition. Large numbers of these children suffer mental and physical damage as a result.

Labour Bulletin writer, Malcolm Ray, recently visited the village of Dithabaneq near Pietersburg in the Northern Province. Conditions in the village are dismal. Unemployment is rife. The main source of income is the state old age pension. Villagers have neither running water, nor electricity, nor adequate medical facilities.

The people of Dithabaneq are angry. Promises made have not been kept. Their own efforts at improving their lives have run into the stone wall of officialdom. The privatisation of service delivery makes their chances of gaining access to basic facilities even more remote.

The key to the future of these villagers, and their children, lies in jobs. Despite GEAR's rosy predictions, we are currently shedding jobs at an alarming rate. We need to build an economy that provides secure, well-paid jobs.



To do this, we must attract investment. As Neil Newman points out in his article on Chrome International, however, care must be taken not to accept investment which endangers workers and their communities.

This issue of the *Bulletin* focuses on job creation. Researchers from the National Labour and Economic Development Institute (Naledi) present a framework for job creation which offers the potential for lifting South Africa out of the unemployment morass in which we presently find ourselves.

For this framework to work will require a fundamental shift in thinking on the part of both business and government. Together with labour, they are presently involved in a process towards a national jobs summit. For the sake of South Africa's future, let us hope that the parties approach the summit with an open mind, a resolve to do away with privilege and a willingness to ditch policies which are not working in favour of those which offer concrete solutions to the problem of unemployment.

Deanne Collins
Managing editor

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Reverse gear...

LET THEM PLAY GOLF

In the last few weeks, the commercial media has been full of the huffings and puffings of white businessmen protesting against the Employment Equity Bill. In a letter to the *Financial Mail*, one Michael Smith of Johannesburg suggests that "white males stay away from work on the day the Bill goes to parliament". No toyi-toying or marches for these privileged folk – rather, he suggests that they all go and play golf.

REDEYE wonders whether anyone would notice. After all, the golf course is where our businessmen spend most of their time anyway, isn't it?

Still on the subject of whites and their role, the *Financial Mail's* most fierce competitor, *Finance Week*, was at pains, in a recent editorial, to assure its readers that "many whites want to bring about a non-racial, non-sexist land of...opportunity". Pity they had to go and spoil these noble sentiments by insisting, in the same piece, that "able men, regardless of colour, will have to run things" in the foreseeable future!

Both publications might profit from these words by Justice Richard Goldstone: "Too many white South Africans have never really lived in Africa in their own minds...that they were able to live such pleasant lives only at a terrible cost to their fellow black citizens did not appear to dilute their level of comfort. Now that the yoke of oppression has been lifted from our people, they bemoan the cost to themselves, rather than rejoicing that a great wrong is being corrected"

THE LAST OUTPOST

REDEYE has a number of friends and connections in that curious of provinces,

KwaZulu-Natal. It seems that good old colonial traditions die very hard in the 'last outpost'. A family who REDEYE knows have decided to flee the city of gold and are looking for a property in Durban.

When they told the estate agent where they would like to live, she warned them that that particular suburb was 'very grey'. She responded to their queries as to what this meant in explicit, racist language.

The province, as everyone knows, is ruled by an uneasy IFP/ANC government. The two partners have different views on everything from where the capital should be located, to what form their own relationship should take.

The ANC has recently been at pains to de-emphasise these differences. But even they must have been shocked by the pearls of wisdom emanating from IFP national chairperson and KwaZulu-Natal premier, Ben Ngubane's mouth.

He said that organised labour should be excluded from discussions aimed at finding a solution to South Africa's unemployment crisis. With a premier like that, REDEYE wonders why anyone would want to live in KwaZulu-Natal!

MANY A SLIP...

Staff at COSATU's official publication, *The Shopsteward*, must be a little embarrassed right now. The cover of the latest issue proudly proclaims: "getting into gear".

It is, in fact, a flyer for a story on COSATU's rejuvenation. In the light of the federation's opposition to government's non-working (or maybe working, depending on one's viewpoint) macro-economic economic policy, however, the header is the kind of Freudian slip every editor dreads.

Inflation monitor: January and February 1998

Area	Consumer Price Index		Annual rate of inflation (% increase over 1 year)	
	Jan	Feb	Jan	Feb
Cape Peninsula	119,6	121,9	4,7%	5,7%
Port Elizabeth	119,1	120,1	4,8%	5,7%
East London	121,3	122,8	6,4%	7,6%
Kimberley	120,8	124,1	7,4%	9,1%
Pietermaritzburg	120,2	119,6	5,3%	5,6%
Durban	121,4	121,7	6,2%	6,1%
Pretoria	120,0	120,6	5,2%	6,6%
Witwatersrand	119,3	121,7	6,0%	7,1%
Klerksdorp	117,5	120,4	5,2%	7,0%
Free State Goldfields	116,8	116,9	5,1%	5,9%
Bloemfontein	119,9	119,9	5,4%	5,4%
SOUTH AFRICA	119,7	120,5	5,6%	6,2%

Source: Central Statistical Services

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The poor

paying the price

It is Friday morning, 22 February 1998. In the rest room at Zabediela, an orange farm 60 odd kilometres north of Pietersburg in the Northern Province, workers listen on the radio to Northern Province premier, Ngwako Ramatlhodi, opening the first sitting of the provincial parliament.

The words have a familiar ring. Major obstacles to delivery have been overcome. Substantial progress has been made in alleviating poverty, creating employment and social service delivery. RDP targets are on track. The spirit of 'Masakhane' is alive and well. Prospects are good for speeding up delivery this year.

Resounding applause from the members of parliament reverberates in the rest room. Visibly incensed, the workers disband, hurling expletives at the government as they make their way to the compound.

Dithabaneng

Three o'clock in the afternoon. A cloud of dust engulfs a makeshift replica of a bakery in Dithabaneng, a desolate rural village 30 kilometres from Zabediela. Five members of the communal bread project gather round the mud ovens used to bake bread for the village locals. The occasion? One of innumerable meetings with government health officials to discuss the hazardous conditions caused by soil erosion and dust particles

As South Africa approaches another general election, pressure for service delivery is rising among the country's rural poor. The series of poverty hearings taking place across the country offer an opportunity to tackle the scourge of poverty head-on. Malcolm Ray argues that the initiative will come to nought unless it coalesces into a rights-based social movement.

As usual, the officials are late. The villagers are not fazed. The community has waited more than three years for the Lebowakgomo Transitional Local Council (TLC) to deliver on its election promises.

When the officials eventually arrive, the question on everyone's lips is whether the government will provide construction materials. It soon dawns on the villagers that the meeting is another talk shop. Project chairperson, Stanford Mphahlele, reacts angrily. "Empty promises are all we hear." "All we are asking for is basic conditions," a community worker interjects nervously.



Workers at the Dithabaneng bread project.

Privatising redistribution

The TLC's track record leaves much to be desired. A discernible shift over the past three years to a market-driven development strategy has dramatically reduced chances for fair and equitable redistribution.

Popular participation, in line with the RDP's call for 'people-driven' development, has been sparse. Lehumo Mphahlele, the Dithabaneng chief, explains that soon after the launch of the Masakhane campaign, the government popularised 'people-centred development' within the community. An RDP committee, headed by Mphahlele, identified water and electricity as pressing priorities. However, the committee lasted no longer than the length of objectives it set out to achieve. Popular enthusiasm melted away when it became clear that the financial burden of development would fall on the community.

As early as 1995, the committee approached the TLC to discuss the electrification of the village. "In 1996, the government contracted Eskom to survey the needs of the community. They (Eskom) simply installed (communal) electricity boxes and left. Each family paid R50 for Eskom's services. The issue is, who pays the installation and service costs? In the meantime, we still do not have electricity."

Water

A similar process was undertaken for the provision of water. An agreement between the greater Lebowaqomo Water Board and Murray and Roberts, a private construction contractor, to install portable running water facilities was sanctioned by Mphahlele on behalf of the community. It was understood that the TLC would oversee the project.

However, vital details were left out of the agreement. For example, it does not

stipulate who will pay service and consumption costs. It merely states that water will be made available (by a private contractor) at a nominal rate of R60 per household for a six month trial period to determine the average monthly consumption rate per household.

Assuming a contractor buys into the projects, Samuel Shaka, a community representative on the Water Board, fears that service charges will be pegged at a market rate. Worse still, the community will have to foot the bill for the installation of infrastructure. According to Shaka, the agreement does not oblige the government to pay for this.

The problem, he explains, is that the water board is a parastatal which will tender out the service to a private company. The government's revenue for water provision will be generated from the cost of the lease. Payment by the community for the service will be to the contractor, not the government.

Smoke and mirrors

The community need look no further than the apartheid past to predict what life will be like after privatisation. What is striking is how little (if any) development has actually taken place. The scale of social and economic deprivation highlights the level of desperation. Situated in the arid surroundings of a densely populated cluster of villages falling under the Mphahlele tribal district, Dithabaneng is home to roughly 1 000 families. Most households average seven people who rely on paltry state pension grants of R470 to make ends meet.

Klaas Leshilo, a pensioner and voluntary worker for the bread project, says he must feed a family of six with the money he receives from the government. Though his means of subsistence is astonishingly modest - his family survives on a staple

diet of bread, mealie meal and sugar - he says the money is barely enough to cover food, water and transport costs. Decent clothing and medical care are 'luxuries' he can ill-afford.

Rapidly shrinking employment opportunities and low wages add to the social burden. A community member explains that village life reproduces an unrelenting cycle of joblessness. When children grow older, they invariably drop out of school and fall back on the pension grants of their parents. Some leave the village in search of a better life in the cities. Those who are lucky to finish : : cannot find jobs.

The recent closure of the nearby Platinum mine, which was a vital source of income for many, added to the depressed economic conditions. "I used to earn R500 a month as a mine labourer. I have four children. My wife, a domestic worker, brings home R300 a month. The money just sees to it that we don't die," a retrenched mineworker says. Now, even the surrounding fruit and vegetable farms face bankruptcy because of the hot and dry conditions. Zabediela, one of the few remaining orange farms employing roughly 800 workers, declared bankruptcy last month.

Infrastructure

Basic social services are wanting. A privately-owned borehole on a neighbouring farm supplies water to the community at a price of 70 cents a litre. Women carry the heavy barrels from the farm to the village. "Nothing is wasted," Mphahlele says, adding that "the water is sometimes used three times before it is thrown away."

With running water in short supply, many resort to fetching water from streams, although they are said to be heavily polluted. The local clinic confirms



Water has to be carried long distances

that the community is prone to disease and a conspicuously high mortality rate because of contaminated water. Maria Mashego, a senior nurse, says the clinic is ill-equipped to administer proper medication. Outside the clinic, a large, rusty corrugated iron container is used to collect rain water. "If it does not rain, there is no water for the clinic. On a good day we are lucky if the container is half full," Mashego says. Two nurses staff the clinic, which is the only accessible source of primary health care. Villagers must travel 30 kilometres to Grootshoek, the nearest public hospital, in life-threatening cases.

Other infrastructure such as housing, tarred roads, sanitation and ablution facilities are also sadly lacking. The community complains that even though they qualify for the government housing subsidy of R15 000 (for families earning less than R800 per month) not a single low-cost housing unit has been built.

The mud dwellings in which the people

live have no bathrooms or flushing toilets. Most use pit-latrines and some have no sanitation facilities at all. Conditions can get very dangerous, according to Mphahlele. His eyes glisten with sadness as he recalls an incident two years ago, when heavy rains and strong winds battered the village. Mud dwellings were reduced to rubble. A local school teacher perished after slipping into the flooded river running through the village. Many others died.

Each time a similar catastrophe afflicts the community, patience wears thin. The message of the community is clear and simple: they want basic services.

GEAR

The question the people of Dithabaneng are asking is: has the government abandoned the RDP?

To answer this question, one must look to government's new macro-economic policy - GEAR. A number of analysts have



Geraldine Fraser-Moleketi.

pinpointed the deregulatory policy prescriptions of GEAR as the chief culprit for the current state of affairs. It is maintained that the RDP, once the potential salvation for millions of South Africans, has given way to the stringent austerity measures contained in GEAR.

Others maintain that there is an ongoing, albeit redefined, relationship between the RDP and GEAR. Rather than abandoning its electoral promises, the argument goes, the government has abandoned control of the RDP which gives the state a central place and key responsibility for redistribution. The reasons are well-documented. Mass poverty, non-productive services in rural areas (whose population makes up 70% of the country's poor), rapidly rising unemployment levels, and an apartheid debt to the tune of R39-billion - almost the biggest item on the national budget - have forced the government's redistribution priorities to the wall

By 1995, this crippling hangover... the apartheid era had raised the question of credit (or the lack... to finance the cost of propping up... productive service delivery in an... way. It became patently clear to the government that a policy of fiscal austerity through reducing state spending on the social sector and rationalising the civil service was the only realistic way the system could compensate for the failure of state-driven investment in rural areas. In short, responsibility for redistribution was shifted to the market or private sector.

GEAR is seen as a strategy to implement the RDP. The private sector now occupies the centre stage as an agent of reconstruction and development. State control is being dismantled to some degree and

planning is giving way to more and... market control. In effect, the... has successfully shifted the institutional base of its power out of state coffers and into private pockets.

Welfarism - the answer?

The implications of this strategy for rural communities are cataclysmic. About 74% of the country's poor live in rural areas where the average wage is less than R30 per month. An estimated 40% are unemployed. Most of these people cannot afford to buy into the privatised system

What happens in the meantime? Government's solution is to flight social security as a strategy to be pursued alongside long-term growth targets. The White Paper for Social Welfare obliges the government to play a significant role in alleviating poverty by providing food and general security. In the words of the White Paper, "Every South African should have a minimum income, sufficient to meet ba..."

subsistence needs, and should not have to live below minimum acceptable standards.*

Welfare and Population Development Minister, Geraldine Fraser-Moleketi, has identified a number of welfare programmes within GEAR and several other welfare policies to cushion the blow. She is cautious to distinguish between 'poverty eradication' in the long term and 'poverty alleviation'.

Fraser-Moleketi claims her department's poverty alleviation strategy is on track. The impact is likely to be minimal, however. The social security system is heavily over-stretched. The 600 000 pensioners in the Eastern Cape who found themselves without pensions in January may well be the thin end of the wedge in the collapse of state-provided social security. Despite cuts to state-funded white old age homes, the withdrawal from funding for the NGO sector and an increase in this year's budget from R98,4 million to R177,2-million, social expenditure is far from adequate.

Finance Week (28/1/98) notes that for any significant poverty alleviation to take place, the amount spent on social welfare would have to increase at least fivefold. It is estimated that it will take three to five years before any of the programmes scale up and seriously impact on poverty. Even modest delivery to people in dire financial straits is ambitious. According to figures released by the CSS, 2,9 million people depend on social security benefits. The population growth rate is dropping, but this is cold comfort in an economy where formal sector jobs are declining daily.

To complicate matters, a large section of the rural poor fall outside the social security net. An estimated 60% of the poor are not eligible for pension grants, many more do not qualify for housing subsidies and the legal prescriptions for land

redistribution exclude a sizeable proportion of the landless from the benefits of land reform. In terms of the Child Support Grant, youth over the age of six fall outside the safety net of R100 per child.

Even assuming social expenditure is extended to people formally outside the net, it is estimated that the pay-off will be very thinly spread. All in all, the government's welfare measures do not fit the country's poverty profile. The stark reality is that the prospects for development (in the short term) are insignificant compared to need.

Engaging with GEAR

What is a way out of this social and economic malaise? At its national conference in Bloemfontein last year, the South African NGO Coalition (SANGOCO) identified the following obstacles to eradicating poverty.

- the lack of access and civil society participation in the budget allocation and prioritisation process,
- the constraints placed on government by the apartheid debt;
- the trend towards privatisation of basic services.

The conference recognised the need to overcome these obstacles as part of a concerted effort to eradicate poverty. What is needed is the emergence of a concrete strategy.

The debate on alternatives within SANGOCO and COSATU is invariably anchored to GEAR. According to SANGOCO national director, Kumi Naidoo, the challenge is to engage with the realities of poor delivery in a 'pragmatic' way. 'Because of the complex way political power is devolved, we don't think that it is realistic to put all our eggs in an anti-GEAR basket. Our approach is to ensure that, in the context of GEAR, there is a maximum

orientation to the needs of the poor," he says

He argues in favour of a two-pronged approach. The first step is to open up a flank of struggle for the poor by deepening the democratic project and creating a space for them to articulate their demands. The second is to shift the boundaries of the budget which is formulated in the context of GEAR. A re-prioritisation of resources through 'poor budgeting' is seen as an integral part of this strategy.

Does this mean abandoning the economic terrain? On the contrary, Naidoo says, both measures ultimately pose the question of an alternative macro-economic policy in a more direct way. SANGOCO has called for the drafting of a comprehensive anti-poverty strategy. This strategy demands interventions that ultimately reach to the centre of the economic agenda: a developmental strategy that matches the goals and objectives of the RDP.

As the experience of Brazil and several other Latin American countries has shown, attempts at grafting a developmental programme onto an economic strategy characterised by privatisation, deregulation, fiscal austerity and trade liberalisation is futile. Naidoo believes that there is no alternative. He says, "The process is not a single event of simply rejecting GEAR. No amount of moral arguments against GEAR will win the battle. We hope that by mobilising the poor in a struggle to access more resources on the ground, it will become patently clear that unless we look at the fundamental role of the macro-economic framework, we are not going to eradicate poverty... When we push the boundaries to extremes, when the framework limits the possibility of accessing resources, the question of the framework itself is raised."

Socio-economic rights

COSATU's emphasis on socio-economic rights complements this approach. Government policy attaches high priority to redressing poverty by constitutionalising and guaranteeing the right of everyone to a decent life. The federation's approach is to force the state to take reasonable legislative measures and other steps within its available resources, to achieve the progressive realisation of this right.

COSATU spokesperson, Kenneth Creamer, invokes the Bill of Rights as a 'mobilising platform'. He believes that the constitutional obligation of relevant organs to annually report their delivery record to the Human Rights Commission provides an important point of intervention for organs of civil society. This provides an opportunity for progressive elements in civil society to take the initiative in driving an agenda of socio-economic delivery. On an ideological level, it provides an opportunity for progressive forces to redefine the role of the state as an institution designed to address the needs of the poor."

For Creamer, it is through a critical assessment of delivery that the government's social obligations will become manifest in a more focused

Poverty hearings

The recent launch of a series of poverty hearings called 'Speak out on Poverty: Your chance to be heard' might well be the beginning of such an approach. The hearings are part of a joint initiative by SANGOCO, the Human Rights Commission, the Commission on Children and Equality as well as COSATU.

Naidoo spells out the rationale for hearings "The intention, apart from developing a report that spells out the

extent of poverty, is to point suggestively at solutions. We hope that the process will result in a popular movement for a pro-poor economic framework, which feeds into the policy debate."

There will be ten hearings countrywide, ending in Cape Town on 1 June. They will cover a number of issues, ranging from education to the environment. The process will not end with the hearings. A composite report will be tabled at a national economic summit later this year.

It is hoped that hearings will revive debate on an economic policy. Naidoo points out that it will run concurrently with the government's 'Poverty and Inequality Report' due to be released by deputy president, Thabo Mbeki, soon. Ideally, he says, a common position on a comprehensive policy for reconstruction and development will arise from the debate.

Toward a social movement?

The outcome of the hearings could have far-reaching repercussions. A poverty platform under the slogan 'War on Poverty' is expected to feed into the coming election.

Theoretically, the idea of a platform has features of a social movement. But Naidoo is cautious not to advocate the idea in its entirety. He believes that an organised social formation is not on the immediate agenda.

For Naidoo, the continuation of the tripartite alliance pre-empts the poverty platform going further than a loose coalition of social forces around concrete



issues like child care and housing. "Unless COSATU leaves the alliance and drives the formation of a social movement, I can't see it being a viable option," he says.

He does not dismiss the possibility of a social movement arising out of a "creeping ungovernability on the ground. How social discontent adds up in the future will depend on the approach government adopts."

If the experience of the past three years is anything to go by, the settling frustrations of communities like Duthabaneng is a sign that the tension between socio-economic needs and the limited parameters set by GEAR are set to spill over into overt ungovernability. As the 1999 elections draw near, government's ostensible commitment to reconstruction and development will be measured on the ground as never before. ★

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The jobs summit

conflicting agendas

The post-apartheid economic transition has spawned a host of contradictions, the most notorious of which is the phenomenon of 'jobless growth'. Progress towards economic growth has been matched by a decline in employment figures.

Three years into the transition, unemployment has reached crisis proportions. Central Statistical Service (CSS) figures show that between September 1996 and 1997, 40 000 jobs were shed in the public service alone. An additional 50 000 workers lost their jobs in the mining industry last year and thousands more jobs were lopped off the manufacturing sector. Overall, the economy is shedding approximately 116 000 jobs each year. This excludes the large-scale retrenchment of farmworkers and the entry of an estimated 300 000 new entrants into the labour market every year.

Summit

The presidential jobs summit, scheduled to take place later this year, could be the first step towards an employment strategy which enhances job creation opportunities. The idea of the summit emerged in Nedlac's Labour Market Commission in August last year. In a speech to parliament, labour minister, Tito Mboweni, subsequently endorsed the need for an 'accord' between the social partners on jobs and prices. Despite initial

The jobs summit planned for later this year is an ambitious attempt by labour, government and business to address South Africa's unemployment crisis. Malcolm Ray reports that conflicting agendas may hamper the parties in their task.

reservations by labour that the summit could be used to "reduce labour standards in line with GEAR", COSATU eventually threw its weight behind the idea of an accord. It was agreed that a summit would be convened by the government.

A three-phase approach will be pursued by the social partners in Nedlac:

- the first phase entails government developing a draft framework document to define the priorities and agenda of the summit;
- negotiations between the social partners on substantive issues for an employment strategy will be the subject of the second phase. The jobs summit will be the culmination of this phase;
- in the years to come, the implementation of the resolutions arising from the summit will be monitored.



Nedlac meeting August 1995: the idea of the summit emerged in Nedlac.

Employment strategy

In November last year, the Nedlac executive put forward a broad outline of an approach to an employment strategy for further discussion. The document makes the following observations:

- Even if growth targets are achieved, the economy is fundamentally not a labour absorbing one. A concerted effort will be required by the social partners to seriously address the problem.
- To achieve the required magnitude of net job creation, short and long range employment generating opportunities and the structural constraints which limit the exploitation of these opportunities must be identified.

At present, the parties are formulating mandated positions for discussion in Nedlac.

Constraints

Can the parties overcome the legacy of structural constraints to growth and employment creation?

The apparent failure of the existing neo-liberal growth path seems overwhelming. In their haste to join the global marketplace, employers have tackled

apartheid structural inefficiencies by deskilling jobs, reducing labour standards, rationalising the production process and subcontracting their operations. The introduction of GEAR and the government's obsession with reducing the fiscal deficit has seen a similar rationalisation trend gaining ground in the public service.

The summit has the unenviable task of reversing this trend. What remains to be seen is whether the policy positions of labour and business square with the objectives of the summit.

Business

While employers, represented by Business South Africa (BSA), claim to recognise the seriousness of the problem, they are worried that "ambitious expectations" could derail a long-term vision for employment creation.

BSA spokesperson, Jim Buys, says business will approach the summit from a "balanced perspective". He argues that there are limits to what business can do as it struggles to adjust to global market demands. "Short-term adjustment measures

should not be seen as an end result for employers. Rather, it is a means to an end in the context of trade liberalisation and the need for business to break out of the apartheid legacy and become globally competitive. We hope to engage in a debate around these concerns without prejudicing the immediate concerns of labour"

Buys concedes that employment creation will inevitably "falter" as a consequence. "Jobs will be lost in the process of down-sizing companies. Reducing the public service in order to bring down the deficit is another area that cannot be avoided."

He highlights two proposals the BSA will take to the summit. Firstly, the low skills level and wages of workers must be addressed. "Unless we put actions in place to improve the quality of work, unproductive jobs will constantly be at risk. A further concern is that low wages restrict demand in the market and reduce prices"

Secondly, the BSA approaches the summit on an understanding that the parties can only agree on the "macro-economic parameters" of a new employment and industry policy. Substantive details around skills development and the mechanisms for productivity improvements can only be dealt with at plant level.

At best, the BSA hopes that, with the co-operation of government, substantive policy positions will be adopted which speed up "alternative employment creation schemes". Buys suggests a revival of the public works programme and small business ventures as possible options.

Labour

COSATU deputy general secretary, Zwelinzima Vavi, warns that employers and government are sitting on an employment time bomb: "We cannot afford to wait until things get better...we

are open to an approach which emphasises economic growth...[but] the pace at which employers restructure their companies is the difference between job losses and job creation."

Vavi feels that the summit will fail if employers insist on "quick and painless solutions that take the parties nowhere." The main aim of the summit, from a COSATU point of view, is to find ways in which to create employment, not legitimise the interests of business

Tensions

How can the divergent priorities of labour and business be reconciled? Vavi recognises that the parties differ on the fundamentals: "The point," he says, "is not to approach each other from ideological positions. Our goal is to seek an accommodation of interests around practical concerns. This is what the debate should be about."

However, it seems some unions within the federation are sceptical about a consensual pre-summit framework. At its annual national bargaining conference in March, NUMSA, COSATU's second largest affiliate, called on the federation to withdraw from the summit. The union argued that chances for a pre-summit consensus on an employment creating strategy is "highly unlikely" because of the government's unwavering stand on GEAR

Commenting in *Business Report* (18/3/98), NUMSA general secretary, Mbuyiselo Ngwenda, said, "COSATU may have to go it alone in the absence of an agreement within the alliance (on a macro-economic framework)." He added that job creation is an integral part of economic transformation. In the absence of a conducive economic strategy, "the summit will be a symbolic publicity exercise," he said.

Vavi admits that COSATU will have to



Zwelinzima Vavi.

insist on a review of government's economic policies. "We will argue for a policy centred around job creation. We will also make proposals on the government's role in stimulating growth and employment. Of course, if the government argues that current fiscal and monetary policies must remain, we will adopt an antagonistic approach." He adds, however, that it would be "an exercise in futility" to turn the summit into a "pro-GEAR versus anti-GEAR debate."

Prospects

Many of COSATU's proposals point to the likelihood of conflict rather than compromise. The federation is strongly opposed to government's trade liberalisation policies. It argues for an industrial policy which stems the tide of tariff reductions. As Vavi puts it, "If necessary, we will argue strongly that government approaches the World Trade Organisation (WTO) to appeal for a reversal of tariffs." COSATU is equally emphatic about productivity strategies at plant level which places the interests of labour above technological innovations

The parties to the summit face formidable problems. So far, debates on concrete job creation mechanisms have been grounded in far-reaching policy positions. Can the summit rise above policy differences?

A compromise around a macro-economic strategy, productivity improvements, and a wage policy would best serve the idea of an accord on jobs. However, employers are not likely to give up too much too soon. The IBSA is hedging its bets on an agreement where macro-economic parameters square with an appreciable degree of freedom to compete internationally. Although it is too soon to tell, indications are that employers will insist on growth and competitiveness as preconditions for employment creation.

A strong argument can already be heard in business quarters that the best the summit can hope to achieve is to identify growth areas outside the private sector. The danger with such an approach is that, while it recognises the effect of structural reforms on labour, it does not address the cause. Job losses will continue unabated and labour's alternatives will be quietly ignored.

The summit does have the potential to emerge with a strategy for an employment-creating growth path. This would, however, require that government and business agree to an alternative macro-economic strategy.

Preparations for the second phase leading to the summit are still underway. Not all the issues related to employment creation will be resolved by the time of the summit. Though the date has not been finalised, the parties are hoping to meet by June this year. A six month timetable following the summit to wrap up resolutions and further areas of work has been agreed. ★

A framework for job creation

A 1994 election poster proclaimed: "Let's get South Africa working: jobs, jobs, jobs". Four years on, employment figures and trends paint a dismal picture.

Employment is at its lowest level in 16 years. Figures for the formal sector from June 1996 to June 1997 show that all sectors have lost jobs, with the exception of the wholesale/retail trade and financial services. Sixty two thousand jobs were lost in the first six months of 1997, flying in the face of GEAR targets. The longer-term trends are cause for equal concern: between 1990 to 1996 the manufacturing sector shed 9,1% of its jobs, with construction employment falling by 21,3% and mining by 27,5%. The public sector has maintained a record of job creation, but it was recently announced that it, too, will lose tens of thousands of jobs.

Total unemployment is currently estimated at 29,3%. Women and youth are particularly hard hit. The majority of unemployed people (69,2%) have never worked.

Taking action

In recognition of the unemployment crisis, a presidential jobs summit has been announced. The Nedlac Executive Council has outlined a broad approach to a job creation strategy, and the process towards the summit. It describes the South African economy as "fundamentally not a labour absorbing one", and asserts that "an ambitious and co-ordinated policy programme will be required to address key constraints and pursue opportunities."

What kind of policy interventions are

needed to significantly arrest current employment trends? At the heart of an effective employment creation strategy must be a conceptual framework, which addresses overall perspectives and strategic approaches. In the absence of such a framework, or in the eventuality of an inappropriately conceived framework, employment creation policies are bound to flounder.

The National Labour and Economic Development Institute (Naledi) has produced proposals on a job creation framework. The research which appears in this focus forms part of these proposals. They have been presented to COSATU and will support the federation in its participation at the jobs summit. They are still in the process of discussion within COSATU structures and obviously do not necessarily reflect the views of the federation. Hopefully, they will contribute to what is, perhaps, the most crucial area for debate in South Africa today.

Vision and strategies

At the heart of an effective job creation strategy must be a conceptual framework, which addresses overall perspectives and strategic approaches. The overall aim of any job creation framework is to eliminate poverty, inequality and unemployment.

A comprehensive employment strategy involves the creation of new jobs, enhancing the quality of present jobs, and ensuring employment security. Emphasis must be placed on improving the conditions faced by the most vulnerable workers in South Africa, and strengthening employment opportunities for the most marginalised members of communities.

In order to arrest current trends, interventionist policies must be established which place South Africa on a fundamentally different growth and employment path from the present one. Present approaches, framed within conservative neo-liberal economic parameters, show little signs of working.

The South African economy is a capitalist economy, divided by powerful class interests. Economic policy will be subject to substantial conflict. Introducing policies which would support a transformative approach to job creation could prompt vigorous opposition from the business sector. The result could be a withdrawal of investment, the introduction of labour-replacing equipment and

retrenchments – measures which will destroy jobs.

Particular job creation proposals therefore need to be measured against the degree of opposition they will encounter.

Key perspectives

It is important to explore what a job actually is and why job creation is a particularly crucial issue for South Africa.

Jobs and work are currently largely defined by capitalist economic relationships. Workers exchange their labour for a wage under specific conditions of employment in order to sustain themselves and their families. Under this system, irregular work (such as casual and contract labour) is recognised as legitimate employment. Women's unpaid labour in their home is not recognised.

The first step in linking job creation to economic transformation involves challenging what actually constitutes work. This would mean that current employment trends that merely disguise unemployment through the erosion of well-paid, secure, meaningful work must be questioned. A job creation strategy must address the quality of jobs created, not simply the quantity.

At the moment, debate around job creation in South Africa seems to be dominated by the view that one can have

more jobs or one can have better jobs, but one cannot have both more and better jobs!

Is this a reasonable assumption? The history of many countries shows that employment growth, improved working conditions and higher real wages can be

Why job creation?

A question that needs to be asked is why the focus should be on job creation, rather than on other types of social policies which could address this problem. This may seem like an obvious question, but currently employment creation is not central to economic policy.

There are a number of reasons why job creation should be the primary focus of economic policy in South Africa:

- The severity of the problem of unemployment and the inability of the economy to create new jobs makes employment creation a central issue.
- Job creation and job enhancement can form a solid foundation for redistribution and lowering poverty levels.
- Unemployment reflects an inefficient use of economic resources and can compromise economic growth.
- A variety of social problems arise when a substantial portion of the population cannot find work.
- Job creation can be an efficient way of extending economic opportunities to the population on a broad scale.
- Creating jobs in the formal sector provides a degree of regulation and protection for the previously unemployed.
- Job creation can encourage the building of trade unions, which allow workers to engage in collective action and bargaining to improve the welfare of a significant segment of the population.

Nonetheless, job creation cannot be seen as the only strategy for addressing South Africa's many socio-economic problems. Policy packages such as a social wage, a guaranteed income and basic social services should run alongside such a strategy.

mutually compatible. Exiting socio-economic conditions in South Africa make this kind of job creation path a desirable target. Given the fact that many working households remain below the poverty line, any further erosion of conditions of employment is unacceptable. Moreover, with the decline in employment in the formal sector, more individuals could find themselves in subsistence positions in the informal sector. Our target should not only be job creation, but job enhancement, with an emphasis on improving the conditions faced by the most vulnerable workers in South Africa.

The past

It is important to realise that the problem of unemployment in South Africa is primarily a structural problem, derived from the historical legacy of the apartheid economy. The racial segmentation of the workforce, the limited mobility of workers, the establishment of separate 'homelands' with marginal economies, the systematic underdevelopment of skills, the maintenance of out-dated, hierarchical management systems and the dependence on low-wage, exploited black labour have all contributed to current unemployment figures. Interventionist policies must be put in place to redress these legacies and to place South Africa on a fundamentally different growth and employment path.

Time frames

If job creation and job enhancement are the goal, employment strategies with a longer time frame are needed than would be the case if the aim were to rapidly create short-term, poor quality jobs. It must also be borne in mind that while labour is central to economic growth and development, economic growth does not necessarily mean employment growth. This means that South Africa should focus



Alliance march, June 1991.

on a medium-term *employment* growth strategy rather than simply a medium term growth policy (for example, GEAR) which presumes that growth will automatically lead to more jobs

Distribution

How economic resources are distributed to sustain a population is a critical social issue. Jobs, wages, and benefits are the most important instruments for distributing economic resources to the majority of the population. Employment therefore plays a central role in determining the level of inequality and poverty in a country.

There are three aspects of distribution which should be addressed in a job creation strategy: distribution of economic production between wages and profits, that is, wage-led versus profit-led employment growth strategies, distribution of wages amongst those currently employed, that is, the wage gap, and distribution of employment

opportunities within the labour force, that is, who gets the jobs and who remains unemployed

The total GDP of South Africa is distributed in two broad ways – the amount which goes to workers in the form of wages, salaries and benefits, and the amount which is left over, often called the operating surplus, which is distributed to capital. A crucial question is whether a larger distribution towards wages will increase levels of employment, or whether a larger portion to the operating surplus will do so.

Increasing the share of GDP to labour can create jobs if workers use the extra income to increase domestic demand. Higher levels of demand can mean higher levels of production and growing employment. It is important to note that domestic demand must increase, not simply demand for imported goods.

This analysis ignores the reaction of the owners of capital to a changing distribution of resources. If a declining

share prompts capital flight or a reduction in investment, there could be a negative impact on job creation.

These effects could be minimised by active policies which challenge the right of business to be the only player in business decisions. Policies which limit the mobility of capital could be implemented. The institutional environment (such as labour organisations and laws) in which a distributive shift towards wages occurs, is of great importance. The capacity of these institutions to influence investment decisions and offer protection to workers is critical.

What is important to recognise in the debate around wage-led growth and profit-led growth is that the environment which would favour one path over the other might not entirely be under the control of South Africa. Increasing global integration of world economies poses a substantial challenge to labour in developing an employment growth strategy.

Job creation cannot depend on an economic strategy which only focuses on the distribution of production between wages and profits. Interventions which transform the way in which profits and wages are currently distributed must also be developed. Such interventions could include a broad programme of asset-based redistribution, worker/community ownership and control, worker-directed pension fund investment, prescribed assets and narrowing the wage gap.

The public sector

It should not be assumed that the private sector is the only source of new jobs. With the international trend towards privatisation, the public sector is overlooked as a source of employment creation.

The government and the parastatals remain a major employer in South Africa,

although significant retrenchments are under way. To ignore the public sector as an instrument of job creation is to compromise the effectiveness of a comprehensive job strategy.

Principle components

A number of core policy areas need to be addressed when formulating an employment strategy.

To be successful a job creation strategy must aim to build the productive capacity of the economy. In other words, it must also embrace a vision for economic development.

Job creation is intimately tied to productive activity in the economy. When economic growth takes place, when government establishes public works programmes to expand infrastructure, when the delivery of social services grows, the potential demand for more labour is created. This can then translate into more jobs and falling levels of unemployment.

The connection between greater production and more jobs is, however, far from direct. South Africa is currently experiencing the phenomenon of 'jobless growth'. How can this be the case? Labour is only one input into production. Physical capital (like machinery, equipment and computers) is another critical input. Depending on the technology involved, physical capital can be used instead of labour in production.

Economic growth can also change the nature of existing jobs instead of creating new jobs. Put in another way, it can increase the demand for labour, but fail to increase the number of jobs. For example, workers who are already working can work longer hours. No new jobs will be created. Or, workers can work harder (increased productivity). Again, no new jobs will be created, but production will increase.



Job creation and job enhancement should be the aim

For production to increase, the capacity of the economy to produce must be increased. This occurs through investment and through demand for the goods and services produced. In South Africa, there is an extremely high demand for more goods and services. This is not, however, effective demand, because there is no purchasing power to back it up. In such a situation, there is a clear need for government to mobilise resources to deliver on basic needs. Redistributive policies and building a sustainable public service are key aspects of a job creation strategy.

Appropriate industrial and technology policies must also be put in place. Strategic trade policies must ensure that jobs are not destroyed through blind liberalisation and that the proper trade relationships are developed to support an employment growth path. Macroeconomic policies should not be overly restrictive, choking off investment and limiting the effectiveness of other critical transformations.

Labour market policies should aim to transform the apartheid-era structures to ensure equal access to jobs when they are

created, and to improve employment security. Apartheid policies have left South Africa with a highly segmented labour market. Highly-paid professional and managerial positions largely remain the domain of white men. Within this segment of the labour market, unemployment is low and job security high. Production and service workers face high levels of unemployment and far less job security. Wages are lower and benefits minimal. Workers in the informal sector face unsteady employment, little legal protection and poor conditions. Movement between these segments of the labour market is difficult, if not impossible.

Unemployment is also highly segmented. Women, youth and people living in the rural areas face a much higher probability of finding themselves unemployed. This has devastating implications for income distribution and the poverty rate. The informal sector should be brought into the formal regulatory arena. Gender, race, and age dynamics should be addressed. Labour market flexibility should be approached

extremely critically. Education and training should receive urgent attention. The dependency of the South African economy on substantial amounts of unpaid labour, primarily performed by women, must be factored into a jobs policy. Priority must be placed on job creation for marginalised groups, and rural communities in particular.

A vision for job creation

What follows is a vision for job creation. While this vision might not be achievable in the near future, it should be used to guide policy decisions and political positions

- To ultimately address the on-going crisis of unemployment, current economic power relationships must be challenged and transformed.
- The economy must be developed so as to sustain full employment. Where unemployment does occur, a guaranteed living income must be in place, but the principal objective must be full employment.
- Every job must pay a basic living wage. There would no longer be households classified as 'working poor'.
- Unpaid work must be explicitly recognised and appropriate measures created to support the performance of household and caring labour.
- Discrimination and structural barriers in the labour market must be eliminated
- Standards of living and quality of work must improve over time. Jobs must not simply be created, but also enhanced.
- Employment creation must support the provision of public services and basic needs.
- Wage differentials between different employees, particularly management and production workers, must be limited and efforts to narrow the wage gap put in place.

Labour's role

Both labour and government must play central role in moving towards this vision. The articles which follow detail some of the policy approaches which could be adopted in order to create jobs. The implementation of many of these will require a strong, interventionist working with labour.

The trade union movement has a vital role to play in job creation. In order to fulfil this role, it will need to maintain and strengthen its traditions of collective discussion and action. It will need to consolidate and expand its membership base and be in a position to mobilise and take action.

Currently, there are global trends towards a process of bureaucratisation - diminishing internal democracy within unions.

The ability to mobilise membership is reduced. In large part, this tendency is a result of the distortion of working class interests by capital. Due to its dominant position, capital is able to exercise a degree of control over the values that a role in the identities and aspirations of workers (such as promoting individualism and competition). Organised labour must consciously guard against this tendency.

Above all, labour needs to vigorously debate changing economic and social conditions which might call for a shift in strategic focus. The terms of this debate should not be dictated by orthodox economic doctrine.

Labour movements have a responsibility to both maintain a distinct identity and respond to shifting economic conditions in ways which address the concerns of their constituency - eliminating unemployment, creating gender equality, eradicating poverty and improving standards of living. ★

Industrial and economic development

Macro-economic policy is often seen as the main tool to address unemployment. While the right macro-economic policies can create the environment for job creation, they are not the only answer. They need to go hand-in-hand with the development of other core policy areas of job creation.

Macro-economic policies must be predictable, achievable, and generally acceptable to the public. Macro-economic credibility must extend beyond building investor confidence, and also have the support of labour.

Macro-economic policies must encourage employment growth. The objective must be a balanced set of policies which create a conducive environment for job creating strategies. Key areas of macro-economic policy which would encourage job creation include:

- ***Maintaining and expanding demand for locally produced goods and services***
Increased demand boosts production and generates new jobs. Demand can be stimulated by lowering interest rates, redistributive fiscal policies and developing effective export strategies.
- ***Boosting the productive capacity of the economy***
Higher levels of investment will help to ensure that any increase in demand can be met through domestic production and not greater levels of imported goods.

- ***A supportive fiscal policy***
While high levels of deficit spending may well prove to be unsustainable, rigid deficit targets could prevent the establishment of public works programmes, slow the creation of new infrastructure and lead to a reduction in public sector employment.

Conflict

A less conservative macro-economic policy could be met with substantial opposition from some parts of government and interests within the business community. Key areas of potential conflict are:

- Lower interest rates will increase consumer and investment spending, which is financed through borrowing. This is likely to lead to higher levels of inflation in the short-term. Inflation is not necessarily bad if it can be contained at a steady, predictable rate, so that appropriate responses to price increases can be developed. Nonetheless, lowering the inflation rate is the principle argument for keeping interest rates high.
- Apartheid debt has saddled South Africa with very high debt-servicing costs. Interest on the debt currently accounts for over 20% of all public spending. The need to reduce these costs has led to the development of policies which aim to reduce government deficits by

cutting expenditure (this is known as 'fiscal discipline') Such an approach fails, however, to consider proposals to lower interest rates, change tax policy and restructure the national debt and pension fund commitments to make the burden more sustainable.

- ❑ Lowering interest rates without attracting more investment from overseas can lead to a fall in the value of the rand and a reduction in the level of foreign reserves as investors withdraw short-term capital from South Africa in search of a higher return elsewhere. This could make it very expensive to import. While such concerns must be acknowledged, the value of the rand has stabilised and foreign reserves have increased substantially over the past year.
- ❑ Some policy analysts would argue that increasing government expenditure through borrowing will push up interest rates and therefore reduce private spending. Such an argument ignores, however, the positive impact public expenditure on infrastructure and education can have on the level of investment in the economy.

Credibility

One aspect of macro-economic policy which needs careful attention is the credibility of the policies adopted. If workers, business (public or private), government planners and investors do not believe that government will be able to deliver on its macro-economic policy goals, greater uncertainty is introduced into the economy. This could compromise economic performance and job creation.

Investment

Investment policy – both public and private – must play a pivotal role in any job creation strategy. Investment not only

expands economic activity, it also builds additional capacity. As capacity expands, do job opportunities.

Investment does not, however, always create jobs. It can result in machines taking the place of workers. If additional productive capacity is not used due to lack of demand, jobs will not be forthcoming. Financial and speculative investment will also not create jobs. There is a clear role for an active state, which encourages and directs investment to ensure job creation. This is particularly important, given South Africa's recent investment history.

Since the early 1980s, there has been a dramatic drop in investment. Capital flight (where companies take the profits from their activities in this country and invest them in other countries) has been a critical problem. Policies should be put in place to limit this practice.

The following policies would boost productive investment:

- ❑ **Expand infrastructure and public investment**
Research in developing countries has shown that public investment in services like transport and communications leads to increases in private investment. Investment in people (education and training programmes) also leads to greater overall investment.
- ❑ **Lower interest rates**
Investors themselves borrow money to put into new enterprises. High interest rates therefore discourage investment. They also encourage investors to look to short-term financial returns instead of long-term productive investments.
- ❑ **Create a stable economic environment**
Political and economic instability – the level of risk and uncertainty in an economy. Creating a stable economic and social environment does not, however, mean pursuing highly



Public investment in infrastructure leads to increases in private investment

restrictive macro-economic policies or a repressive labour regime. Such policies can actually fuel instability

□ **Supply-side incentives**

Investment policy must be linked to a well-defined industrial policy (see p 27). Companies which invest in job-creating activities can be given incentives. Firms which destroy jobs could pay higher taxes. Different interest rates could be applied.

□ **Give women access to financial resources**

A large proportion of women work in the informal sector and are self-employed in micro-enterprises. They are often denied access to even small loans. Programmes should be developed to ensure that women have access to financial resources to

- improve their current situation

□ **Implement expansionary economic policies**

Economic growth increases productive investment. Restrictive macro-economic policies choke off economic

activity and strangle investment.

□ **Establish capital controls**

Measures such as exchange controls, taxes on speculative investment and short-term capital gains taxes can be used to discourage unproductive, speculative investment and to limit damaging capital outflows. Currently, South Africa is using high interest rates to protect the value of the rand and to control capital flows. This will discourage investment.

□ **Prescribed assets and control over pension and provident funds**

Investment decisions in a capitalist economy are made by the owners of capital, who seek out the highest private rate of return. These investments do not always yield substantial social benefits. Prescribed assets can help channel investment funds into job-creating opportunities. Worker control over pension and provident fund investment could do the same thing.

□ **Parastatals as key investors**

Over the past year, South Africa has

achieved a reasonable increase in gross domestic investment. Much of this increase came not from private, but from the public corporations. Clearly, the parastatals can play an important role in building our economy.

Industrial policy

Industrial policy refers to any set of policies which directs, shapes or influences the type of productive economic development which takes place in an economy. Industrial policy is not limited to what types of industries and economic activities there should be, but also the links between these different areas, the level of competition or concentration, the types of technology and management needed and imports and exports. The structure of South African industry can have a dramatic effect on employment levels.

Under apartheid, there was a high level of capital intensive development. For every million rand of capital invested in the economy, fewer and fewer jobs were

created. This was the direct result of an industrial policy which favoured preferential subsidies and financing arrangements for capital. The emphasis on exporting raw materials instead of developing domestic manufacturing capacity meant that South Africa could not develop the domestic demand so crucial to an expanding economy.

It is not enough to remove these distortions and allow the market to take over. Market forces will replicate and entrench these patterns of development.

What South Africa needs is a well-defined set of industrial policies which will create jobs. These could include:

Maximising the impact of those sectors which are job creating

This involves more than just identifying those sectors which create jobs. The down-and-up stream linkages (companies which supply raw materials to the sector or distribute the manufactured) must also be considered.

Developing the capacity to intermediate and capital goods

When a country has to import goods and services, balance of payment problems occur. Financial resources drain out of the country. While South Africa has abandoned the policy of import substitution, it still has to import key inputs into production processes.

Government procurement

Government can use employment creation and good labour standards as criteria when it awards public sector contracts.

Employment subsidies

These can be used to lower the cost of hiring labour, while maintaining real wages and benefits. Care must be taken, however, not to provide windfall gains for business.

Reform development financial institutions

SMMEs

SMMEs are often portrayed as the primary engine for employment creation in modern economies. Government and business maintain that policies such as downward variation of standards and wage moderation are necessary to develop this sector.

There are many problems with these arguments. While SMMEs can create jobs, these enterprises are more prone to failure, leading to a loss of jobs. While SMME development cannot be ignored as part of a job creation strategy, it should be approached realistically, not as a miracle solution to unemployment. If the emphasis is on more and better jobs, then downward variation in standards, benefits and wages cannot be accepted as a condition for SMME development.



Under apartheid the emphasis was on exporting raw materials.

Institutions such as the Industrial Development Corporation (IDC) and the Development Bank of South Africa (DBSA) could play a more significant role in job creation. Instead of funding 'mega-projects', which could have a limited impact on employment, they should aim to maximise the creation of reasonably well-paying jobs.

- **Develop credit and finance reform**
Under apartheid, there was a very skewed access to financing. Some industries have developed a close relationship with financial institutions and had preferential access to credit. Others faced more expensive financing and had limited relationships with financial institutions. Reform of the system must take place, with a view to building relationships which promote job creation.

Labour productivity

Economists define labour productivity as the amount of output produced per

worker or per hour worked.

Labour productivity occupies a central position in many current debates in South Africa. Many argue that South African labour productivity is low by international standards, and that we will never become internationally competitive unless productivity increases.

The fact is that increased productivity can lead to fewer jobs. If labour productivity increases at a faster rate than economic production, there will be less employment.

Some economists argue that productivity increases will lead to increases in demand. Exports will grow if the country's competitive position improves. While this could happen under certain circumstances, there is no guarantee.

Wages

If real wages increase at a rate below the increase in productivity, there will be a redistribution of the share of the total national income away from wages towards

profits. Jobs will be created only if the increased profits are put into investment.

Hours of work

Labour is currently demanding a reduction in hours of work. If productivity is to rise, a decrease in hours of work will have to be offset by an increase in labour intensity.

If our goal is job creation, we need to rethink the way we approach productivity

This is not to argue that productivity gains are not a worthwhile objective. Such gains are necessary to improve a country's standard of living. But a productivity policy must be part of an economic strategy which ensures that gains from productivity are distributed in a way as to reduce poverty and increase employment.

Too often, labour productivity focuses only on cost reduction and the labour of production workers. Other issues, including capital productivity, the productivity of management, worker control, workplace restructuring, the macro-economic environment and quality improvements, must form an integral part of South Africa's approach to productivity improvement.

Trade

International trade patterns and trade policies have a direct effect on jobs in export industries and in sectors which face strong foreign competition.

South Africa needs to earn sufficient foreign exchange to finance critical imports. Our foreign reserves have always been extremely low. While the situation has improved recently, balance of payments problems continue to place constraints on the development of macro-economic policies which will promote job creation.

Reforms in trade policy can have a

negative impact on employment, particularly women's employment. The rapid pace of trade liberalism (reducing tariffs) has devastated the clothing and textile sectors, which employ large numbers of women. In many countries, export-oriented growth strategies have meant job creation for women, but these jobs are often lower-paid, less secure and provide minimal training opportunities.

To form part of a job creation strategy, trade policy should.

□ *Be linked to employment creating developments*

An active trade policy can influence where resources are put in the economy. Measures such as subsidies, marketing assistance, credit preference and differential taxation can determine what is produced for export and what needs to be imported.

□ *Pursue both import substitution and export promotion*

Import substitution involves building the capacity to produce goods which used to be imported inside South Africa. This will obviously boost employment creation. Promoting the export of goods and services whose production is labour intensive will further boost job creation. Balance of payments problems and foreign exchange pressures will be eased. A word of caution: a narrow focus on exports reduces the pressure to build up domestic demand, to establish a more equal income distribution and to increase real wages to improve purchasing power. In South Africa, export-oriented sectors tend to be more capital intensive, limiting their ability to create jobs. Export promotion does not have to mean excessive trade liberalisation. Many countries have adopted successful

export expansion policies, but kept in place significant levels of domestic protection

Address the problem of illegal imports

Government should increase the resources allocated to regulating the flow of goods into South Africa

Stop unfairly subsidised exports to South Africa

South Africa has been very slow in implementing anti-dumping policies. Rules of origin for SADC countries (which involve those countries proving that the goods they are importing to South Africa were manufactured in their country, and not elsewhere) is an important part of this strategy

Implement a social clause

This would discourage countries from competing on the basis of labour repression, exploitation and dangerous working conditions

Technology

The development of technology has not been socially and politically neutral. Historically, it has been associated with profit maximisation. In the context of globalisation, technology is presented as the answer to modernisation.

In apartheid South Africa, the development of science and technology happened in a very incoherent way. State intervention was limited to strategic projects - armaments, nuclear capability and energy.

In terms of industry development, it was only in 1993 that the government extended the Support Programme for Industrial Innovation to all branches of industry. At the same time, South Africa has a limited pool of scientists and engineers and a non-integrated science and technology system. At the micro-level, South Africa depended on imported

technology, suffered from very low levels of expenditure on research and development (R&D) and a lack of proper regulations.

Technology and technological innovation do not have to displace labour or inhibit job creation. Technology policy must, however, be directed away from dependence on first world technology. It should aim to

- build self-reliance and complimentary links with southern Africa and other developing countries,
- develop technology infrastructure and institutional capacity to ensure optimal utilisation,
- develop participatory policy formation and innovation driven by social forces rather than the market.

To ensure job creation and maintenance, unions have to engage with technology at the level of policy development. This includes

- Asserting worker and community control over the National System of Innovation envisaged in the White Paper on Science and Technology, through participation and links with universities, local R&D centres, NGOs and the shopfloor
- The role of the state has to include facilitation of worker and popular control over science and technology development, and also direct intervention to develop sectors like micro-electronics and increased finance for R&D. Procurement policy should be used to influence innovation in labour intensive technology
- Optimal utilisation and development of technology has to happen through increased numeracy and literacy skills, as part of an integrated education and training policy thrust that links scientific, mathematical and computer skills education. ★

The public sector

The public service, and the public sector more broadly, is the biggest employer in South Africa. It accounts for nearly a third of all non-agricultural formal sector employment.

Internationally, public employment has been a major source of jobs which are often better-paid, more secure and distributed more equitably than private sector jobs. It is an important employer of women and people living in more rural areas.

The public sector is also one of the biggest spenders in the economy. It is at the forefront of delivery of key social services – education, health care, infrastructure and municipal services. South Africa cannot afford to discount the role of the public service in developing an employment strategy.

Creating a sustainable public service is, however, difficult in the current economic climate. There are pressures to reduce the size of government and, as a consequence, public employment. There can also be no doubt that the service needs to be restructured.

An overall employment strategy should:

□ ***Create the conditions for sustaining the public service***

This does not mean rolling back the size of the public service. Lower interest rates, a broadening of the tax base, restructuring the taxation system and reducing the apartheid debt

burden are all policy measures which can dramatically increase the sustainability of the public service. There is also a link between public expenditure and economic growth. Public spending on infrastructure, education and training can increase investment and boost growth. Downsizing the sector will reduce its capacity to do these things.

□ ***Restructure the public service***

The public service could serve as a model for improving the quality of employment in South Africa. To do this, however, the service needs to be fundamentally restructured.

□ ***Create planning instruments***

Planning for the evolution, development and extension of the public service requires the creation of effective planning instruments and budget processes. A multi-year budget tool is needed. The Department of Finance recently released its medium-term expenditure framework (MTEF). While the MTEF could form the basis for planning, labour and civil society did not participate in its development. Moreover, it explicitly embraces a macro-economic strategy which could compromise public employment in South Africa. An alternative medium-term budget framework should be developed, with employment creation at its centre.



Spending on education can boost growth.

□ *Focus on local government*

Many local governments are in fiscal crisis. These crises have a number of causes, ranging from non-payment for services to poor financial management. The crisis in local government has prompted many to turn to private-public-partnerships (PPPs) to generate scarce financial resources for delivery of basic needs. The lack of funds has also had a damaging impact on public service employees at local level. These developments threaten the sustainability of local public service jobs. The roots of the crisis in local government must be investigated and addressed to prevent a further erosion of the situation.

State asset restructuring

The restructuring of state assets poses many challenges for an employment strategy. The international trend towards

privatisation has, almost universally, been accompanied by substantial job loss. Privatisation has also led to a depletion of governments' wealth. With every sale of an enterprise, governments forfeit future income generated by that enterprise.

While state asset restructuring does not necessarily mean privatisation, the push to make parastatals and public enterprises more productive and competitive can translate into job loss unless steps are taken to prevent labour shedding. Between 1985 and 1996, up to 60% of labour in certain public enterprises has been shed as a result of commercialisation and corporatisation.

A sectoral approach to state asset restructuring is needed. The links between state asset restructuring and industrial policy also need to be more fully explored. Such an integrated approach will ensure that economic development is directly linked to employment creation. Both the

RDP and the National Framework Agreement (NFA) state that the restructuring of state assets must not be at the expense of jobs. Nonetheless, appropriate policies to ensure job retention are not guaranteed.

During the last decade of apartheid, there was a systematic under-investment in state-owned enterprises and public corporations. This crippled their ability to efficiently deliver goods and services.

Substantial capital resources are now needed to revitalise the parastatals. The public sector is finding it very difficult to mobilise these resources. Finding strategic equity partners in the private sector or overseas is one way of addressing these needs. The danger is that the delivery of basic needs will be surrendered to private, profit-driven corporations.

The case of Korea

The state sector in Korea has played an important role in directing development. State enterprises produce about 9% of GDP.

Korea went through two periods of state asset restructuring which involved partial and complete privatisation of state industries. There was a minimal loss of jobs, mainly because:

- Korea adopted an integrated approach to restructuring. Employees were retrained and redeployed between enterprises.
- An effective voluntary retrenchment package was offered.
- Limits of new hiring were imposed for several years, which forced enterprises to use the employees they had in different capacities.
- Employees were given the option of transferring to private enterprise, but those who wished to remain in the public sector were able to do so.

It should be noted that many of Korea's state enterprises were experiencing substantial growth at the time of the restructuring, which made the whole exercise easier.

State direction

Clearly, the government must play a role in restructuring state assets. What to be determined is whether that role is of ownership or production.

The state must create the regulatory framework, ensure that basic needs are met and ensure that jobs are retained and created. Whether this requires should be determined for each within an integrated framework. In instances, restructuring can provide opportunities for redistribution – for example, community and worker of state forests.

Principles

Restructuring state assets can be directly linked to job retention, job creation, job enhancement. Elements of a programme which promote these goals include:

- **Employment equity**
Employment equity and affirmative action within the parastatals can be used to improve access to jobs.
- **Investment and training**
Retrenchments must not be used as a tool for improving productivity and performance. Instead, capital must be mobilised to re-tool corporations. Employee training will ensure that the skills base of these institutions is improved.
- **Employment impact assessments**
All restructuring processes should be required to produce a medium-term (four to six years) assessment of the impact of the proposed restructuring on job retention and creation. This research should be conducted by an independent agency which has been approved by all stakeholders.
- **Job retention and employment security policies**
An explicit policy statement of how

restructuring proposal will contribute to job creation or ensure job retention must be developed. In cases where retention of jobs is simply not possible, a social plan to provide employment security (for example, re-training, placement in another public sector position) must form part of the process.

□ *Improving labour standards and conditions of employment*

Restructuring can also be used to enhance public sector jobs. An assessment of current labour standards and employment practices within the enterprise should be undertaken. From this assessment, a plan for improving the conditions of employment can be developed.

Public works programmes

Internationally, public works programmes (PWP's) have proved effective as a short-term job creation strategy, with important implications for long term development.

PWP's can play a critically important role in alleviating poverty. The benefits of PWP's include improved nutrition, greater income security, direct and indirect job creation and the provision of infrastructure.

PWP's must play a key role in addressing the unemployment crisis in South Africa. Job creation through PWP's must be prioritised in terms of allocation of resources.

In South Africa, a national and community-based PWP is in place. These programmes are, however, driven by inadequate, and at times inappropriate, strategic approaches and policy vision. Government needs to show the political will to channel human and material resources into these programmes. Excessive adherence to GEAR's fiscal

requirements could undermine the programme and diminish its focus on job creation.

A basic framework of implementation strategies should include:

- co-ordination of policies across government departments,
- reorientation of public sector investment and restructuring the industrial and agricultural base,
- the creation of productive, labour-absorbing jobs through labour intensive approaches,
- large-scale programmes, including the mass provision of housing,
- effective targeting strategies;
- education and training for participants,
- early and full involvement of local communities,
- adequate incomes and labour standards for workers,
- effective administration, monitoring and evaluation.

There are further issues which require particular attention:

- The overall goal of a PWP should be to facilitate sustainable income generation through education and training, which will lead to longer-term, permanent employment in the formal sector.
- PWP's should be located within the context of longer-term development strategies. They should not be seen as a trade-off for immediate needs.
- PWP's should be maintained for as long as serious poverty and unemployment prevail.
- Projects must be targeted at the most vulnerable and marginalised of society. Government's current approach threatens to undermine the effectiveness of the programmes.

The state must not only prioritise PWP's, but must commit the necessary resources to ensure their success. The current

emphasis on rapid deficit reduction means that the possibility for a large-scale public works initiative is diminished. While fiscal responsibility is a legitimate concern, there should be sufficient flexibility in macro-economic targets to allow a PWP to take shape.

Social wage

A social wage is a direct transfer of income (for example, an old age pension) and a set of social subsidies (for example, free health care) for the cost of basic needs. A social wage is actually a set of policies which create a social safety net below which no one should be able to fall.

There are generally two broad models for a social wage programme. The first is a targeted, means test. Only those people who are considered particularly vulnerable will receive the social wage.

The second is a universal social wage, where all citizens have access to the services provided. The financing of this package would be progressive, in the sense that wealthier families would contribute more to support the programme.

This type of social wage programme depends on the level of development of an economy and the relative strengths of the social forces in the society. In many respects, the extent of a social wage programme reflects the ability of civil society to stake its claim on the output produced in an economy. In this way, it can challenge capitalist power.

On the other hand, it can help sustain a capitalist economy by providing a solid base of demand during economic slumps. Business could benefit from a modest social wage programme, but it is likely to resist any comprehensive scheme, which could challenge its power.

A social wage could contribute to gender equality in our society because it

supports those, mainly women, who perform unpaid household labour. Through providing services such as care, it could also free women to enter formal labour market.

There are two ways a social wage impact on job creation. Firstly, it can increase the level of demand in an economy. Secondly, it can reduce the indirect costs of hiring workers.

A social wage programme needs to take the following approaches into account:

- There should be a comprehensive social security system. A means-tested system will allow the social wage to be targeted at the vulnerable segments of the population. Scarce resources would be directly effective. A more universal system would be more costly and would spread that scarce resources more thinly. Such a system would, however, be closer to an ideal of widespread provision of basic needs.
- The process of designing a social programme must embrace broad principles of equity, transparency and democracy.
- The non-wage costs of employment must be socialised. This could prove difficult. Employees might not be willing to give up their private services because they see public services as a poor alternative. Improvements in public service delivery could change this perception.
- There should be a consistent move to de-privatise the social wage. While a combination of private and public benefits may persist for some time, a commitment to move away from private provision as a means of strengthening the public sector should be adopted. ★

Key focus areas

Women's access to employment is constrained by various factors, including inequality in access to education and training and productive resources, household responsibilities and gender stereotypes. Where women are employed, they face discrimination and disadvantage. They are employed in lower paid, less secure jobs and they have limited access to economic resources, including land, capital, credit and technology.

Their contribution to the economy in terms of unpaid labour remains unrecognised and undervalued.

Women are the last to benefit from periods of employment growth, but they are the first to suffer when employment levels fall. The unemployment rate for women in South Africa, particularly rural women, is shockingly high.

Women are also often found in jobs where standards are deteriorating. More women are being drawn into atypical work, as opposed to full-time, permanent, regular employment. This means that they face a severe problem of underemployment.

To create both more and better jobs for women, a number of crucial policy interventions are needed.

□ ***An integrated policy development approach***

All policy formulation should be sensitive to the inherent bias in so-called 'gender blind' policies. These are

policies which do not explicitly discriminate against women, but will have a different impact on men than women because of their different positions in the labour market.

□ ***Mainstreaming women in development strategies***

Women's concerns must be directly integrated into all economic policy development.

□ ***Harmonising work and family responsibilities***

There should be equal sharing of family responsibilities. Employers must provide childcare facilities and offer flexible working time. Government must provide social services and infrastructure to help families cope with family and work responsibilities.

□ ***Public sector employment***

The public service is a major employer of women. The quality of jobs created in the public service can play a major role in promoting gender equality. Cutbacks in government spending will mean that women will lose their jobs.

□ ***PWPs and social investment funds***

PWPs can provide short-term, targeted poverty relief to women. If the PWPs are linked to a longer-term development programme, they can provide more sustainable benefits for women.

□ ***Gender sensitive macro-economic and industrial policies***

Rapid trade liberalisation has a

substantial impact on those sectors which employ predominantly women. Budget and fiscal policies are often developed without a strong analysis of their impact on women. Policy-making should include an explicit analysis of the impact such policies will have on women.

- **Education and training**
Education and training programmes should specifically target women
- **Access to productive resources for women.**

A central challenge to a targeted job creation strategy for women is addressing the deeply instilled patriarchal values and ideology held and supported by most male policy-makers.

The informal sector

The informal sector includes a wide range of economic activities which tend to be small scale and are not formally recognised as enterprises or employment relationships. This sector is an important part of the South African economy. The 1995 October Household Survey estimates that informal sector workers make up 17% of the total employed population of South Africa. Seventy percent of these workers are women. In the poorer provinces, the figures are higher. Workers face poor working conditions, unstable employment, high levels of competition and low earnings. They have no legal protection. Opportunities are limited by lack of access to resources such as land and credit.

Retrenchments in South Africa's formal sector will push more and more workers into the informal sector.

Job creation policies often focus on micro-enterprises and the informal sector. Because of the poor conditions in these sectors, this can lead to the continued marginalisation of many workers. No employment strategy can ignore the

informal sector. In order to avoid the pitfalls, however, the following interventions need to be made:

- **Developing a comprehensive informal sector database**
A much more comprehensive understanding of the sector is ... than we have at present.
- **Incorporate the informal sector into the formal sector**
The informal sector should be subject to the same regulations as the formal sector. Informal sector activities which generate substantial income should be linked to industrial policy and pay tax.
- **Develop a regulatory framework**
Even if the informal sector is brought into the formal sector, it will still pose unique regulatory challenges. A large proportion of informal sector labour is self-employed. Nevertheless, dependencies and exploitation can exist even amongst the self-employed if there is a strong reliance on a supplier. These relationships need to be regulated.
- **Design effective development strategies**
Development of informal sector activities is often constrained by lack of access to finance, education and productive resources. Barriers which prevent development must be removed.

Rural employment

Rural South Africa is characterised by high levels of unemployment and poverty. Employment and tenure are extremely insecure for the black rural population. Black women face particular marginalisation.

Employment creation in the rural areas poses many challenges. These include the physical limits to agricultural expansion (such as the availability of fertile land and water), the fact that land redistribution, on its own, without further resources to allow for productive activity, is not enough to

ensure survival, and limits to current government land policy

A vision for rural employment needs to take into account both economic justice and equity issues. This means a twin strategy of returning people to their land and of securing and improving the conditions of employment of rural people.

Redistribution

Millions of people could gain access to opportunities for productive activity through a comprehensive programme of land redistribution. People settling on the land would have to use it productively. This can only be done with state support. The higher the level of support, the more jobs can be generated, especially if support is geared towards producing and marketing surpluses. The greater the support, the greater potential for spin-offs in the secondary and tertiary sectors of the economy in rural areas.

Women

At present, women perform the bulk of subsistence and small-scale agricultural production, although, in most cases, they do not own the land, are denied the right to make decisions about its use, and are not paid for their labour. If, with state support, surpluses are produced and sold, these workers could be paid for their work. More importantly, however, equal and independent access to land for



State support is needed for people to use the land productively

women must be made a right.

Co-operatives

The state can also play a role in establishing and transforming agricultural co-operatives, which could be purchased collectively by members over time.

Processing and storage

The decentralisation of processing and storage of raw agricultural produce would benefit the local economy.

Share options

Redistribution could include infrastructure. Farmworkers could use household grants to buy into farms. This

would improve their job security and conditions of work. Such schemes need to be approached carefully, however, to ensure that workers do not end up carrying unsustainable enterprises.

Shifting the balance

Formal collective bargaining on the farms is the only way to ensure that no further jobs are lost and that conditions are improved. Although there is a legal framework in place, skewed power relations on the ground make bargaining a paper right only. The state has a vital role to play in this regard.

It is also essential that a halt be called to the current trend of retrenchments and evictions on the farms. State intervention is also needed to improve conditions of work. Once again, while legal rights exist, they are not being implemented.

The state should consider:

- the establishment of a national training fund, financed from farm profits;
- pro-active monitoring of farms;
- extending education in the rural areas;
- education on legal rights;
- incentives for the formation of area-based negotiating forums capable of dealing with land conflict.

In the current socio-political environment, farmers are shifting towards forms of employment which allow them to by-pass legislation. The use of casual and sub-contracted labour is growing rapidly. Women are taking up jobs previously set aside for men, but in a cheapened, deskilled and temporary form. The extension of basic conditions of employment to sub-contracted and seasonal workers is a priority. The rights of migrant and child workers also need to be protected. Other policy options include:

- Shifting to labour-intensive production*

South Africa's land use policies have

been distorted by apartheid policies. Even the World Bank accepts that African agriculture would be more economically viable if it used more labour.

Regional integration

Initiatives which allow the rest of southern Africa to make fuller use of fertile land and which allow South Africa to develop processing infrastructure, which is also highly labour-intensive, should be explored. Care must be taken, however, that South Africa does not come to dominate the regional economy. ★

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Chrome International

investment at what cost?

On 11 February 1997, CISA celebrated its 'ground breaking' ceremony at Newcastle, KwaZulu Natal

The new factory will produce sodium dichromate and chromic acid, which are used in the manufacture of paints, tanning materials, computer discs, dyes, varnishes and chrome plating. Production is expected to start in July this year.

CISA is a 50/50 joint venture between two companies: Bayer and Sentrachem. Bayer is a large, German transnational corporation (TNC) with operations around the world. Sentrachem is a smaller, South African chemical company which was recently bought by Dow Chemical, an American TNC. Bayer will be responsible for marketing CISA's products, 80% of which will be for export.

The initiative has been welcomed by many in this economically depressed area. The construction stage will provide jobs for 1 200 workers. Construction costs are estimated at more than R 100-million. There will be obvious spin-offs for local industry.

Once completed, however, the plant is expected to provide only 100 permanent jobs. In the longer term, residents may find that the disadvantages of the development far outweigh any advantages.

Sodium dichromate and chromic acid have extremely high toxic levels. They are known to be carcinogenic (causing cancer) and pose a risk to workers,

Chrome International South Africa (CISA), a subsidiary of the giant transnational company, Bayer, is building a new plant in Newcastle, KwaZulu-Natal. The chemicals it will be manufacturing pose a potentially deadly risk to workers and surrounding communities. Neil Newman asks whether this is the kind of investment South Africa needs.

surrounding communities and the environment. Bayer's track record in South Africa and other countries does not bode well for the future of workers at Newcastle. Unions, community and environmental groups will need to keep a close watch on developments.

Bayer in South Africa

Bayer was one of the TNC's which openly violated calls for sanctions against the apartheid regime. It maintained a strong South African presence throughout the apartheid era. Critics allege this was in line with the parent company's collaboration with the fascist Hitler regime during the

1930s They maintain that Bayer used slave labour from the concentration camps during the Second World War.

In 1991, Chrome Chemicals South Africa (CCSA) - which had been taken over by Bayer in 1974 - at Merebank, Durban, was closed down after a long struggle by the CWIU to secure compensation for workers.

For three decades, workers at the plant had been breathing in dangerous levels of highly toxic chromate dust. The union found that workers suffered from diseases caused by the dust on a scale never before recorded

In April 1991, 215 workers were retrenched when a major part of the operation was closed down. The Industrial Health Unit (IHU), an NGO working in the health field, was asked by the union to investigate the medical status of the retrenched workers. The IHU found that:

- 3-4% of the workers had complete nasal septum perforation (NSP) - a hole in the cartilage plate that divides the nose into two parts. Some workers had holes so large that they could put a finger in one nostril, through the hole, and out the other nostril.
- Related symptoms were also recorded. These included chronic sinusitis, rhinorrhoea (runny nose), continuous nasal blockage and a whistling nose when breathing
- Between 1986 and 1989 at least three workers had contracted lung cancer. All three had their services terminated and died soon after without any compensation.
- Out of a staff of between 20 and 25 white employees, five were reported to have died of lung cancer.

The problem [at CCSA] had a long history. A 1976 government commission found that "75% of workers at CCSA had active lesions in their nasal passages and 46% had

complete nasal septum perforation". A commission noted that "these findings are...extremely disturbing and would appear to indicate a lack of concern regarding the physical welfare of the workers..."

Despite this report, little was done to force the company to take responsibility for the problems. All the workers assessed as being 3% disabled and typical compensation was a R200 to R400 once-off lump sum payment. Workers laid off when they became sick and soon afterwards. Since the latency for the cancer which the dust causes is about 20 years, many workers only became ill after they had retired.

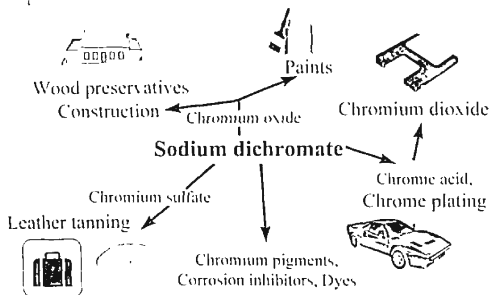
Risks

The short- and long-term consequences exposure to chrome chemicals are well documented. Bayer itself is well aware of these. A 'Safety and Data' sheet produced by the company in November last year states that exposure to chronic acid and sodium dichromate can "cause cancer by inhalation. Contact with combustible materials may cause fire. Also toxic if swallowed. Causes severe burns. May cause sensitisation by skin contact. Very toxic to aquatic life, may cause long-term adverse effects in aquatic environment."

Waste disposal is a major problem. If waste is left untreated and unprotected, dust can blow into the air. Heavy rainfall can result in the waste seeping into rivers or wells. Surrounding communities and animal and plant life are then at risk.

For every 70 tonnes of sodium dichromate produced, about 90 tonnes of toxic waste has to be disposed of. The production capacity of the Newcastle plant is expected to be 70 000 tonnes per year. This will translate into 90 000 tonnes of waste a year. Where will this waste be stored? What measures will be put in place? How safe will the surrounding area be?

Use of Chromium Compounds



Protection

Technology to prevent workers being exposed to chromate dust was available at the time. In fact, it was being used at Bayer's production plant in Leverkusen in Germany. The German plant was virtually dust free. There have been no recorded cases of dust-related diseases at the plant for more than 20 years. Bayer did not install such technology in South Africa because it would have increased production costs.

There are two main reasons for Bayer's decision to open the New castle plant:

- According to the company, the Leverkusen plant in Germany has become 'uneconomic'. Bayer hopes to achieve lower production costs and higher profits in South Africa.
- Bayer already owns the Rustenberg Chrome Mine in South Africa. Locating its production facility closer to its source of raw materials will also save the company money.

South Africa is not the only country in which Bayer has a bad track record.

Brazil

The Bayer chrome chemical production plant at Belford Roxo, Brazil, has caused both occupational health and environmental problems. Waste was dumped on the premises of the production site without adequate protection. The wind carried the dust to a nearby settlement, causing community members to suffer skin and respiratory problems.

The community demanded that Bayer at least cover the waste. Then it was discovered that Bayer had disposed of an average three tonnes of untreated waste per year in the nearby river during the 1980s. The maximum legal level of waste was 0.5mg/l, but a reading of more than 12mg/l was measured.

In 1996, five workers in the packaging sector of the plant were diagnosed with

nasal septum perforation as a result of inhaling sodium dichromate, chromic acid and chromosol. Only one of the workers was in a condition to receive corrective surgery. The damage to the other four was permanent. The Workers' Compensation Form was filled in and sent to the relevant government department (the INSS). However, the INSS denied any connection between the disease and the workplace and declared the workers 'fit for work'. No compensation was granted. The worker who underwent surgery was dismissed when he returned to work.

Mexico

A chrome chemical production plant (Cromatos) in Lecheria, Mexico which was owned by Bayer, had similar problems. In 1978, it was estimated that 46% of the workers suffered from nasal septum perforation. Other symptoms were skin ulcers and respiratory problems. A nearby school was abandoned after waste from the plant seeped into the school's water supply. It was reported that the waste, mixed with mud was used to fill potholes in the streets. The plant was closed in 1978.

Spain

In Barcelona, Spain, the water company sued Bayer after contamination of water wells by chromium forced the closure of the wells. It was alleged that Bayer attempted to bribe the manager of the water company to drop the case, without success. The water company took Bayer to court. While the court proceedings were still on, the government passed legislation declaring Bayer's dumping procedures legal and the water company lost the case.

Challenges

The production of chrome chemicals at Newcastle introduces the risk of

contamination and exposure to workers, well as to the surrounding communities and environment. It is crucial that all interested parties get together to ensure that the potential for the disasters that have followed the company around the world, are eliminated at Newcastle.

Trade unions, environmental groups and community based organisations must ensure that CISA puts adequate safety measures in place before production begins.

The law

A key aspect of any campaign would be to put pressure on government to impose stricter controls on companies producing hazardous materials.

In other countries, Threshold Limit Values (TLVs) are used to lay down the legally permissible levels of exposure of hazardous materials. They may apply to levels in the air or in substances like water or food.

Depending on the interests they represent, different agencies tend to set different levels. Scientific or medical agencies support very low values, while business groups would like much higher levels. Governments often try to find a balance between these different interests. The result is that TLVs are the outcome of political negotiations rather than scientifically determined values. In Germany and the United States, for example, TLVs are negotiated between government, business and labour.

In South Africa, TLVs are called Occupational Exposure Limits (OELs). In 1995 the government adopted regulations for the control of hazardous substances. The OELs for chromium compounds laid down in these regulations are much higher than in other countries. The permissible level for chromic acid, for example, is 100 times higher than in America.



Delegates at the solidarity workshop, November 1997.

Waste disposal

Methods of waste disposal will determine the health of the community and the surrounding environment. CISA must be asked to spell out the methods it proposes using. Research must be conducted into the most appropriate measures available. Safe waste storage and disposal must be demanded, irrespective of the costs involved. Government must pass new legislation to ensure that the company falls in line. Legislation is, however, useless unless it is enforced. Regular inspections by government and independent inspectors must be carried out to see that the company is sticking to the letter of the law. Workers should also insist on medical check-ups at least twice a year.

South Africa needs foreign investment. We do not need investment that will cost us dearly in terms of our peoples' health.

TNCs are constantly in search of profit. They threaten governments that they will not invest if conditions are imposed which threaten profit maximisation. They go where labour costs are low and environmental standards are compromised.

The Newcastle community can learn a great deal from communities in the other parts of the world where Bayer operates.

International solidarity is a crucial part of the campaign for acceptable health and environmental standards. The TNCs need to be made aware that it does not matter where in the world they go, workers will demand their right to a safe working environment. A start to this process was made in November last year. Shopstewards from Bayer in Germany, the CWU and the South African Chemical Workers' Union (SACWU) came together in a workshop on chrome chemical production.

Once the new plant at Newcastle is up and running, it will be far more difficult to make changes. Unions and other groupings need to take action now to ensure that the CISA plant is safe for both workers and the communities living in its environs. ★

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Acknowledgement: Much of the information on the experience at Merebank was taken from an article written for Critical Health entitled "Occupational diseases at Chrome Chemicals", by Mark Colten.



Tariff pricing policy

Ensuring that communities both receive and pay for basic services like water, electricity, refuse removal and sewerage is a central challenge facing our society. A crucial obstacle to this objective has been the absence of a uniform service tariffs policy.

Richard Kruger, the government representative in Nedlac's Development Chamber explains "At the moment there are hundreds of different tariff structures in operation. And there were no guidelines for municipalities regarding a service-tariff pricing policy."

In early 1996 government produced a *Possible Tariff Policy* document. The Development Chamber was given the task of developing broad principles to be incorporated into a service tariff policy. This proved to be a difficult, but ultimately successful, process.

A memorandum of understanding was finally concluded between the Nedlac constituencies in March this year.

The agreement includes the following key principles:

- self-financing at a local and regional level;
- the economic conditions suffered by the poor must also be considered in determining prices for service provision;
- fairness in setting service tariffs;
- payment in proportion to the amount consumed,

- transparency in the allocation of subsidies;
 - consistent tariff enforcement.
- A fundamental question wrestled with was how to achieve sustainable economic development while providing for the basic social needs of

Financing at local level

The agreement states that, as far as possible, services should be financed local and regional level. But it was agreed that the minimum level of . . . should be defined locally. Aubrey Lek, the Development Chamber co- . . . explains: "Conditions differ from one to another. What's right for one place not be for another. For example, pit latrines may be an appropriate basic service for one community, but in a d- area the conditions may make them a health hazard."

The agreement also recognises that all areas have the capacity to administer carry all the costs of local services. Lekwane comments: "Services should : self-financing in principal, but the need that there are communities who can't for the services they consume." In . . . cases subsidies and support would have to be provided by government. Kruger comments, "Government admits there need for subsidies for the poor." Government won't run away from its commitments."

Services for the poor

The agreement recognises that historical and economic conditions have created conditions of poverty within many communities. These conditions must also be taken into account when prices for services are set. It was agreed that the poor should not be excluded from the provision of services, nor should they automatically suffer from significantly reduced levels of service. Life line tariffs should be established to ensure that all people have access to a basic service.

Use and pay

The agreement states that scarce resources such as water need to be exploited with care and properly paid for. It endorses the principle that consumers should pay in proportion to the amount of services they consume.

To achieve this, effective metering should be put in place. Failure to pay for correctly and efficiently billed services (where adequate administrative provision is made to make payment possible) should lead to consumers' services being restricted or suspended.

But Howard cautions that "the solution for non payment can't simply be based on blaming the poor for unwillingness to pay. The government must address their real needs." Kruger feels that "the first step is to have a tariff policy in place, then the next thing is to put in place proper credit control, to deal with non payment."

Economic development

The need for services to contribute to sustainable economic development emerges clearly in the agreement. It was accepted that all households, with the exception of those trapped in poverty, should pay the full operating and maintenance costs of the services they receive. Unsustainable subsidies will end

up using the funds needed to maintain infrastructure and in the long term lead to deterioration of services.

Businesses which are large service users have in the past enjoyed tariff concessions. However, in the future they should only receive such support if it can be shown to contribute to processes of economic development in the area.

It was also agreed that high levels of tariffs on mining, industry and commerce could have serious negative effects on development. Lekwane explains, "High tariffs can force companies to relocate resulting in a loss of jobs and revenue in the area."

Fairness and transparency

The principle of fairness was established to ensure that individuals and groups are not discriminated against. For example, in the past the impact of the Group Areas Act and other apartheid policies resulted in even neighbouring communities receiving unequal services in terms of both quality and cost. Lekwane illustrates the point: "The coloured community in Enterdale argues that Soweto just across the way gets lower tariffs. The principal of fairness allows communities to challenge such discrimination."

But the document also recognises the need for cross-subsidisation. Cross-subsidies use the income generated from service payments in more prosperous areas to support the delivery of services in poorer communities. This issue has been the source of intense conflict and suspicion. The key agreement which emerged was the need for transparency and clear criteria in relation to such practices.

"Historically there have always been



cross-subsidies," says Lamprecht, "but no-one knew where the money went to". Business representatives in particular argued that it was vitally important that the uses for which cross-subsidies are intended should be clearly spelled out.

Businesses and residents should know, for example, whether their service payments are being drawn on to buy cars for officials, or to provide

services to the poor.

The agreement also states that cross-subsidisation should normally be used to cover the capital costs involved in expanding basic services, rather than on operation and maintenance costs.

Lamprecht comments that, "The Tariffs Agreement does not answer all dilemmas but gives guidelines to determine pricing policy."

New codes agreed

Picketing

Director of Ditsela, and former official of the CWIU, Chris Bonner, remembers how pickets were carried out in the past: "Some unions had agreements with employers on procedures for picketing. But generally they were done on a rougher basis. Often things would get nasty.

There was always the threat of security laws, with pickets being disturbed by the police and picketers sometimes being arrested"

The labour convener of Nedlac's Labour Market Chamber, Muzi Buthelezi, has this to say about picketing in the past. "The way pickets were conducted differed from union to union, company to company. Many unions resisted discussing a code because they felt that it would restrict unions in terms of strike action. But whether there was a code or not, there was always the problem of police interference."

Things should be different in the future. There will be a place for properly organized picketing. In February the social partners at Nedlac reached agreement on a code of good practice on picketing.

The purpose of the code is to

provide guidelines to assist employers, employees, the CCMA, labour courts and the SAPS in interpreting and applying the LRA.

Co-ordinator of Nedlac's Labour Market Chamber, Liesel Kostlich, explains: "The code gives additional guidelines on how to interpret the LRA. It does not apply to all pickets and demonstrations. It only applies to pickets in support of protected strikes or in opposition to any lock-outs in terms of section 69 of the LRA."

The code tries to ensure proper communication between employers and employees during and before a picket.

Key aspects of the code include the following:

- A registered trade union must authorise a picket.
- Picketing rules – the parties should try to negotiate picketing rules before a picket starts. Factors to consider when negotiating these rules include number of picketers, location, time and duration of the picket, conduct during the picket, and the code itself. Where no picketing rules have been agreed the CCMA may stipulate rules.
- Pickets on the employer's premises require the permission of the employer, which may not be unreasonably withheld.



- Conduct during the picket - trade unions must appoint a convenor and marshals to oversee and monitor a picket. The employer party must also appoint a representative. Picketers may carry placards, chant slogans and sing and dance. Picketers may not physically prevent entry of persons to and from the workplace.
- Role of the police - the police have a general duty to uphold the law and may take reasonable measures to keep the peace.

The police

A key area for debate during negotiations of the code was the role of the police. The code makes it clear that, "it is not the function of the police to take any view of the merits, in particular of the disputes, giving rise to a strike or a lock-out. The police have no responsibility for enforcing the Labour Relations Act."

The Picketing Code provides a way forward to prevent past problems on the picket line recurring. Properly implemented, it should lead to a better understanding of the roles and responsibilities of parties before and during a picket.

New retrenchment code

During the LRA negotiations in 1995, it was agreed that Nedlac should issue a code of good practice on dismissals based on operational requirements, commonly referred to as retrenchment, as a schedule to the LRA.

If there is no alternative to retrenchment there needs to be a fair procedure to deal with what is a very traumatic experience. A Code on Retrenchment was finalised in Nedlac in February this year.

The government convenor of Nedlac's Labour Market Chamber, Les Kettleidas,

believes this code is very important. "The code amplifies what's in the law. It gives guidelines on how best to conduct the process of retrenchments. Previously, different agreements were reached regarding retrenchments at enterprise and collective bargaining levels. This code gives clarity with regard to a number of things. For example, it gives a definition of operational requirements, clearly elaborates how consultation should be conducted and clarifies selection criteria."

Reasons for dismissals based on operational requirements are defined in the Act. These include the economic, technological or structural needs of the employer. Liesel Kostlich explains "What the code does is it tries to clarify this definition by explaining these terms more fully."

The code says the following: "As a general rule, *economic reasons* are those that relate to the financial management of the enterprise. *Technological reasons* refer to the introduction of new technology which affects work relationships either by making existing jobs redundant or by requiring employees to adapt to the new technology. *Structural reasons* relate to the redundancy of posts consequent to a restructuring of the employer's enterprise."

Key aspects of the code include the following employer's obligations:

- Employers must explore alternatives to retrenchments
- Employees to be dismissed must be treated fairly.
- There must be consultation with employees in an attempt to reach consensus
- Dismissed employees must be given preference for rehiring



- ❑ There must be proper consultation around matters, including measures to avoid dismissals, the time of dismissals, ways to minimize the negative effect of dismissals, methods of selecting employees to be dismissed and the severance pay for dismissed employees.
- ❑ Fair selection criteria include length of service, skills, qualifications and the LIFO (last in first out) principle. Severance pay provided for in the Act is a statutory minimum and parties can negotiate improvements.

If an employee 'unreasonably' refuses alternative employment his/her right to severance pay is forfeited.

Muzi Buthelezi is upbeat about the

Retrenchment Code: "What is good is it emphasizes consultation between unions and employers. It is also saying employees that they must consider rehiring workers. What often happens that workers are fired and contract workers are brought in."

Both the Picketing and Codes will be published in the Government Gazette. Copies are also available from Nedlac.

The business convener of Nedlac's Labour Market Chamber, Bokkie Botha, summarizes the value of these codes "Many employers and employees have good relations. But the value of these codes is that you spread best practice across a wider spectrum."

The Nedlac work programme

Priority issues which have been targeted for completion in the first half of 1998 are:

- ❑ The jobs summit
- ❑ Competition policy
- ❑ The Social plan
- ❑ The Employment Equity Bill
- ❑ The Skills Development Bill
- ❑ The Water Resources Bill
- ❑ Housing

Labour Market Chamber

- ❑ *The Skills Development Bill* deals with a skills development strategy for South Africa. The focus of negotiations since October 1997 has been on the financing and governance of training. An agreement on the Bill should be reached by the end of March.
- ❑ *The Employment Equity Bill* deals with unfair discrimination and affirmative action in the workplace.

Negotiations began in March 1998.

- ❑ *Demarcation guidelines* are for the demarcation of sectors. Demarcation will determine which companies and groups of companies are grouped together in an industry sector for collective bargaining purposes
- ❑ *Sexual harassment*: development a code of good practice regarding the handling of sexual harassment cases.
- ❑ *LRA codes of good practice*: of good practice concerning and 'retrenchments' have been agreed on (See pages 48-50 for more details.)
- ❑ *Basic Conditions of Employment Act codes of good practice*: two codes are being dealt with, 'Arrangement of working time' and 'Protection of pregnant and lactating employees.'

Development Chamber

- **Housing:** looking at boosting delivery of low income housing
- **National Water Bill:** provides legislation on the management of our scarce water resources. A preliminary report will be submitted to government and parliament's portfolio committee by mid March
- **Memorandum of Understanding on Service Tariffs:** Nedlac has finalised a memorandum of understanding which develops broad principles to determine tariff pricing policy for basic municipal services like refuse removal and sewerage. The memorandum has been finalised (See pages 46-48 for more details)
- **Masakhane:** the Chamber is currently playing a role in building the Masakhane Campaign

Trade and Industry Chamber

- **Competition Policy:** Government tabled a policy document on competition policy last year. It attempts to combat unfair business behaviour, for example, restrictive practices or abuse as a result of a dominant position, which is not in the public interest. Negotiations on the framework of principles which will shape legislation commenced in March 1998
- **The Social Plan:** deals with a basket of different measures to assist workers who have been retrenched. It is looking at measures, for example training, counselling and small business development programmes, which will cushion the impact of mass retrenchments on workers and their communities
- **The Workplace Challenge:** is addressing issues related to productivity in the workplace. The 2nd phase was launched in March. Two

sectors, footwear in KwaZulu-Natal, and Plastics in Gauteng, have already been selected in order to closely examine a number of issues related to productivity. These include democratisation of the work place, retraining and the sharing of gains

- **Trade and Negotiations with the EU and SADC:** Nedlac continues to provide a forum for South African trade negotiators to consult with business and labour. The Chamber is also making inputs on, for example, South Africa's tariff offer to the EU and SADC and non tariff barriers to trade
- **Industrial Development Zones (IDZs):** It has been agreed that Nedlac will host a workshop to look at issues related to IDZs. The workshop will address, among other things, labour's fears that labour standards will be compromised in IDZs

Public Finance and Monetary Policy Chamber

A policy session with the Minister of Finance was held in March. The chamber was briefed on the budget and the Medium Term Expenditure Framework (MTEF). The session also addressed the issue of strengthening the Chamber's capacity to facilitate effective dialogue on fiscal and monetary policy matters

Other issues

The Jobs Summit: all the parties in Nedlac agree that employment creation is a top priority. A jobs summit to explore strategies for employment creation is to be convened by the President. Intensive planning for the Summit, involving negotiations, information-sharing and setting priorities is underway in Nedlac.



Employment equity

The final draft of the Employment Equity Bill has been welcomed by many and rejected by few.

It is too early to tell what the outcome will be. Though the principles of the final draft have been agreed by the parties, discussion in Nedlac on the finer details is expected to begin in May.

The Bill is expected to be enacted in July.

Objectives

The Bill has two principle purposes: to implement positive measures to eliminate discrimination in employment, and to provide guidelines for companies to promote occupational equity by encouraging the equal representation of black and women workers and the disabled.

Achieving these objectives means confronting a legacy of unequal education, job reservation, racism and discrimination in the workplace.

The Bill estimates that only 1% of disabled people are employed in the formal sector of the economy. Black women account for a disproportionately large percentage of the unemployed. Those who have jobs work at the lowest end of the Labour market. Over one third of women are self-employed and 70% of women workers in the formal sector earn less than R500 a month. African workers comprise 70% of public sector workers, but only 30% of management.

by *Malcolm Ray*

Proposals

The Bill does not set out concrete remedies for traditional barriers to employment equity.

Described by the Department of Labour as "an enabling piece of legislation", it is based on the principle of voluntarism. Minimum requirements for a broad process are set out. These include:

- Companies with more than 50 workers will have to draw up 'equity plans' which reflect national or regional demographics. The plan should contain numerical goals (the Bill recommends a representative workforce consisting of 75% black, 5% women and 5% disabled), a timetable to remove discrimination, mechanisms to bring about equity and union-management consultation procedures.
- Management will have to provide annual reports to the Department of Labour on progress.
- A Department of Labour Inspectorate will police the process.
- The onus to provide proof lies with employers. Failure to make 'sufficient progress' is punishable by fines of up to R500 000 for the first offence and R900 000 for the fourth.
- Equity goals should be achieved within a five-year period.

- A Commission on Employment Equity appointed by the Department of Labour will oversee the whole process

Reaction

The Bill has not elicited the same degree of comment from labour as other labour legislation. Business, however, is guarded. Soon after the publication of the final draft, the Bill came under fire from Business South Africa (BSA) and traditionally white political parties. In its submission to the Department of Labour earlier this year, the BSA accepted the principle of eradicating inequalities caused by the apartheid system. But it argued against the "direct infringement of the government in the private sector".

The BSA's main concern relates to the Bill's enforcement of numerical goals to achieve equitable representation. "Instead of sweeping numerical goals," it argues, "an equity process should be underpinned by economically sustainable productivity considerations which enable companies to become competitive."

Another refrain from business is that the Bill discards merit and experience, and will lower standards in the production and service sectors. It proposes a 'code of best practice' as an alternative. For the BSA, the market, rather than state, should decide what is best for business.

COSATU's response was predictable. The federation said recently that it is not unexpected that organisations opposed to the Bill articulate the views of those whose privilege could be most affected. According to the federation, the Bill will go a long way towards deepening the social and economic transformation process.

Weaknesses

The Democratic Party's Tony Leon's statement that the Bill will not create

employment opportunities for the millions of black and women workers has some merit. It raises a serious question: will the Bill seriously impact on inequalities?

The Bill can be criticised on several grounds. First, the measures to ensure employment equity are vague and ineffectual. There is no clarity on the steps employers need to take to implement equity targets. The Bill leaves this to 'consultation' between employers and unions. Companies with weak union organisation or no organisation at all might be able to slip through the process unaffected.

Secondly, employers will not be forced to employ 'unqualified' workers. Even though there is insistence on numbers to achieve sufficient equity, the skills base of black and women workers puts a spanner in the works of the equity process. Employers can easily justify their failure to achieve targets by raising the skills shortage among disadvantaged groups as a barrier.

Thirdly, the Bill fails to recognise that an equitable skills development process is a precondition for employment equity. It simply encourages employers to train, retrain and develop workers.

Finally, the exemption of companies with less than 50 workers might encourage employers to downscale or subcontract work.

The equity process is more likely to reinforce traditional barriers to fair employment opportunities. Vulnerable workers in the informal sector and unskilled and unemployed workers on the periphery of the formal sector will be excluded from the Bill's ambit. At best, the Bill can be expected to change the complexion and gender profile of a new breed of managers and skilled workers. *

In the union...

women union officials speak out

The number of women in wage labour in South Africa has grown dramatically. A survey by S Pityana and M Orkin shows that between 1970 and 1992 women as a proportion of the labour force increased from 33% to 36%.

Women workers suffer various forms of discrimination in the labour market. The starkest way in which this is manifested is in their exclusion from senior positions.

South Africa's trade unions have been at the forefront of struggles for gender equality at the workplace. Their record as employers shows, however, that they have a long way to go in terms of putting their own house in order. Since the 1980s the number of women holding leadership positions in the unions has actually declined.

Writer Roseline Nyman refers to a 'glass ceiling' which prevents women from progressing through the ranks to hold high positions in the unions. A recent survey of full-time officials in COSATU and its affiliates by Sakhela Buhlungu highlights the effects of this ceiling. While 41% of union officials are women, women are concentrated in administrative positions, which are the lowest paid jobs in the unions.

The survey also found that although a number of women officials have moved between jobs within their union (job mobility), this has not resulted in their moving out of administrative work. Instead, they have tended to rotate in

Women workers in South Africa suffer various forms of discrimination. The labour movement is no exception to this rule. Women who work for COSATU and its affiliates shared their experiences with Maleboko Tshoaedi.

administrative positions (from branch, to region, to head office).

Buhlungu's survey has been complemented by in-depth interviews with 20 women employed by COSATU and its affiliates. The majority are administrators, though there were a couple of organisers, and one full-time gender co-ordinator.

Education

In his 1991 study of COSATU, Jeremy Baskin concluded that one of the reasons why women do not advance in the unions is their lower educational qualifications.

Buhlungu found that, overall, the educational level of union officials is improving. This is one of the factors which has enabled male trade unionists to move on from the unions into positions in business or government.

The evidence shows that women in the unions are also improving their educational qualifications. The number of women with higher qualifications is, in fact, proportional to that of males. Unlike their male counterparts, however, this does not open doors to new career opportunities.

The women who were interviewed identified the following problems which impact on their job mobility:

Patriarchy

South African society is still extremely patriarchal. The common perception is that it is the responsibility of a woman to take care of her family and children while the man is out establishing his career.

This perception has tended to limit women from advancing in *their* careers. Since union leadership is predominantly

male, union activities are structured in a way that does not accommodate women, making it difficult for them to fully participate.

A CAWU branch administrator said "Sometimes it may be that women have too many responsibilities. Working in a union and having domestic duties is too much for women. If a woman is a general secretary of the union, it may be impossible for her to participate in union activities like her male counterparts. If she is asked to attend a conference in Cape Town, she has to first think of her family."

Meeting times put women in a very difficult position. A SACCAWU administrator said "They hold their meetings late, at the very time when we have to get home and cook for our families, help the children with their homework and wash them. Everything is

waiting for you. When we raise the problem, we are not taken seriously."

A NUMSA regional administrator added "You know, I would have liked to have done more things. I just couldn't. There are opportunities to go somewhere - meetings, conferences and so on, but there's that pressure on you. Being a woman limited my participation in the union."

Male partners often add to the constraints. The administrator from CAWU noted that "A problem for most of us married women is that some of our husbands are not happy with women who are involved in politics. They do not understand why you have to attend a conference on a weekend or

COSATU and affiliates

Occupational positions according to gender

Current position	Male	Female	Total (M & F)	Females as % of total
Local administrator	2	32	34	94
Branch administrator	1	24	25	96
Regional administrator	3	48	51	94
HQ administrator	5	53	58	91
Local organiser	79	7	86	8
Branch organiser	33	8	41	20
Regional organiser	46	6	52	12
National organiser	24	3	27	11
Branch secretary	17	4	21	19
Regional secretary	23	1	24	4
General secretary	10	0	10	0
Research officer	6	3	9	33
Legal officer (regional)	14	3	17	18
Legal officer (national)	2	3	5	60
Education officer (branch)	4	0	4	0
Education officer (regional)	12	0	12	0
Education officer (national)	11	3	14	21
Media officer	5	0	5	0
Other	43	40	83	49
Total	340	238	578	41%

Source: Union officials survey, Buthe (1997)

attend meetings in the evenings."

Women have to put their careers on hold in order to hold on to their relationships. A PPWAWU branch administrator had the opportunity to apply for a job as an organiser, but she declined. "Since I am engaged, I had to take a break. I used to attend meetings, some of them in the evenings or on Saturdays, and conferences, which often took two or three days. But now I have to take a break. Being an organiser is too demanding." A woman organiser from another union was given an ultimatum by the father of her children: "leave the union or I will leave you!"

Attitudes

The research indicates that men in the unions still have a very long way to go in overcoming these attitudes. A (female) CAWU regional organiser argued that: "In the labour movement, there is still that belief that women can not be good organisers, that it is only men who must occupy these positions. Men are still oppressing us in the unions, it is our own comrades who are suppressing us." A woman from SARHWU noted that: "At staff meetings issues on gender are pushed aside. If you try to challenge them they will come to you and say you talk too much, such that you are scared to talk, that maybe you'll be fired."

Discrimination

The women who were interviewed believe that they are being directly discriminated against when it comes to promotion: "Even if you apply (for an organiser's position) they do not even call you for an interview. It is mostly men who are called for the interviews" (SAMWU administrator).

"When an application comes, they don't read the content of the CV, immediately they see that it is a female, then they'll put

it aside" (PPWAWU gender co-ordinator).

In some unions women are denied access to positions because they have to break their service when they are pregnant. A CAWU organiser reported that "The union used to employ women organisers. But now they are saying that they will no longer employ women organisers because we get employed and soon we get pregnant and we have to go for maternity leave."

Lack of support

Women are also not given support by fellow women officials and members: "Even us as women we do not support each other. For instance, if I apply for an organising position, women will not support me, instead they will discourage me. They will say you won't make it because of the distances that organisers travel and the pressures that you will get from the companies."

Sexual harassment

Sexual harassment is a major problem in the union movement. According to a SAMWU organiser: "In each and every workplace sexual harassment exists."

One of the interviewees who is an administrator said sex was sometimes as the means to job security or promotion "Most of the girls in this region do it. To where they are (referring to top positions) they either had to sleep with somebody or be somebody's girlfriend."

Reporting the matter does not help. The CAWU administrator said: "We had difficulty because many people are afraid of this person. For us women, there is no structure where we can report such issues. Even when we approached the office beaters, they failed to solve the matter because they were afraid of this person." Another pointed out that the matter would never be resolved, because "the



Martha Mokwena, NEHAWU organiser. Most women officials work as administrators.

person you are reporting to is a man" Women have left the unions because they cannot stand the situation. Some women prefer to stay at home because "they don't want to pay for the job with their bodies."

Frustration

Administrators are at the bottom of the union hierarchy. There are few challenges or opportunities for growth. A NUMSA regional administrator said "It's really becoming a routine because I know exactly what I am going to do today or tomorrow. There's no longer any challenge."

The women are office-bound. "We don't go out, (we) don't really know issues or problems that affect the union. Sometimes you read about it in the paper or see it on the television news" (SAHRWU administrator)

Lack of training

There is a general lack of training. Where training is given, it relates only to administrative work. A SAMWU regional administrator said, "We were interested in

the new LRA, but none of us has been selected to attend such courses."

In contrast to the administrators, women in organising positions find their jobs challenging and interesting.

No career path

Due to the limits on upward mobility in the unions, most of the women who were interviewed plan to leave the union.

Most of the women interviewed indicated that there were no career prospects in the trade unions. A woman from SAHRWU stated that, "I don't really see myself within the union for a longer period. There's a lot more going on outside the union that we people working in the unions are missing out on. If you are in a career, you want to grow. If things remain the same, I can't see that I will be growing in any way in my current position."

Asserting rights

Some interviewees felt that women are partly to blame for the situation they find themselves in. The PPWAWU gender co-



SARHWU meeting: meetings are held at times when women cannot attend.

ordinator said: "There is also a weakness with us. We are saying that we are not given opportunities, whilst we do not force ways to get these opportunities." Her colleague in the union felt that: "We can't keep on making excuses by looking at what was happening in the past."

Women's abilities are doubted not only by men, but by themselves. An administrator from SAMWU said that: "They don't have confidence in themselves as women and they have feelings of inferiority. They do not believe in themselves, they have that belief that women are not capable of achieving anything that men can do."

While there is clearly some truth in these statements, asserting their rights will not be sufficient to change the position of women in the unions. If women are not given support, either at home or in the workplace, their chances of advancement are slim. It is unfortunate that an opportunity for concrete support - in the form of the quota proposed at the recent

COSATU congress - was missed. The union movement will have to search for ways to make up for this lost opportunity. ★

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Self-employed women

The Gauteng Self Employed Women's Association (GASEWA) was formed in March 1991

Its aim was to develop the building blocks for a trade union for self-employed women in Gauteng

GASEWA was preceded and influenced by the development of two well known organisations which aim to empower women through collective action - the Self-Employed Women's Association (SEWA) based in Ahmedabad, India and the Self-Employed Women's Union (SEWU) based in Durban, KwaZulu Natal. SEWU has been a particularly important model for GASEWA and continues to be today

Between July and September 1996 GASEWA employed two researchers. The second researcher served as a full time organiser. Her main task was to organise and recruit women to GASEWA. A second organiser was employed in December of that year.

The challenges presented to the GASEWA organisers were enormous. Self-employed women have been exploited to such a degree that they find it difficult to trust anyone.

To be effective, the organisers have to break through protective walls and convince women that their concern for their needs is genuine. GASEWA presently has 200 paid up members and 27 elected shopstewards.

by Sibongile Masangwane

Self-employment

Women turn to self-employment because they cannot find jobs in the formal sector of the economy. Factories are closing down because of the cheap goods coming into South Africa from the East. Others are retrenching. Those women who have jobs are losing them.

As a result of apartheid education, women have low levels of education. They do not have the skills which will enable them to find jobs in the factories.

South Africa is part of the global economy. Goods are moving from one country to another, and so is production. A big shoe company from overseas, for example, brings leather to South Africa. It employs women who used to work in shoe factories in this country to sew the shoes from home. When the shoes are finished, they are taken back overseas, painted and labelled as though they were made in that country. The company gets rich through using self-employed women. They pay low wages, and they do not have to pay for benefits such as medical aid and pension.

GASEWA members can be divided into broad categories

- street vendors selling fruit and vegetables,



Graduates celebrate, February 1998.

- sewing groups;
- women selling cooked food at factories and schools;
- women selling second hand clothing and knitting jerseys;
- beauticians.

We also have members who buy brass and shoe products in large amounts from Durban and sell in Johannesburg and those who hire telephones from Telkom and provide services to the public. Some members do catering and baking of cakes.

Problems

Self-employed women face many problems, including:

- lack of information about their rights or how to improve their skills;

GASEWA Branches exist at:

- Johannesburg City Centre
- Springs City Centre
- Alexander Township
- Soweto
- Vosloosrus
- Tembisa Location
- Spruitview
- Kwa-Thema Location

- lack of access to credit. The bureaucrats in the banks have a positive negative attitude to self-employed women.
- high prices from suppliers.

Achievements

GASEWA believes that the empowerment of women starts in small ways. So far we have managed to assist women to access courses offered by the Department of Labour on education and woodcraft. Women organised by GASEWA

assisting each other, and learning from each other.

Empowerment

Last year, the Ford Foundation sponsored GASEWA members to attend a five course offered by the Foundation for Economic and Business Development (FEBDEV).

Seventeen GASEWA members have successfully completed the diploma course. They graduated on 17 February 1998. The key speaker at the graduation was the Minister of Welfare, Pensions and Development, Geraldine Fraser-Moleketi.

Trade union

On 20-21 March 1998 GASEWA declared itself as a trade union. This will enable GASEWA to be more effective in its fight for the rights of self-employed women. We will also make the organisation more accountable to its members. ★

Sibongile Masanguwane is an organiser GASEWA. Contact GASEWA - Tel. (011) 333-6696, Fax: (011) 337-3111

New challenges, old constraints

the automobile sector

When auto workers emerged on a landmark national strike led by NUMSA in 1991, there was reasonable cause for celebration. Workers successfully halted the biting effects of depressed trading conditions on their jobs, forcing employers to agree to a moratorium on retrenchments. In return, the union promised to co-operate in efforts to improve productivity. The agreement was driven by the recognition that the survival of the industry hinges on increasing its competitiveness in the global market.

The victory was short lived. Since the heady days of the strike, conditions have worsened considerably. The principle gains won by NUMSA are being clawed back by employers as the complexities of implementing productivity improvements at plant level sharpen. Pressure to rapidly restructure and become competitive is resulting in a relentless rationalisation process. Labour is facing the cost. Flexibility, cost-cutting measures and job losses are once again looming large. Workplace democratisation is under threat.

MIDP

In a bold attempt to resolve the problem the government released the Motor Industry Development Plan (MIDP) in 1995. The new policy seeks to restructure the industry in line with the following objectives.

- become more productive and

As tariff protection comes down, the auto sector must restructure to survive in a fiercely competitive global market. Malcolm Ray finds that automation, cost-cutting and job losses are dominant features of the new order.

- internationally competitive;
- reduce tariffs;
- ensure growth;
- develop human resources and create employment opportunities;
- minimize the use of foreign exchange.

The plan is based on the Australian model of 'export complementation'; it reduces import tariffs by 3.5% a year until 2002, and encourages the export of locally sourced components to secure duty-free imports. It also encourages the creation of a smaller, more efficient industry by 'rationalising' both the components and assembly sectors and bringing down the number of auto models produced locally.

The plan is clearly an inversion of the old policy: instead of promoting inward industrialisation, it looks to a complete reorientation of the components sector towards international markets.



Beyond protection

The question is whether the new policy will permit the industry, still heavily reliant on preferential tariffs, to compete internationally in any meaningful way. Contrary to assumptions that the MIDP will cure all ills, greater exposure to world markets has had adverse and unintended consequences

Instead of reducing the number of models produced locally, a proliferation of cheap, imported cars is hampering the heavily over-traded industry. Last year most manufacturers reported substantially reduced turnovers and falling profit margins because of unsustainable price cutting. An estimated 34 models – the highest in the world – entered the country. Forecasts for this year are worse. *Finance Week* (28/1/98) notes that plunging import duties – which could see tariffs drop by 54% – and the untimely devaluation of the South-East Asian currency could see foreign manufacturers such as Hyundai and Daewoo reducing prices by as much as 10%.

Most low-volume manufacturers are repositioning themselves to import rather than manufacture locally at higher costs. Consistent with this trend, exports of locally produced components are declining. International assembly plants are turning to the emerging markets of South America, Eastern Europe and the Pacific rim for cheaper supplies. Figures released by the National Association of Automobile Manufacturers (NAAMSA) late last year show a potential increase of between 8% and 10% of vehicle sales accruing to foreign companies in the first quarter of this year.

Constraints

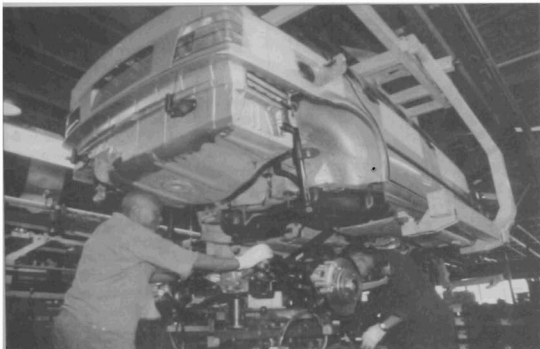
The industry is on the horns of a dilemma: it is forced to enter the global economy saddled with structural constraints that

competitors – principally in the emerging markets – do not face.

- South African labour and raw materials are not particularly cheap in global and technology is still a long way behind industrialised countries. The government's policy of import substitution (inward industrialisation) and the diverse demands of the domestic market restricted manufacturers to small-scale production runs. This tempered the development of 'mass production' methods and consequently delayed the introduction of cutting-edge technology, which would have been an essential step towards making the industry a player in the export market.
- The growth of the components industry, arguably the backbone of the industry, remains stunted by the industry's marginal status as a 'satellite' or 'warehouse' for highly automated, multinational component suppliers in industrialised countries. Many component firms operate under 'franchise agreements', relying on imported components from parent companies abroad. Local component firms are constrained by the product and prescriptions (licenses) of parent companies.
- The comparatively high cost of locally manufactured cars, high interest rates and the rapidly shrinking disposable income of (white) consumers has fragmented the industry into a number of small-scale component and assembly companies competing with each other. The spin-off effect is an over-supply of the domestic market which does not allow for adequate economies of scale.

Rationalisation

Taken together with South Africa's isolation from global developments, the



Pic: Abul/Fox et

A relentless rationalisation process underway

factors substantially inhibit meaningful restructuring efforts at plant level. While there is reasonably common ground between labour and employers on the need to improve productivity, a restructuring strategy which is kinder on workers is deeply contested between the parties.

For their part, employers are worried about their capacity to keep pace. Toyota chairperson, Bert Wessels, sums up the problem. "To meet the growing competition caused by market changes and reduced protection for local manufacturers, companies must supply a relatively sophisticated international market with value-added components. It is a tall order to expect employers, still a long way behind the global market, to compete in the export market."

Much needed technological and organisational innovations are not easily adaptable to the inherited skills structure of the workforce. Overall unit costs for

fully built up kits are high by international standards.

David Duncan, the author of a 1997 study on the auto sector, sheds more light on the issue. "Unlike typical post-Fordist (flexible) production methods, the industry has inherited a production process characterised by racial patterns of production and consumption. South African plants rely... on a top-heavy managerial layer deploying much larger numbers of unskilled and semi-skilled black workers than are required to produce the same number of cars abroad."

Not surprisingly, present thinking among employers on restructuring is shaped by cost considerations. Their preferred strategy is to rationalise work organisation to fit the requirements of technological change. The tendency is to trade job security for efficiency, a strategy clearly incompatible with employment security.

SAMCOR

The main elements of this strategy are thrown into sharp focus at plant level. In his study of SAMCOR, a motor assembly plant in Pretoria, Franco Barchiesi shows how major investment in capital intensive equipment placed the company at the forefront of cost-cutting innovations.

In 1991 SAMCOR embarked on an ambitious modernisation programme aimed at expanding its use of robotics five or six fold. Highly flexible machinery enables the company to adapt its operations to local demand for a differentiated range of models with relatively little change and short set-up times. Barchiesi describes the degree of automation: "The introduction of robots controlled by programmable microprocessors used in spot-welding and in its body-framing line speeds up output per car comparable to international standards. The body shops alone employ 47 robots. Fifteen kilometres of conveyors transfer (vehicle) units through the plant's eight body shops, two paint shops and six assembly lines."

In the first stage of the production process, workers are employed to 'spot weld' the undercarriage and engine compartments. Then, robots re-emphasise the spots, welding the entire body.

The paint shop and final assembly stage are fully automated. Only painting of the interior using 'cup guns', final waxing, sealing of products, and quality checks are done manually. Four workers complete the final assembly stage.

Flexibility

SAMCOR's approach to restructuring does not involve any improvement in work organisation or management structure.

Barchiesi observes that the company's attention to technological detail is matched by a highly flexible organisation

of work. The insertion of flexible technology into the production process has merely segmented the labour force into increasingly routinised operations: "Manual operations are standardised, based, homogenous and directed at small units. Workers are divided into semi-autonomous teams located in small group activities... This is not achieved by a reduction of the grading system... flattening of the management hierarchy... supervisors stand by their position, very little interaction is observable between workers in production."

Workers are "adaptable to tooling operations for diverse models." They are removed from the overall technological design of the production process. This capital intensive operation, sometimes labelled 'lean production' or 'Taylorism' allows for very little worker responsibility and self-initiative. Decisions are taken entirely by management. The difference between the traditional labour method of production and the SAMCOR scenario is that labour time is reduced output per unit of production is increased.

If anything, Barchiesi concludes, the SAMCOR case demonstrates the link between automation, flexible production and product diversification. It is the sector's way of adapting to the low cost base and peculiar demand patterns of the domestic market.

Cost cutting

SAMCOR's cost-effective, high-tech flexible strategy is a direct response to the peculiar productivity challenge facing manufacturers. It aims at increasing productivity in the form of diversified, small volume output for a competitive internal market at a lower cost.

Production output is not increased; rather, the unit cost of production is decreased through an increase in

productivity. In the short term, this strategy can be expected to exert considerable strain on employers to cover overhead costs, particularly the cost of technological innovations.

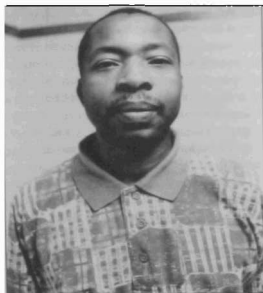
For management, the way out of this problem is to increase the rate of exploitation by rationalising the labour process. This involves a smaller number of portable teams performing 'ad hoc' tasks to meet production targets. A core of experts and technicians employed in permanent functions oversee this process. Writes Barchiesi, "Production teams at SAMCOR are part of a top-down regimentation structure. Rather than 'horizontal' representatives of a defined production area, teams are a form of rationalisation of the factory hierarchy. They emphasise cost-cutting and the stringent control of workers."

A discernible rationalisation trend can be seen in other companies. Plans are already underway for Toyota's manufacturing plants in Durban to ditch the assembly of completely knocked down components. The plants will perform final assembly operations on semi-built imports using 'high tech flexibility'. In this way, a considerable chunk of the assembly line will be done away with.

Component suppliers

Similar spin-off effects can be expected to afflict the component supplier pipeline. The increasing reliance of assembly plants on semi-built imports instead of locally sourced knocked-down components is bound to decimate this sector. In some cases, assemblers with in-house component plants are outsourcing their operations, modelled on the 'Just in-Time' system to speed up the production process.

The cumulative effect of this restructuring strategy leaves deeper structural problems besetting the



Tony Kgobe.

components sector intact. It does not break out of the market constraints facing components suppliers and therefore fails to achieve economies of scale.

Component firms are still locked into the production of low-value heavy parts - a legacy of import substitution - leaving the supply of technologically advanced components to foreign companies.

Union response

NUMSA is implacably opposed to the employers' approach to restructuring. Tony Kgobe, the union's auto sector co-ordinator, points to a number of concerns.

Employers are not looking at the long-term sustainability of the sector. Their restructuring strategies are 'short-term measures' to survive the impact of tariff reductions. Plant-level restructuring is a 'crisis response' to short-term pre-occupations, as in the case of outsourcing, downsizing and employment reduction.

In terms of this perspective, the estimated 70% of workers who are functionally illiterate and innumerate are an expensive cost. Since 1995, employment

levels have declined by about 10% as a result of cost-cutting measures. The figures are rising steadily. Toyota expects to reduce wages and salaries as a percentage of operational costs by more than 5% this year. More than 500 workers will be retrenched in the process. Mercedes-Benz recently announced plans to reduce its 3 800 workforce by 8% in the coming months.

Kgobe concedes that the low skills base poses serious problems for productivity-enhancing methods of production: "A worker's ability to read statistical information or articulate a programmed task is severely hampered." He is confident, however, that costs can be saved and productivity improved by ridding the industry of bureaucratic waste, flattening the management structure, skilling workers and involving workers in decision-making and long-term planning.

Competition unfortunately means that training becomes training for flexibility. Most companies are unwilling to spend large sums of money on training workers to achieve higher production volumes while supply continues to exceed demand.

Dead end?

Given the obvious limitations of the MIDP, is there a realistic way out of the productivity problem? Or has the industry reached the end of the road? Kgobe believes that there is hope for the components sector. He blames the "fundamentally flawed assumptions underlying the MIDP" for the seemingly hopeless state of affairs: "Despite its good intentions, the MIDP has contributed to the present crisis. Instead of focussing on medium-term regulatory measures based on a clear strategy to improve the productivity of labour, it enforces the weakened industry's exposure to fiercely competitive global market forces at the

expense of domestic growth and employment security."

He acknowledges that the industry cannot ignore global realities. Reaping fruits of economies of scale is, however, a matter of forging closer links between component suppliers and multinationals. "It takes time for smaller companies over an extended period to reach the bottom-line," he says, "is that the comparative advantage of the components sector will be limited and the industry will remain a marginal producer unless exports increase."

An industry policy which is more responsive to changing patterns of international competition and ensures employment security would fit this objective. The reality, however, is that employers are already under pressure to become competitive in a relatively short period of time. While the auto sector might be able to maintain assembly operations, the development of an export-oriented components sector will be difficult in the near future.

Options

The only hope seems to lie in the adoption of a less ambitious strategy, geared towards domestic growth. The challenge is to combine comprehensive supply-side measures (for example, training) with export incentives to help develop internationally competitive companies while protecting domestic markets from foreign competition. Kgobe recommends the following measures:

□ Training

The first step is to ensure a comprehensive training plan for workers in the components and assembly sectors. Current provisions are woefully inadequate. Supply-side measures put in place by the DTI have not been combined with the sector-specific training needs required to facilitate the restructuring of the

industry Training needs can only be met by a national effort which has the full backing of the government. A pooling of resources may lend coherence to the present patchy plant-based methods of training. It would allow individual companies to share their strengths without undermining their competitiveness.

Regional trade bloc

A second step would be to work towards regional trade and the possible formation of a bloc of regional partners. The sector could create a centre for researching and testing components for use in South African and African conditions. This would greatly assist the industry's hopes for trade in the wider African market rather than attempting to compete with the enormously capital intensive countries of Europe, Japan and North America.

1) Transport scheme

A third step would be to establish a scheme to provide transport to the mass market in South Africa. Government-supported supply-side measures to buy up the tooling for an obsolete model overseas and establish a plant in a high unemployment area in South Africa would not distort the market. This would create jobs and a manufacturing capacity in areas where a strategic need is identified. It would also address chronic transport problems by providing more affordable models to mass consumers.

2) Time-frame

Finally, the time frame set out in the MDP must be extended to permit a more gradual reduction of tariffs. Moving towards a sustainable global agenda is possible provided the industry is given adequate time to build up its manufacturing capacity.

The success of this approach will stand or

fall on the attitudes of the parties. The critical issue is for labour, employers and government to agree on a long term vision for the industry. A greater willingness to co-operate is necessary. Unless this is accomplished, the present trend toward job loss will continue and the threatened closure of uncompetitive companies will be hastened. The few surviving manufacturers will remain peripheral adjuncts of major multi-national players in the global marketplace. ★

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Institutionalised racism

In the past, it was difficult for a black person (African, coloured or Indian) to obtain employment with the Cape Town City Council. Things have changed since the 1994 elections. However, black people are still to be found in mostly subordinate positions. This is despite a much-vaunted 'restructuring' programme, which is supposed to address 'historical imbalances'.

The former, mostly white, functionaries of the apartheid regime are still entrenched in key positions in the council. They use the bureaucratic machinery to protect their interests. By means of dirty tricks, rumour-mongering, innuendo, red tape, and undue delays, amongst others, they sabotage the effective transformation of the council. They are determined to obstruct the advancement of competent, well-qualified black professionals.

The majority of black workers still have no clear job descriptions and thus no clear career paths. Most of the work entrusted to black workers has no connection with their formal education and training. It seems that black people are employed as mere tokens to soothe white guilt. In practice, very little has changed since 1994.

by John Williams

The statistics speak for themselves.

In 1993 whites constituted only 24% of the workforce in the council, yet they comprised 97,1% of top management. 'coloureds' made up 73,4% of the workforce, but occupied only 1,4% of posts in top management.

The statistics for mid-1997, which are shown below, indicate that whites continue to dominate the upper echelons of the council.

How does one explain this situation?

It has to be realized that centuries of racism and material exploitation cannot be wiped out by the mere stroke of a

Employment statistics Cape Town City Council – 30 June 1997

Employment category	White	Coloured*	A†
Top Management	55 (84,6%)	10 (15,4%)	0 (0%)
Middle Management	494 (84,5%)	73 (12,5%)	17 (2,5%)
Professional	423 (68,1%)	177 (28,5%)	21 (3,4%)
Technical	942 (48,1%)	921 (47%)	86 (4,4%)
Semi-skilled	1 315 (18,8%)	5 349 (76,3%)	349 (4,9%)
Unskilled	21 (0,4%)	5 237 (92,4%)	408 (7,2%)
Total no of employees	3 260 (20,5%)	1 1787 (73,9%)	881 (5,5%)

Source: Department of Human Resources, Cape Town Municipality, January 1998.
*Indians are a very small percentage of the workforce in Cape Town and for practical reasons are included under 'coloured'.

pen, nor can racist, oppressive, condescending, paternalistic, ethnocentric attitudes

Racism is not a word, it is not merely an idea. It is a living experience for the majority of people in this country. It is woven into our daily lives. To suggest that one should not refer to the tenacious

Culprits

In September 1997 Peter Jones of Green Point wrote the following letter to the *Cape Argus*:

"The two biggest culprits who have ignored the [policy of affirmative action] are none other than city manager, Andrew Boraine, and executive director, Philip van Rynveld, who were both appointed in the first place because of their political allegiances.

Mr Boraine recently appointed two white liaison officers, while Mr van Rynveld's record was not much better, appointing eight white mates out of nine senior management posts.

What makes matters worse is that all these positions came at exalted salaries. Needless to say, many candidates of colour with university education were overlooked for the posts. This begs the question: are the new directors still influenced by the 'old guard' who are in the main, English-speaking whites? If this is indeed the case, then transformation in the civic centre could be a pipe dream.

Needless to say, the morale of the staff is at an ebb lower than in the apartheid era, simply because the hopes and aspirations of empowerment have not been realised.

Ahmedi Vawda, executive director, has not been entirely blameless as he also has entrenched whites in [top] positions and ignored people of colour who have doctorates. As a citizen of Cape Town, I demand that the transformation be speeded up, otherwise the executive directors must do the honourable thing and resign."

effects of racism is to conceal, hide and purposefully distort the experiences of black people in South Africa.

Racism is well and alive even while some people are talking so glibly about the 'New South Africa'.

Central government must take immediate steps to remedy the situation. It should

- appoint a Commission of Enquiry to investigate the effectiveness of existing transformation fora in the council,
- conduct a reliable skills audit in the council,
- scrutinize the current evaluation procedures used to screen candidates who apply for promotion. The present procedures appear to merely function as a smokescreen to affirm the appointment of pre-determined candidates,
- monitor black advancement on a regular basis and set targets and time-frames for concrete, visible change throughout the council,
- institute a rehabilitation programme to introduce and reorient management to the ethics and principles of non-racial, non-condescending humane employment practices.

Central government has an opportunity and, indeed, duty to act against all forms of racial exclusion, marginalisation and subordination. Black workers expect nothing less. ★

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John Williams works for the Cape Town Municipality and is a member of SAMWU!

The BCEA

principles and practice

On 17 November 1997, the Basic Conditions of Employment Act (BCEA) was passed by parliament. A new set of basic conditions of employment was brought into being. Many more workers now enjoy protection. The Act has also revolutionised enforcement and created an environment for greater labour market efficiency.

Passing laws in parliament may be the end of one process, but it is only the beginning of another: putting the law into practice. Before the Act can take effect, a number of steps need to be taken by the government on the one hand, and the social partners on the other.

The Minister of Labour recently announced that the Act would be promulgated (brought into effect) in two phases. The first phase happened on 21 March and the second will take place between August and October.

In the first phase the chapters on child labour, the Employment Conditions Commission (ECC) and sectoral determinations, as well as the provision on the earnings threshold for working time will be promulgated. In the second phase the majority of the substantive changes in working conditions will be promulgated.

Child labour

While we know that child labour exists in South Africa, we do not have a good picture of how big the problem is. Official

The Basic Conditions of Employment Act (BCEA) has passed through parliament, but much work remains to be done before it is put into practice. Lisa Seftel outlines the steps that are being taken to implement the Act.

statistics estimate that there are at least 200 000 children working.

At least half of these are working on farms. But children also sell goods on street corners, load bricks at brick yards, sell their bodies on the streets, and clean our homes and taxis.

Child labour is a complicated problem. Poverty, adult unemployment and poor schooling all contribute to the problem. These problems should not, however, be used as an excuse to allow child labour to continue. Some very poor countries have managed to prevent children from working in exploitative situations.

Child labour can be prevented if there

- free, quality education;
- support for families and parents, including job creation projects;
- sensitisation about the dangers of child labour;

- effective laws, with strong measures that can be taken against employers who exploit children

Provisions

The chapter on child labour says that no child under the age of 15 may work. The age limit is based on the fact that, at present, children must attend school until they are 15 years old. If the minimum school leaving age increases, the limit in the Act will also increase.

The only exceptions are children who perform in adverts, sports and artistic or cultural activities. The Minister of Labour will issue regulations setting out conditions of employment for these children.

If an employer employs a child under the age of 15, he or she can be prosecuted. The maximum penalty is three years in jail.

It is also an offence to help an employer employ a child, or discriminate against somebody who refuses to allow a child to work.

Health and safety hazards at the workplace affect children more strongly than adults. Children suffer more from the effect of chemicals, radiation, heat and noise. The health effects can be devastating, creating irreversible damage to young bodies.

The Act protects those children who are allowed to work from dangerous working conditions. No child between the age of 15 and 18 may be employed in a job which is inappropriate for that child's age, or that places the child's well-being, education, physical or mental health or spiritual, moral and social development at risk. The Minister of Labour can issue regulations which prohibit or impose conditions on the employment of children between the age of 15 and 18. For example, the Minister can prohibit such

children from working underground in the mines, or from working in chemical factories.

ECC

The other chapters of the Act which were promulgated on 21 March are those relating to the establishment of the ECC (the body set up to advise the minister on basic conditions) and the chapter on sectoral determinations.

The promulgation of these chapters will assist with the implementation of the rest of the Act as well as ensure a smooth transition between the Wage Board and the ECC.

Earnings threshold

Finally, the provision on the earnings threshold is to be promulgated. This will allow the minister to request the ECC to investigate what an appropriate earnings

Why now?

The section of the BCEA on child labour is being brought into effect now for a number of reasons.

- Unlike the other chapters, it relies on the existing enforcement system of the criminal courts. To enforce the other chapters, a new enforcement system still needs to be put into place.
- Child labour involves glaring human rights abuses. Up until now, there has been no mechanism to prosecute employers employing children.
- The issue of child labour is gaining international prominence. Following on from the International Conference on Child Labour in Norway last year, an international Agenda for Action to eliminate child labour worldwide has been adopted.

One aspect of this international campaign is a Global March against Child Labour. The Africa leg of this march started in Cape Town on 21 March, Human Rights Day.

CHILD LABOUR

PHOTOGRAPHIC EXHIBITION AT THE WORKERS' LIBRARY AND MUSEUM, NEWTOWN CULTURAL PRECINCT, JOHANNESBURG



OPENING 27 FEBRUARY 1998 MONDAYS TO SATURDAYS 9 am to 5pm ADMISSION FREE

At least 200 000 children work in South Africa.

threshold for the chapter on working-time would be.

Those workers who earn above the amount set would be excluded from the provisions on the overtime rate, pay for work on Sundays and so on

This determination needs to be made as soon as possible so that employers and employees can adjust their contracts of employment or agreements to be in line with the Act.

The second phase

The rest of the Act, including substantive conditions of employment, will be promulgated in the second half of the year

Effective implementation will require a number of steps, including:

- **Changes to conditions of contracts and collective agreements**
Collective bargaining agreements and individual employment contracts will have to be aligned with the Act. Most collective bargaining agreements between April and September (the 'bargaining moratorium') would be suspended to promulgate the remainder of the Act until after this period. Employers and workers are nevertheless encouraged to become familiar with the provisions of the Act and make any changes that are necessary

It is anticipated that the major provisions that will need to be amended relate to the increase in the minimum wage rate (from time-and-a-third to time-and-a-half), the reduction in hours (from 45 to 45) in some sectors, the increase in maternity leave (from three to four months) and the notice period for termination of service. To assist the social partners, the Department will run an education and information campaign at national and local level.

- **Investigation into the possible impact of the BCEA on small business**
During bilateral discussions with

business and in the Parliamentary Portfolio Committee the minister committed himself to an investigation into the possible impact of the Act on small business before it is promulgated. This investigation is now underway. It consists of two parts. Firstly, Ntsika, the small business promotion agency linked to the Department of Trade and Industry, will do a large number of consultations and interviews with small employers. These will be given to a ministerial task team which has been asked to make recommendations to the minister on the following:

- ❶ possible legislative amendments,
- ❷ guidelines for sectoral determinations,
- ❸ possible ministerial determinations or exemptions,
- ❹ ways in which small business can be assisted to comply with the provisions of the Act.

It is anticipated that this investigation will be completed by April.

❑ **Establishment of new institutions and systems**

The new Labour Relations Act could not be fully operational until the CCMA and Labour Court were in place. The BCEA does not envisage such significant institution building. However, the ECC needs to be put in place and a new enforcement system designed on the basis of the chapter on monitoring and legal proceedings. This will involve the development of an enforcement policy – for example, when are the maximum fines imposed, what level of inspectorate imposes the fines, and so on – as well as the drafting of regulations, forms and the training of all labour inspectors.

❑ **Improvement to the maternity benefit**

The minister has also committed

himself to improving the maternity benefit offered by the UIF. This arises out of the work done by a Ministerial Task Team appointed by the minister last year to investigate the possibilities of payment for maternity leave.

The UIF is presently finalising recommendations for the minister in this regard.

The public service

Although the Act will only apply to the public service 18 months after the promulgation date, the public service needs to begin to study the Act, establish where collective agreements do not comply, and renegotiate these provisions.

The key area where public service collective agreements are less favourable than the Act is the remuneration of overtime and Sunday work. Other areas that may require adjustment are annual, maternity and family responsibility leave. ★

Isa Seftel is the Chief Director, Labour Relations in the Department of Labour.

Clarification

I would like to correct the impression that was created in my article: "Cutting standards" (*South African Labour Bulletin*, Vol 22 No 1, 1993) that the GDE is already embarking on a process of restructuring non-CS educator posts.

This is not the case. No decisions on the restructuring proposals have been made. The article reports on research that was undertaken for the GDE on both the possible advantages and disadvantages of restructuring.

We regret if the article gave the impression that the GDE is proceeding in bad faith on this issue.

*Bridget Kenny,
Researcher, Sociology of Work Unit*

Worker education

the role of history

In an ideal world, there should be no limit to the range of subjects which should constitute a worker education curriculum – it should be as wide and as open as it is to a member of the bourgeoisie, whose choice of field of study is limited only by the available resources.

However, worker education has limitations imposed not only by the restricted availability of resources but also by the worker's position in the production process.

There are obvious areas of importance:

- Economics: elements of production, the dynamics of agriculture, manufacturing, primary industry, and the service sector, the distribution of products and pricing mechanisms, the fundamentals of investment and banking.
- The role of the state and private enterprise, fiscal policy in a regional and global context.
- The organisation of production from the point of view of management and labour: legislation and labour law, health and safety.

The list could be continued. Specific South African applications would include the rights of workers under the South African Constitution, the implications of government policy on workers' lives and conditions of work and particular issues which arise out of the South African situation, including the legacy of colonialism and apartheid and how to deal with it.

Jeff Guy argues for worker education which enables workers to challenge the ideas and concepts through which capital seeks to control them. The teaching of history should play a central role in such a project.

The historical perspective

All the subjects mentioned would have to be seen in an historical perspective. To understand the world and its institutions, the mechanisms by which it is ordered, the ideas that people have about it, we have also to know something about the way in which it developed. It is only with a knowledge of the history of capitalism that we can understand it as one system amongst others. We have to know something about the great changes in society which have enabled the capitalist system to come to dominate us as it does today. We have to know something about the way men and women have struggled to extend it and have struggled against it, to understand not just the labour movement, but also the modern world system under which we live.

To understand the way in which

production is organised today, we have to know something about how it was organised in the past - to understand, for example, what is post-Fordist, we have to know something of what Fordist production was, or that flexible accumulation depends on systems of accumulation which are considered rigid, non-flexible.

More than this, we have to understand what features of South African workers' lives are shared with workers in the rest of the world - what is specific to the South African working class experience and what are the fundamental features of that experience.

It is the historical perspective which attends to all these questions.

History as challenge

At this point in time, worker education has to be oppositional. We live in an age where capitalism is triumphant, and philosophies, modes of thought, political, economic and social systems built on opposition to capital have been beaten back.

Part of this is overt. Day by day, we are confronted with ideas and concepts which pose as serious and objective analysis, but are, in fact, profoundly ideological. For example, it is assumed that we all agree that we live in a post-capitalist age, that new technologies and new managerial techniques have blurred the distinction between capital and labour. It is widely held that we live in an age of greater freedom and greater opportunity.

There are those who would question this viewpoint. They would argue that we still live in the age of capital, that we are observing not the end, but the intensification of capitalist exploitation. If we look at the *world* of capital and labour, the disparities of wealth are greater. Even if labour is more mobile, it is the mobility of insecurity. If opportunities are greater, they are opportunities to labour, not to

accumulate.

We live, we are told, in the age of globalisation. South Africa has to become a competitor in the global world to participate in its wealth. There is another point of view which historically sees globalisation as part of the process of capitalist development and as old as capitalism itself. So many of the concepts which are called new are new names only; trying to cover old concepts. A hundred years ago, capitalism used the advance of civilisation as its justification for acquiring the resources and the labour of others. It was called imperialism. Today, capitalism uses the free market to do the same - it is now called globalisation.

One of the objectives of worker education is to develop an informed and rational critique of such concepts and ideas. In an age of capitalism, it is the role of worker education to provide the understanding and the knowledge to challenge the conventional ideas of the time. Effective graduates of a 'Workers' Academy' would, for example, expose as preposterous the claims of certain South African businesspeople that they not only challenged apartheid, but were victims of the system as well.

Such a Workers' Academy would need funding and recognition, at a time when the demands made on educational resources and skills are immense. History is not considered to have much to offer in these days where the vocational outcome is all important. What is more likely is the incorporation of worker education into the National Qualifications Framework (NQF). Of course there can be no objection to facilitating this - but the ideal of worker education based on a workers' perspective as a challenge to the dominant ideologies of the day is not part of such a scheme.

The experience of teaching labour

history for the Labour Diploma at the Durban Worker College provides many insights into the future of history and the future of worker education.

The course drew on the traditions of social history, developed in adult and workers' education projects in Europe and the USA and the History Workshop movement which entered South Africa in the 1970s and 1980s as a radical alternative to the historical establishment.

Concepts

The course consisted of a weekly two-hour meeting over 12 weeks. We began by looking at some basic analytical concepts - modes of production, forces of production, forms of labour, technology, commodity, class. These were examined first within a South African context - as part of African systems of homestead production as they existed before colonialism.

The history of conquest was then considered - the loss of land, taxation, the undermining of the homestead base, its incorporation into the South African capitalist system, the logic of the migrant labour system and its social consequences, the changes wrought on African agriculture, the nature of indentured labour. The emergence of modern nationalist politics, the further integration of South African capital into the world system, segregation and apartheid and the exploitation of labour, resistance to apartheid and the growth of the modern labour movement, and the collapse of the system of racial capital which supported apartheid, were studied.

Identification

Up to this point South African history was studied as a straightforward narrative, concentrating on labour history informed by certain analytical categories drawn from the left. There was one essential

point, however. Students were always asked to relate their own lives and their own experiences to these analytical concepts and the historical narrative. Students felt that they were unable to push their personal narratives far into the past - they felt that they could date their historical lives back to, say, their parents' or their entry into the labour market in the late 1970s or 1980s. But others had access to parents' or grandparents' experiences, and could tell stories of on the coal or gold mines, in manufacturing, of labour tenancy, of removals. Some students had documents at home. Others were able to record the lives of old family members or friends.

This personal involvement in history was absolutely crucial to the course. For many students, this direct engagement with the past was crucial both in sustaining interest and in the learning process.

Contextualisation

After the main ideas had been drafted the facilitator was able to advise the student where to find documented material which could be used to supplement and contextualise the students' research. Once this was done, the student wrote the final draft, following academic conventions, of their own history, or that of their parents, or their community, and the part they played in the labour history of South Africa.

This essay was assessed internally and by an external examiner expert in the field. Finally, a panel of examiners was set up and the student examined orally on his/her research and its findings.

Achievements

With very few exceptions, students found the course to be a genuinely educative experience in which students made positive gains in a number of areas. It was a rewarding experience for the facilitator



Worker education should challenge conventional ideas.

as well. The most successful essays – perhaps one in five – were genuine pieces of research, which added to the body of knowledge of South African labour history, and gave greater insight into the lives of South African workers.

Problems

There were also negative aspects of the course. The time available for study severely restricted the students' ability to do sustained reading and research. As a result, the essays drew too heavily on subjective experience, were too biographical and too anecdotal.

A significant number of students did not express themselves in written English in a conventional manner. The criterion used was whether it could be understood, not whether the English was written in accordance with academic demands. Students were not marked down for unconventional English. An individual facilitator has that freedom – what happens

in the future when worker education falls within the ambit of the NQF?

Skills

The most serious problem is one which stretches way beyond the Durban Worker College. This is the notion that the study of history has no practical application – that it leads to no recognised qualification. In the minds of management and many progressive educators, history is a study which has no vocational outcome. Consequently, it does not attract funding, and does not attract students. Training – in keeping books, in law, in mediating and negotiating skills, can be put to use – the study of the past is a waste of time.

The point has already been made that understanding the past is integral to understanding the present. However, there are other reasons why history should form a central part of worker education. The sort of historical research which has been outlined, which is student centred,

confidence-building and, it could be argued, outcomes-based, is very real training as well. The student has, first of all, to identify a set of often difficult sources of information, some oral, some documentary. These then have to be assimilated, become part of the student's own understanding of the world, the student's own ideas. They then have to be set down in a structured form for effective communication.

The identification, assimilation and communication of information are integral to a vast range of tasks which are of vital importance in the workplace. These are real skills with a wide application. A student who can effectively carry out such a project is left with far more than a piece of personal history. She or he is also left with a set of skills with relevance and wide applicability.

Information technology

The processes of controlled and guided research into labour history creates difficulties because of the demands it makes on the limited amount of time available to workers. Part of the problem is the time it takes to get hold of sources in libraries with restricted opening hours, copying facilities and so on.

However, advances in information technology are revolutionising our lives. Computerised learning and the application of the computer to research and instruction could well provide a range of solutions to these problems. It could make a vast range of information available to the student, at times and in places



Computerised learning could solve problems.

where it is not accessible at the moment.

Worker education should go beyond training. A Workers' Academy should seek to empower workers by enabling them to challenge the ideas and concepts by which capital seeks to control them. Worker history should play an essential role in such a project. It allows students not only to understand the concerns and ambitions of the working class, but recognises the importance of their own experiences, perceptions and knowledge.

This is an ambitious project, an over-optimistic one, perhaps, given the resources and skills needed and the manner in which they are currently appropriated and distributed. It is a project, however, which needs to be taken seriously by all who are involved in worker education. ★

This is an edited version of a talk given at a workshop on worker education, Social Policy Programme, University of Durban Westville, November 1997. Jeff Guy is Professor of History at the University of Natal, Durban. He taught the Labour History course for the Labour Diploma at the Durban Worker College from 1991 to 1995.

The international mediation conference 1998



In August 1998 IMSSA, in partnership with the Centre for Conflict Resolution and the South African Institute of International Affairs, is housing an international mediation conference

The conference entitled "Peacemaking through mediation" seeks to enhance the prospects for the peaceful settlement of political conflict in Africa. This will be done through putting mediation "on the map", ie gaining greater recognition for the role mediation can play in disputes between and within states and sharing information with a view to establishing codes of best practice to assist practitioners involved in international mediation initiatives.

The conference will produce a range of lasting resources such as training material and a lobbying strategy, result in new levels of co-operation between key role players and provide much needed impetus for the establishment of a structure under which international mediation will take place.

Background

Many attempts at mediating international disputes have taken place in the latter part of this century. These mediations range from formal diplomatic interventions conducted by statesmen and women with the support of their governments, to 'second track' initiatives driven by community, church and non-governmental

by *Sharon Wakeford, IMSSA
panelist and trainer.*

groupings

With the increasing use of mediation as a tool for the resolution of international and intra state disputes, a growing body of mediation practice is emerging. Little attention has, however, been dedicated to the systematic examination of mediation techniques and therefore, international mediation remains a seemingly ad hoc and unco-ordinated strategy.

The African continent embodies many of the successes and failures of inter and intra state mediation processes. Initiatives have recently taken place in the former Zaire, Somalia, Burundi and Rwanda with differing degrees of success.

Efforts to mediate the conflict in the Sudan are ongoing and pose constant challenges to those involved in the process.

As Africa moves into a period of commitment to the ideals of democracy and human rights issues, African leaders and respected state's persons are increasingly being called upon to play a proactive role in the prevention and management of conflict on the continent. For example, South Africa's President Mandela played a key role in brokering peace in the former Zaire.

Julius Nyerere, the former Tanzanian President, has also been a critical member of the negotiating team in Burundi, albeit that his role has at times been controversial.

Track two initiatives have also taken place which are often conducted by people from NGOs, trade unions and church groups. The on-going behind-the-scenes negotiations which the UNHCR has been involved with in Sierra Leone is one such initiative.

A range of NGOs and church groups based in Kenya have also been involved in such negotiations.

The United Nations (UN) has been an important, if not always popular player, in attempts to resolve conflict on the continent. The UN has tended to play a more reactive than proactive role in its handling of conflict.

Huge resources have been made available for humanitarian assistance in the later stages of conflict but relatively little has been given for more proactive forms of intervention such as mediation at an early stage of a potentially devastating conflict.

The appointment of the new Secretary General, Kofi Annan, who is committed to the peaceful resolution of conflict and to reforming UN structures, creates an exciting opportunity to push mediation to the forefront of the international community's thinking on conflict resolution. The UN's greater commitment to mediation would also facilitate the UN playing a more proactive role in conflict resolution.

Regional bodies such as the Organisation for African Unity (OAU) and the Non-Aligned Movement (NAM), which South Africa will chair in 1998, can play a significant role in campaigning for the enhanced use of mediation.

South Africa's own recent experience of

transformation, places it critically to 'enhance its experiences and learnings with other African countries.'

Overviews

The purpose of the conference is to 'enhance the prospects for the peaceful settlement of international disputes through mediation processes'. The conference, which will have an African focus, will provide a forum for academic and practitioners to share knowledge, information and experience of inter-and-intra-state conflict resolution.

Through focussed discussion and analysis of recent mediation initiatives, the conference aims to establish codes of best practice which will build on existing knowledge and skill and increase the possibilities for more successful interventions.

The conference will promote a common understanding of mediation as distinct from coercive diplomacy. Another result will be the increased levels of networking and co-ordination between the different stakeholders. Critically, the conference seeks to promote mediation as a tool for the peaceful settlement of disputes in Africa.

This will be achieved through a strong lobbying strategy which aims to influence the international community's approach to conflict prevention and management. The conference will also work towards the establishment of formalised and well resourced structures under whose auspices mediation will be conducted.

Conference outcomes

The conference aims to:

- educate people on 'best practice' methods of mediation;
- establish networks across the formal and informal tiers;
- promote track one and track two joint

- initiatives,
- draft an international code of 'good practice',
- formalise and establish well resourced international structures to house international mediation,
- promote a greater commitment to the use of mediation,
- link up databases,
- publish a report based on the conference;
- produce documentary and training videos,
- promote parallel mediation skills training courses

The conference event

The event will take place in Johannesburg over three days from 26 to 28 August. An international audience ranging from diplomats, political leaders, union members, church leaders, mediation practitioners and civil society will be invited to attend the event.

The conference will comprise of a high profile public event combined with focussed discussion groups of selected participants. The first day of the conference will bring together key international role players. Papers will be presented by six speakers who can share critical insight into the role mediation has played in a number of international mediation initiatives.

In line with the conference's African focus, the role of mediation as an essential component of peacemaking in Africa will be addressed.

The second and third days will be more of a workshop format with participants being divided into case study groups. A number of possible case studies have been identified and five or six will be selected for discussion.

Those identified include Burundi, Mali, Angola/Mozambique, South Africa, Bosnia,

Northern Ireland, Middle East and Sri Lanka.

The focus groups will consist of 10 to 15 people selected on the basis of their particular knowledge/experience of the process. The groups will draw on individuals from the ranks of government, practitioners, NGOs, UN, OAU, SADC etc in order to bring as much diversity to the debate as possible. Within the groups, participants will look critically at the mediation process in an attempt to understand

- what helped and hindered the process,
- the role played by government,
- the role played by track two (civil society),
- how to increase the chances of a successful intervention etc.

The purpose of the discussion groups is to draw out learnings which will form the basis of codes of best practice. Serious consideration will be given to how to take the findings of the conference forward including an examination of the following issues:

- how to formalise international mediation - setting up a panel of mediation practitioners;
- where to locate a mediation, ie within or independent of the UN,
- acquiring resources for internal mediation;
- ways of enhancing networks,
- establishing a lobbying strategy.

The conference will be an extremely important event which will allow for an exchange of information and resources between practitioners, academics and policy makers.

More importantly, this event provides the forum for future relationships to be built and further co-operation on an international scale in the pursuit of peacemaking through mediation in Africa.



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A dismal record

In a groundbreaking case, a lesbian police officer has won the right for her partner to be admitted as a dependant to the Police Medical Aid scheme (POLMED)

Unfortunately, Jolanda Langemaat's case was won without the support of the two police unions - POPCRU and SAPU. She was supported by the National Coalition for Gay and Lesbian Equality and the Gay and Lesbian Police Network.

How many lesbian and gay workers are in a position to set up their own network? What are the unions doing about gay and lesbian rights?

COSATU

The Transport and General Workers Union (TGWU), a COSATU affiliate, is the only union known to refer to homophobia in its constitution. The clause in the aims and objectives of the union was reworded in August 1995 to read "We are committed to build and maintain a democratic worker-controlled union based on the principles of non-racism, non-sexism and non-homophobia".

But TGWU's commitment ends there. There is no official education programme concerning lesbian and gay equality at the workplace.

COSATU's general policy statements also commit the federation to equality and the rights of lesbian and gay people. However, the federation is not known to

by Mazibuko Jara

have done any concerted work on the issues lesbian and gay workers face at work.

The National Union of Mineworkers (NUM) is the largest COSATU affiliate, with close to 380 000 members. The union has a significant number of gay men as its members. Gay miners have formed support groups in a number of provinces. None of these groups has been able to raise, in any systematic way, questions related to their interests and demands within the NUM. They have succeeded, however, in creating an environment of tolerance and acceptance. The Gay and Lesbian Organisation of Gold Fields raises most of its funds through soccer tournaments between its members and other mineworkers.

NACTU

Information about what NACTU and its affiliates are doing or not doing on this issue is not available.

FEDUSA

Members of FEDUSA have started an Equity Forum to discuss affirmative action and employment equity issues. This Forum has discussed lesbian and gay equality at the workplace, but the discussion has not

been taken to other FEDUSA forums where policy decisions could be taken.

After the Langemaat judgement, many employers and benefit providers have consulted their legal advisors. They are asking labour relations experts and gay and lesbian activists to guide them in removing discrimination against lesbian and gay employees.

It is interesting to note that very few trade unions have done anything since the judgement. Lesbian and gay workers will be watching the unions to see what they will do when another case of workplace discrimination against a lesbian or gay employee comes up.

Seminar

The Gay and Lesbian Coalition will engage labour, government and employers on issues of sexual orientation and the workplace. At a recent workshop on 'Orientation and the Workplace', we discussed the Coalition's Policy Framework, a Code of Good Employment Practice. The Policy Proposals offer all stakeholders opportunity to understand sexual orientation as a workplace issue. ★

Mazibuko Jara is the co-ordinator of the Equal Rights Project at the National Centre for Gay and Lesbian Equality. He writes in his personal capacity.

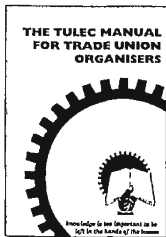
The TULEC Manual for Trade Union Organisers

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- A list of useful contracts and references

The manual comes in a file format and regular updates will be sent out annually.

For more details contact us at (021) 47-7848



The Asian crisis

implications for South Africa

Less than a year ago the Asian tigers were seen as models of development by many in South African business and government. Even some unions and workers were beginning to whisper about the 'Asian miracle'. That was before the Asian 'flu' - the economic turmoil which engulfed at least half a dozen of Asia's Newly Industrialising Economies (NIEs) in mid 1997. By the end of the year, observers were speaking of 'carnage' and 'ruin' in the region.

The details of the collapse are staggering. Within a few months:

- 56 financial institutions closed in Thailand,
- 16 banks shut their doors in Indonesia,
- shares on regional stock markets had declined by up to 41%;
- currency values fell dramatically - the Indonesian Rupiah by as much as 75%, with the Thai Baht and the Malaysian Ringgit not far behind.

By late last year Korea, Thailand, and Indonesia were going to the International Monetary Fund (IMF) begging for a bailout. Even Japan, considered by some to be the most powerful economy in the world, was reeling from the crisis.

The roots of the crisis

The turmoil in Asia ostensibly began with the devaluation of the Thai currency on 2 July 1997. This sparked falls in currency values throughout the region.

Up until the recent crisis, the Asian 'tigers' were seen by many in South Africa as models for development. John Pape analyses the implications of the crisis for South African workers.

In today's globalised economy such devaluations are not accidents. They are the result of powerful global economic forces. In this instance, the most publicised players were the international speculators. At present, speculators move some \$2 trillion a day across the globe. These 'money mandarins' buy and sell currency, shares, or whatever will make a quick profit. In the last two decades, such speculators have taken over from old style investors - those who build factories, construct roads, or buy farms. In 1975 only 20% of global foreign exchange transactions were for speculative purposes. By 1997 the proportion was 97.5%.

When speculators decide that a particular economy is going sour, they will attack that country's currency - selling it off quickly and driving down the value. In part, this is what happened in Asia. Some analysts estimate that speculators made

\$30-billion out of the decline of the Thai Baht alone.

The root cause of the Asian crisis does not, however, lie with massive currency deals. Underlying the collapse is the demise of a development model - the free market, export-oriented economy. The history of the most recent NIEs - Thailand, Malaysia and Indonesia - underlines this fact.

Since the early 1980s these three countries have been growing at a rapid rate. Their development was based on the current vision of many South African policy makers - foreign investment and internationally competitive exports.

Foreign investment was forthcoming in enormous amounts, mainly from the Japanese, who were desperate for new markets and production sites. Between 1985 and 1990, Thailand, Malaysia and

Indonesia received \$15-billion in investment. Most of this was directed towards export industries such as electronics, rubber products and machinery. But this success was built on a shaky foundation of dependency on Japan and rising debt.

For awhile export income grew; the for imports grew even faster. To cover the deficit, the three countries borrowed from foreign banks and pressed even harder to increase exports. But a debt was mounting that could not be rolled over forever.

Decline

The first stage of the decline was in the early 1990s, when production costs began to rise, particularly as labour demanded slightly higher return for their efforts. Japanese companies pulled out and moved to China and Vietnam, where labour costs were lower. In Thailand alone, Japanese investment fell from \$2,4-billion in 1990 to \$578-million by 1993. There were desperate attempts to retain foreign investment. High interest rates were designed to attract speculators. Domestic investment projects were financed through borrowing.

It gradually became apparent, however, that domestic investment was not yielding any profit. Local banks had borrowed money overseas to provide loans for the construction of luxury townhouses and high-rise office blocks which were standing unoccupied. In some cases, up to 20% of local bank loans were being written off as bad debts. The foreign investors and speculators sensed that the game was up. They began to take the money and run.

As the foreign investors vacated, the currency values fell, thus increasing the cost of debt repayment. The Thai government used up most of its US



NEW TOOLS - OLD GOALS

dollar reserves buying up its own currency in order to try to prevent an enormous dive

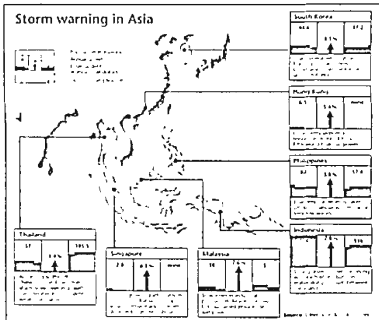
In the end, there was no way of avoiding a collapse. Once the Baht went down, the Indonesian Rupiah and the Malaysian Ringgit followed. The fall of these currencies raised the greatest fear possible in the hearts of the foreign banks: they may not be able to collect their debts.

The global economy does not allow such a crisis of potential unpaid debt to remain localised. This is doubly true when, as in this case, the debt was owed primarily to western based banks. For both the debtors and creditors in the Asian crisis there seemed to be only one option: call in the IMF.

The IMF

IMF intervention in a debt crisis has two purposes. The immediate objective is 'solving' the crisis. The key element of any solution is to ensure that international banks and financial institutions ultimately get their money. To this end, the IMF provided loans of \$57-billion to Korea, \$13-billion to Indonesia and \$18-billion to Thailand.

The IMF also uses a crisis as an opportunity to re-shape the assisted economies in the free market mould. While the Thai and Indonesian economies were already fairly open to foreign trade and investment, key sectors, especially the banks, were protected. Korea had much



stronger limitations on foreign participation in their economy.

The conditions which the IMF attached to its bailout resulted in more opportunity for foreign control. Regulations imposed by the IMF forced Korea to allow up to 55% foreign ownership in local companies. Previously the maximum was 7%. The IMF also levered open the financial sector. For the first time Thailand permitted overseas firms to hold a controlling interest in Thai banks.

By late November, Citibank of New York had signed a memorandum of understanding to buy 50.1% of first Bangkok City Bank.

While the speculators and corporations were counting their profits, the region's workers were tightening their belts. Indonesia was perhaps the hardest hit. Job losses are expected to reach at least 2.5 million. Inflation soared. In a period of five months, the price of rice, the main staple food, went up by 36%. Charges for electricity tripled. Many workers lost the little savings they had when the region's banks collapsed.

The situation is likely to worsen in the future. Central to the IMF's conditions is 'fiscal discipline' which will undoubtedly lead to cutbacks in services such as education and health. There is also the fear that migrant workers may become the scapegoats of the crisis, with some 2.5 million migrants in Malaysia likely to be deported to their home countries

The global economy

The long-term effects of the crisis on the majority of the population raise important questions about the global economy, especially for workers in countries like South Africa.

While East Asia was the epicentre of the crisis, repercussions spread to many countries. In November, the tenth largest commercial bank in Japan folded - the largest bankruptcy in Japanese history. Many attribute the collapse to panic withdrawals by customers who feared that the bank had made extensive loans to Korea.

On the other side of Asia, India also felt the pinch. The Indian authorities took the dramatic step of raising interest rates by 2% in order to discourage investors from withdrawing their money. Stock markets around the world, from New York to London to Johannesburg, experienced convulsions

Global speculators played a major role in this process. The decline in profitable outlets for productive investment, coupled with the rise of new technology, means that no country can remain immune to the effects of quick shifts in global trends in speculation.

Apart from exposing the global nature of the system, the events in Asia have heightened another crisis - that of the New Economic Paradigm. Since the fall of the Soviet bloc, many business people and economists have heralded the arrival of a

'new paradigm'.

Under this new paradigm, it is supposed to supposedly deliver growth and prosperity. The cycle of 'boom and bust' which has been a main feature of 20th century capitalism was to be a thing of the past.

For a few, the new paradigm remains intact. Michel Camdessus, Managing Director of the IMF remains his belief in the market. For him it is the foreign investors, speculators or international financial institutions bear the blame for the Asian crisis. In his region's economic policy makers his view, failed to set appropriate interest rates.

A host of other observers have argued that the recent crisis is caused by a fundamental flaw in the world capitalist economic system.

Fred Goldstein of Workers' World Service, attributes the crisis to structural problems in the capitalist system. He argues that there was a crisis of overproduction. Potential consumers did not earn enough to buy the goods which were being dumped on the market. This suggests that the Asian crisis might be a world-wide depression.

Harsh criticism of the globalised economy has also come from key A-1 leaders. The most prominent voice has been that of Malaysian Prime Minister Mahatir Mohamad. He accused global speculators of leaving "a trail of destruction behind them... disoriented economies and nations wherever they went... For so long as globalisation is not controlled, their capacity to exploit and damage economies will increase... they will strike fear into the hearts of governments and finance ministers of businessmen and people, rich and poor alike."

Even long-time free marketeers have begun to waver. Conservative econ-



R.P.O. Workers of the World Series

Pressure will be put on workers to labour for even less money

like Harvard's Jeffrey Sachs, frequent adviser to the IMF, have called for greater regulation of the fund. Referring to the fund as a "small, secretive institution" he criticised the fact that "IMF decisions have been taken without any public debate, comment or scrutiny," adding that, "it is time that the world take a serious look at the International Monetary Fund."

Such positions were echoed by billionaire George Soros who made his fortune off crises like the Asian situation. In assessing the recent events he remarked "We have this false theory that markets left on their own tend towards equilibrium. I'm afraid the prevailing view, which is one of extending the market mechanism to all domains, has the potential of destroying society."

If Asian economies and workers suffered a serious blow in the crisis, so too did those who have been holding up the free market as the solution to all economic problems.

For countries like South Africa,

presently moving toward a greater engagement with the market forces of globalised capitalism, the meaning of Asian events should be dissected with extreme care.

South Africa

In the middle of the crisis, Raymond Parsons, head of the South African Chamber of Business, declared "Indonesia has pneumonia, South Africa has simply sneezed." But the jittery commentary in the local business press indicated serious concerns that South Africa's condition could deteriorate rapidly. Although South Africa was not hard hit this time, there is no guarantee of future immunity. Moreover, there are a few after-effects that we can anticipate.

The changes in Asia will directly impact on the government's drive to become 'internationally competitive'. With the enormous decline in the value of Asian currencies, exports from Indonesia, Thailand, Korea and other countries will

become cheaper on the world market - and more difficult for South Africa to undersell. The pressure of competition will be made all the more difficult by the fact that the authoritarian regime of Suharto in Indonesia is likely to put pressure on local workers to labour for even less than the current legal minimum of about R280 per month.

Local markets may also be adversely affected. Cheap exports from Asia could flood the South African market, undermining domestic industry. Company closures and job losses could follow.

In the long term the events in Asia may derail the government's quest to attract foreign investors. With the vulnerability of powerful economies like Indonesia and Korea exposed, western investors may be hesitant about relocating to 'emerging markets'.

In recent times, about a third of South Africa's foreign investment has come from Asia - a situation which is likely to change given the problems many Asian companies are facing at the moment.

South African business has already drawn its own conclusion - stick to the free market and GEAR. As *Finance Week* put it "Obviously if the GEAR strategy was sacrosanct before, it is more so now." In its view, South Africa's only choice is to open up the economy and take our chances in the globalised marketplace. Business is likely to lend further support to Finance Minister Trevor Manuel's policies of 'fiscal discipline' and prioritising repayment of foreign debt.

For workers, the need to confront the free market forces of globalisation seems ever more pressing. The speed with which supposedly successful NIEs were brought to their knees calls into question the viability of export-led growth, particularly if it is based on extensive foreign investment.

The promise held out for workers in the NIE model is that short-term sacrifice (wage restraint, labour flexibility, etc) will lead to long-term sustainability. For decades, Asian workers have borne the brunt of repressive dictatorship, denial of basic union rights, unsafe working conditions, and long working hours for low wages. Now they are called upon not to enjoy the fruits of their labour but to once again tighten their belts.

What chance does South Africa have of holding foreign investment when wage levels throughout Africa are lower than in this country?

If IMF austerity measures can be imposed on the likes of South Korea, the eleventh largest economy in the world, or Indonesia, a nation of more than 200 million people, what chance will South Africa have of avoiding a similar fate when the international financial community decides it is our turn to bite the bullet of structural adjustment?

What are the alternatives? In the short term, policy measures like the social clause, company codes of conduct, and taxes on speculators have some potential for moderating the effects of the unbridled market.

COSATU has given its support to such measures. In the long run, more comprehensive national and international strategies are needed, which must include mobilising unions and social movements across borders. In this way workers may be able to stay even half a step ahead of the transnational corporations and financial institutions which can move billions of rands with the click of a computer mouse. ★

John Pape is the Projects Co-ordinator and the head of the International Solidarity Project at the International Labour Resource and Information Group (ILRIG)

Small groups a powerful productivity tool

By Jan Syfert, News Editor, NPI

Small group activities can play an important role in developing and involving all the people in an organisation to make a meaningful contribution to productivity improvement, says the NPI

The NPI recognises the power and relevance of small group activities to help rectify the relatively poor productivity performance in South Africa

Five years ago, it enlisted the support of the Association for Small Group Activities (ASGA) in launching *Project Phagamisa*

Phomolo Mokoena was appointed to co-ordinate the project. He explains that the word 'phagamisa' is used in many languages in South Africa and means to uplift or to lift up. It is used here in the context of uplifting the knowledge and understanding of work, improving the quality of work-life and consequently enhancing general living standards

"The most important asset of any organisation is its people. They are responsible for the effective utilisation of all other factors of production. Small group activities provide the means to develop and uplift people to utilise these factors more effectively and productively"

The aim of *Project Phagamisa* is to bring about a significant, nation-wide increase in the number of small group activities and to develop the South African workforce. Everyone should be involved in the drive for improved productivity and quality

Programmes

Small group activities comprise such programmes as project teams, process teams, kaizen teams, green area groups, quality circles and self-directed teams – all of which have been proven worldwide as very effective means of employee development and ensuring workers' involvement

Mokoena says the idea is not to be too prescriptive as to the type of programme, as the environment and the needs of organisations differ. However, a number of prerequisites apply to all organisations

- Management commitment should be manifested by the willingness on the part of management to give meaningful and visible support to small group activities
- Small group activities cannot operate successfully in isolation. They should be part of an ongoing, total, systemic approach to development and improvement in an organisation.
- All stakeholders should be involved. One of the biggest and most common mistakes is the decision by management to implement, say, quality circles, and to hire consultants to train their workers. The intervening layers of management consequently do not understand, nor are they involved in the process, and they tend to feel severely threatened. "Management and the workers are now talking to each other, and where does that leave us?" As a result they often sabotage the

process. The unions are major stakeholders and have a duty to look after the interests of their members. Any attempts to bypass them would be courting disaster. Their involvement in the process from the beginning is therefore imperative, and they have proved to be valuable allies if approached correctly.

- Ongoing training is another prerequisite. It is imperative that all levels of management should be fully aware of the roles they have to play if the process is to be successful in the long term. Training is not just a one-off

exercise; it is an ongoing process. All stakeholders should be informed about their different roles, and they should be equipped with the skills and tools they require to perform their duties more efficiently.

Project Phagamisa is aimed at helping organisations to make a meaningful contribution to the productive utilisation of all resources. Contact Phomolo Mokoena for more information on *Phagamisa* and small group activities. The telephone number is (012) 314-1470 and the fax number is (012) 44-1866. His e-mail address is tokoenap@npi.co.za

Let's learn from the world

By Jan Visser, Executive Director, NPI
South African business is fortunate that it can learn from the experience of the rest of the world to overcome its inadequate knowledge of productivity, which prevents it from becoming competitive.

Typical constraints which South African business experiences are insufficient co-operation between management and workers, a lack of productive behaviour, insufficiently educated and trained workers and a lack of marketing proficiency.

Few organisations know how to measure productivity and manage for higher productivity.

Numerous international consultancies have opened offices here or established know-how arrangements with local consultants. They bring with them knowledge which has been tried and tested in their countries. It is important that South African managers avail themselves of this know-how.

South Africa's economic success depends almost entirely on how well management and workers in individual

organisations perform.

Business can only expect to compete in international markets when individuals in organisations succeed in converting resources productively into products and services of high quality at competitive prices for customers throughout the world.

The government is following the correct monetary and fiscal policies to give private organisations the ability to perform well, but this does not guarantee good performance in individual organisations.

Management and workers have an attitude of doom because of the global threat. A threat is nothing more than an opportunity in work clothes. By working together we can succeed.

The mining industry is an example where the threat of total demise forced the social partners to sit together and work out plans to head off disaster. But we should not wait until death looks us in the eyes. Proactive management, using the consulting skills available locally and from overseas, while fully involving the workforce, can and will make a difference.

Unions and business

I was born in 1958 in a village called Aconhof in the Northern Province. I have five brothers and five sisters. Both my parents are pensioners.

My most vivid memory of my mother is a woman with a plate of fruit on her head selling food to migrant workers through the windows of buses and trains. Most of the residents in Aconhof were migrant workers.

My mother eventually left Aconhof to work on a farm in Bushbuckridge in 1962. My family was torn apart because of this. I was very often not allowed to attend school because of my duties on the farm.

In 1964 I left Bushbuckridge to live with my uncle. I went through primary school and most of high school without seeing my parents or my brothers and sisters.

Work

I matriculated at the end of 1978. There were people from Johannesburg who were scouting for soccer players for what was then Spoorweg (Transnet). I spent a lot of my spare time playing soccer. The scouts chose 15 players, including myself. They said that we would be tested before we were employed by Spoorweg. In January 1979 I was given a job.

If you were black, you were expected to be a labourer. It did not matter whether you had a matric or no education at all. My

Robert Mashego, SARHWU Gauteng regional chairperson, speaks to Malcolm Ray and William Mollala.

first job was as a cleaner and messenger at Parkhill Gardens, a training college for train drivers. I worked long hours during the week and had to cut grass during weekends. I earned R80 per month.

Dismissal

In 1980, we played Wits University at Milpark stadium. It was a Friday afternoon. My boss refused to give me permission to leave work. I sneaked out of work at midday. On Saturday, we played another team. Saturday was also a working day. On Monday my boss physically assaulted me after an argument about my absence. I fought back. But he dismissed me.

Fortunately, the sports manager of Spoorweg was sympathetic. He saw to it that I was re-employed at the Spoorweg's Delmore hostel as a kitchen labourer. But I lost two years of service because of my dismissal.

Conditions at the hostel were just as bad. I started work at 4:30 in the afternoon. I had to serve tea and pap to workers who were either returning from work or coming on night shift. My shift

ended at 11.30 at night. A year later I decided to take a course in heavy duty driving.

Getting organised

In 1981, I started working as a shunter for Spoorweg. The job carried a great deal of responsibility. I had to move railway trucks from one railway line to another. My life as a trade unionist began then. I had no choice. Management forced all black workers at Spoorweg to join the Black Trade Union (BLATU). I refused to join BLATU because it was not affiliated to any organisation. As a loyal ANC supporter, I could not see myself being neutral at work.

In 1983 a group of workers met in Johannesburg to discuss a strategy to organise workers into a militant union. The last big meeting that we had was in Jabulani where we adopted a charter and a programme of action. The launch of COSATU presented us with an opportunity to build a strong affiliate in the railway sector. But conditions at Spoorweg were extremely repressive. The railways fell under the National Party government and we could not organise workers openly. Many of us volunteered to organise workers after hours.

Recognition

Our task was to take SARHWTU into COSATU. Things turned ugly when workers split into two factions - BLATU and ourselves. A third faction pushed for the formation of a new union called the National Union of Railway Workers. So there were deep divisions.

Between 1985 and 1987 we struggled to win a majority. The bosses opposed us at every turn. Our members were growing impatient. We were tired of begging for crumbs at the negotiating table. BLATU did not have the muscle to

fight for us. We were looking for an opportunity to mobilise workers. Management fell into the trap by dismissing a worker for alleged theft.

Strike

We seized the opportunity and developed tools. Our fight was not necessarily for worker's reinstatement. Even though I was reinstated, our strike for recognition continued.

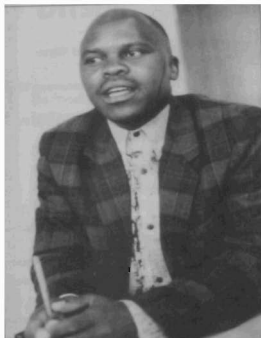
Management gave us an ultimatum: return to work by 27 April or be dismissed. Members were unanimous in their decision: the struggle will continue!

It was extremely difficult to coordinate strike activities because of the lack of formal structures and full-time leadership. I was mandated to mobilise workers in an area between Boksburg and Witbank. At the end of April, we planned to meet Welgedagt sports ground. None of our members reported to their depots. The railway service was brought to a complete standstill. Confidence among striking workers was growing.

The rally at Welgedagt is a day many railway workers will never forget. Workers came to the stadium in railway trucks. One of the trucks was stopped by police. 30 workers were arrested. Police surrounded the stadium. We were given five minutes to return to work or be dismissed. We responded by singing songs and toying. A few minutes later, all hell let loose. Policemen, armed with batons and shields, stormed the stadium. We fought back with our weapons. Nine soldiers and a number were injured.

Victory

Each region reported the days activities to the strike committee in Germiston. On that day, the police entered the hall without warning and shot indiscriminately with live ammunition. More than 200



people died. The rest of us were arrested and taken to a charge office at the Germiston railway station.

At the end of 1987 we returned to work after forcing management to sign a recognition agreement. Our struggle was victorious, but at great cost.

Worker unity

There was a similar strike in 1989. This time, it was a conflict between BLATU and SARIWU. Many more workers died in the clashes that took place.

Uniting workers in the railway sector is still one of the biggest challenges today. I am responsible for co-ordinating merger activities with BLATU in the Gauteng region. We have already started a programme of action to integrate structures of BLATU into SARIWU.

Many problems stand in the way of unity. Workers are still bitter about the conflict in 1989. Another factor is the deep racial divisions. White workers are still very conservative. They do not feel

comfortable uniting with black workers.

We are also worried that integrating structures of other unions into SARIWU could create organisational problems.

Business unionism

SARIWU has come a long way since 1987. We have developed from a militant union into a business-minded organisation. I am one of the directors of SARIWU's investment arm called Iskonyana Cleaning. The company is a joint venture between SARIWU and Super Care. We own 51% of the shares. I am also an acting director of Super Care.

The idea of union investment companies is still new to workers. There is a conflict of interests between the union's stand against privatisation and the investment company's role in the privatisation of the airways and railways. I am personally opposed to privatisation. At the same time, I am not opposed to the union investing in privatised companies. I believe that it is pointless singing slogans about workers taking control of the means of production without doing something about it.

There is also a danger of union investment companies being misled for personal gain. I do not believe that a leader of a trade union should head the investment company.

There are times when I have to take my union cap off and become business-minded. For example, when workers at Super Care demand a wage increase, I have to negotiate with them as a director based on sound business principles.

Family life

My wife died in 1992. I have two children, a boy and a girl. Being a full-time shop steward and a councillor for the ANC in Brakpan is a full-time occupation. I don't have time to think of anything else at the moment. ★

ANC	African National Congress
BEC	Branch Executive Committee
BCEA	Basic Conditions of Employment Act
CBO	Community Based Organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CEC	Central Executive Committee
COSATU	Congress of South African Trade Unions
EPZ	Export Processing Zones
EU	European Union
Exco	Executive Committee
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Strategy
IFP	Inkhatha Freedom Party
ILO	International Labour Organisation
IMSSA	Independent Mediation Service of South Africa
LRA	Labour Relations Act
MP	Member of Parliament
NALEDI	National Labour and Economic Development Institute
NACTU	National Council of Trade Unions
NEC	National Executive Committee
NEDLAC	National Economic Development and Labour Council
NGO	Non-governmental Organisation
NP	National Party
OAU	Organisation of African Unity
RDP	Reconstruction and Development Programme
SACP	South African Communist Party
SADC	South African Development Community

SMME	Small, Medium and Micro Enterprise
TBVC	Transkei Bophuthatswana Ciskei
UIF	Unemployment Insurance
WTO	World Trade Organisation

COSATU-affiliated unions

CAWU	Construction and Allied Workers' Union
CWIU	Chemical Workers' Union
CWU	Communication Workers' Union
FAWU	Food and Allied Workers' Union
IPS	Institute of Public Servants
NEHAWU	National Education, Training and Allied Workers' Union
NUM	National Union of Metalworkers
NUMSA	National Union of Metalworkers of South Africa
POPCRU	Police and Prisons Civil Rights Union
PPWAWU	Paper, Printing, Wood and Allied Workers' Union
SAAPAWU	South African Agricultural, Plantation and Allied Workers' Union
SACCAWU	South African Commercial, Catering and Allied Workers' Union
SACTWU	South African Clothing and Textile Workers' Union
SADTU	South African Democratic Teachers Union
SAMWU	South African Municipal Workers' Union
SARHWU	South African Railways and Harbour Workers' Union
SASBO	South African Society of Banking Officials
TGWU	Transport and General Workers' Union

Ditsela Advanced Labour Education Programme 1998 – Update

The Programme advertised in the last *Labour Bulletin*, has taken off. On 13-14 March 1998, 132 participants gathered at the Elijah Barayi Memorial Centre (NUM Training Centre) in Johannesburg.

The Programme was officially opened on the first morning. Thereafter, participants moved into their five course groups. Each course group underwent an Orientation Programme. The Orientation allowed participants to get to know each other to address expectations and concerns and to look in detail at their course. Participants also underwent a writing skills session and did preparation for their first projects, which are to be completed before they meet again.

We hope that all participants will be able to attend the three week-long sessions spaced between April and November this year, and will also be able to complete their projects. Certificates will be issued by Ditsela in conjunction with the University of Witwatersrand and/or Cape Town.

FORTHCOMING ACTIVITIES

Arbitration Skills Programme

Date	Place
12-15 May	Johannesburg Cape Town
19-22 May	East London Johannesburg
26-29 May	Pretoria Durban
2-5 June	Mpumalanga Bloemfontein

Support for Shop Steward Training – Pilot

A two day training course will be held for shop stewards in the Gauteng region. The course will pilot new shop steward training material currently being developed by Ditsela.

Unions who have been unable to run courses for their shop stewards are invited to participate in the Pilot. They should:

- select staff members (or full time shop stewards) who will be able to train shop stewards inside the union. They should attend a facilitator training session on 25-26 May 1998, and practice these skills on 27-28 May 1998.
- select shop stewards who need to be trained to attend the pilot course on 27-28 May 1998.

Working for the Unions – Foundation Course for New Unionists

This course will take place from 6-18 July 1998. It is aimed at assisting new unionists to acquire basic knowledge, understanding and skills concerning the union and their work. Organising and administrative staff may attend.

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