

SOUTH AFRICAN
LABOUR
BULLETIN

Volume 22 Number 4 August 1998



BA
331
05
SOU

Working time

CLERK OF SUPREME COURT

BA 331.05. 504

S. 74/183

DATE DUE



COSATU's demand for a 40-hour week is a longstanding one. It was a sticking point in the negotiations around the BCEA. Government has now made a commitment to explore ways of reaching this goal.

Workers in many sectors of our economy currently work extremely long hours – especially when overtime is taken into account. Reducing the length of the working week should, theoretically, lead to more jobs – which South Africa desperately needs.

As with so many issues confronting us, however, this is a complex matter. A reduction in working time may not, in itself, lead to more jobs. Nor do we know how it will affect workers' efforts to win a living wage.

In this issue of the *Bulletin*, we publish studies on two sectors – metal and engineering and the transport industry – where working time is a major focus of struggle.

Alec Erwin's article in the last issue of the *Bulletin* has provoked a veritable flood of responses. In the Debate section of this issue, we publish three of these. Hopefully, they will enable us to take the debate on South Africa's trade policy forward.

The trigger for this debate was an article by

Rob Lambert, which called into question South Africa's relations with Indonesia. President Suharto, whose visit to South Africa sparked widespread protest, has resigned. In our International section, John Pape asks whether his departure will make much difference to the lives of the people of Indonesia.

There are changes in the pipeline at the *Bulletin*. Tanya van Meelis will be taking over as Editor on 1 March next year. Tanya is currently employed as the Industrial Restructuring Co-ordinator at the CWIU. She was previously a researcher at the Sociology of Work Unit (SWOP) at Wits University. The experience and qualifications she brings with her will, we are sure, provide the *Bulletin* with exciting new perspectives.

Deanne Collins
Editor

Our overseas subscription rates have not increased this year. The Post Office has now announced its new overseas rates. We will be adjusting our prices in January next year.

Published by Unityano Publications at 89 0059523 • ISSN 0377-5429 • 50 St Georges Street, Bellevue East, Johannesburg 2193 • PO Box 3851, Johannesburg 2000 South Africa • Phone: (011) 487-1603 • Fax: (011) 487-1508 • e-mail: sab@icon.co.za • Editor: Deanne Collins • Manager/Writer: Etienne Vlok • Writer: Malcolm Ray

• Subscriptions and Marketing: Sally Fricham • Administrator: Jacque D'Arce • Design and Production: Warren Parker and Dune Slat • Printed by Natal Witness Printing and Publishing Company, Pietermaritzburg • Published since 1974

EDITORIAL BOARD • Cape Town: Dave Lewis, Howard Gabriel, Johann Marée • Durban: Ari Sitas, Ashwin Desai, Imraan Valodia • Johannesburg: Deanne Collins, Lael Bethlehem, Sakela Butungu, Arnd Jo'ne, Eddie Webster, Karl von Holt, Bethuel Maserumole, Phil Bonner • Eastern Cape: Roger Southall • International: Gay Sedman (USA), Jane Barrett (UK), Rob Lambert (Australia) • Associate Editors: Vusi Nkomo, Tanya van Meelis. Comm. September

SOUTH AFRICAN
**LABOUR
BULLETIN**

Volume 22 Number 4 August 1998

Editorial notes	1
Redeye	4
Inflation figures	5
Letters	6
Features	
COSATU's vision a society worth living in <i>Karl von Holdt</i>	7
SACP influence or independence? <i>Malcolm Ray</i>	14



Poverty and economics an alternative framework <i>James Heintz and Conrad Jardine</i>	17
Focus: working time A 40-hour week? the metal and engineering industry <i>Rob Rees</i>	23
The long road hours of work in the transport industry <i>Nick Henwood</i>	32
Briefing Public sector struggles <i>Malcolm Ray and Barbara Adair</i>	40
Feature SDIs and IDZs challenges facing South Africa <i>Neil Newman</i>	42

SA Labour Bulletin would like to thank the following organisations for their generous support: • Friedrich Ebert Stiftung (FES) • Liberty Life Foundation • Strengthening Civil Society Fund, the Department of Labour



Focus on Nedlac 46

Briefing

Pre-employment HIV testing
Fatima Hassan and Mark Heywood 52

Feature

Transport merger
FEDUSA unions join forces
Etienne Vlok 54

Briefing

NUMSA takes on Iscor
Dumisa Ntuli 59

Feature

'Democratising companies?'
union representation on company boards
Ian Macun 61

Debate

Lost opportunities
David Fig 67

The 'South' is no model
Rob Lambert 69

Let's use the space
Kumi Naidoo 72

Briefing

WIEGO
Caroline Skinner 74

Mediation notes

Awards, cases and comments
Ellem Francis 76

International Briefing

Indonesia after Suharto
John Pape 80

International

The waterfront war
the Australian dockworkers' struggle
Rob Lambert 82

Briefing

Labour force experiences
L Torres, K Malatji, PD Malatedi and JR Vass 89

NPI column

Productivity and GEAR 91

Profile

The union and politics
Monica Sefefe
Malcolm Ray and William Matlala 93

Glossary 96



Cover: Sam Mojapelo clocks in at Bearing Man, Johannesburg

All photographs by William Matlala unless otherwise stated.

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

Hacking it

INSULT

South Africa recently hosted an international conference of women parliamentary speakers. The conference noted that just 11% of women parliamentarians in the world are women.

The 'new' South Africa has made great strides towards addressing this issue. Twenty-four percent of our national MPs are women, compared to fewer than 3% in the old government.

One of the subs on Durban's morning newspaper, *The Mercury*, clearly feels no sense of pride in this achievement. The headline he attached to a Reuter's story on the conference – 'More petticoat power urged' was nothing short of insulting to all women.

WHERE WERE THEY?

Some subs, of course, don't even bother to think up headlines – they just lift them from somewhere else. *The Mail and Guardian's* story on the recent SACP congress appeared under the header 'Is the party over?'. REDEYE thought this sounded familiar, and found exactly the same headline in a *Labour Bulletin* article on the 1995 party congress.

WAS HE THERE?

REDEYE's journo friends are always boasting about how they can write stories without going anywhere near

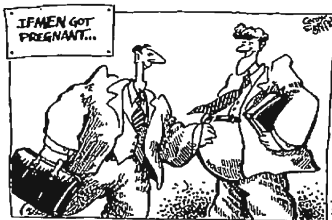
the actual event being reported on.

This can surely be the only chantable explanation for *The Star's* Jovial Rantao referring to the ANC Deputy General Secretary, Thenjiwe Mintso as 'he' in a story on the congress.

JUST DO IT!

Mind you, a journo's job is not always easy. The one who reported for the *Mall and Guardian* on the spate of thefts from second-hand bookshops in Johannesburg must have found it very hard to keep a straight face when told by a police superintendent that "police are designing a strategy to stop (these) robberies".

REDEYE wonders what on earth happened to visible policing? While the superintendent's about it, why doesn't he resort to that time-honoured South African tradition and appoint a commission of enquiry to deal with this complex issue?



"Smart career move Bixby."

Inflation monitor: April and May 1998

Area	Consumer Price Index		Annual rate of Inflation (% Increase over 1 year)	
	April	May	April	May
Cape Peninsula	120,8	121,2	4,3%	4,2%
Port Elizabeth	120,1	120,7	5,4%	4,1%
East London	123,6	124,1	3,9%	5,7%
Kimberley	122,2	122,9	4,8%	4,9%
Pietermaritzburg	121,6	122,1	4,6%	4,7%
Durban	122,9	123,7	5,3%	5,7%
Pretoria	122,2	122,6	4,8%	4,8%
Witwatersrand	121,0	121,5	5,3%	5,4%
Klerksdorp	118,6	119,0	4,1%	4,2%
Free State Goldfields	118,3	118,9	4,8%	5,1%
Bloemfontein	121,4	121,7	4,4%	4,3%
SOUTH AFRICA	121,4	121,9	5,0%	5,1%

Source: Central Statistical Services

CENTRE FOR
BUSINESS
MANAGEMENTUNIVERSITY OF
SOUTH AFRICA

UNISA

COURSE IN LABOUR RELATIONS
MANAGEMENT

Two modules

- Labour Relations Management: A macro perspective
 - Role players in industrial relations
 - Collective bargaining
 - The South African LRA
 - Trade unions and employers' organisations
- Labour Relations Management: A systems perspective
 - A systems approach to labour relations
 - Worker participation and communication
 - Conflict management and negotiations
 - Managing industrial action

Registration requirements

Senior certificate or experience

Duration: 6 months

Final registration dates: 15/06/98 & 15/01/99

PROGRAMME IN HUMAN RESOURCE
MANAGEMENT

Four modules

- The Human Resource Function
- Industrial Relations
- Training and Development
- Human Relations

Registration requirements

Senior certificate or experience

Duration: 12 months

Final registration date: 29/02/1999

ADVANCED PROGRAMME IN HUMAN
RESOURCE MANAGEMENT

Four modules

- Strategic Human Resource Management and International Human Resource Management
- Organisational Behaviour and Renewal
- Research Methodology
- Research Project in Human Resource Management

Registration requirements

A certificate in Human Resource Management from Unisa or an equivalent qualification

Duration: 18 months

Final registration date: 29/02/1999

FOR FURTHER DETAILS CONTACT

Tel: (012) 429-4556, 4212, 4224 Fax: (012) 429-3456/3463/3465/3466 • Home page: <http://www.unisa.ac.za/tbm/trm>

MANAGING STRUGGLE

Dear editor,

Let me take up the challenges posed by Sakhela Buhlungu in his review of my book in the last issue of the *Labour Bulletin*.

One of the main issues is what the book is about. Buhlungu argues that my failure to "place the ANC in the whole spectrum of activities and organisations in the South African liberation struggle...ensures that the book is not about the ANC *per se*, nor is it about the liberation struggle".

My intention was never to write an opus of the entire liberation landscape. My analysis revolves around the ANC's exiled structures and activities, within which a specific strategic framework of liberation struggle evolved.

I argue that the strategic effect of this framework has been to situate the character and direction of the ANC-led liberation struggle outside of the very people who not only constituted that struggle, but in whose name it was conducted.

Buhlungu says that the ANC's relationships with other organisations, such as COSATU, were "far more complex than the book would seem to suggest". The debates within COSATU (and other organisations) about the Alliance, however important they were, did not fundamentally affect the overall outcome of the strategic character of the liberation struggle. My focus is on the reality of the result.

Buhlungu also argues that the book adopts an "elitist approach to organisation" through its ("almost exclusive") focus on the ANC leadership. Of course, strategy and tactics do not emerge in isolation. That is precisely why I investigate how the ANC responded to mass struggle.

It wasn't that the workers and rural poor

did not try to 'deal' with the leadership. Rather, the leadership was able to effectively manage the varying responses (from Kabwe to Boipatong) through the control and direction of human and material resources, as well as to constantly blur the actual possibilities of grassroots struggle.

The point of much of my analysis is the effective management, by the ANC leadership, of the liberation movement. In doing so, it was greatly aided by the general character of what was being fought (apartheid), but also by the failure, on the part of the organisations of the working class, to rise to the challenge of leading and giving strategic, programmatic content to the heroic mass struggles waged.

Is this not the fundamental lesson that continues to slap us in the face today? Is not the main task to identify the real blockages to radical transformation for the majority and act to remove (or at least challenge) them?

Dale McKinley
Johannesburg

ERROR

Dear editor,

Please correct the statement, made in the June issue of the *Labour Bulletin* (page 56), that "Lindelwa Dunjwa is the first woman to be elected to the position of treasurer" of NEHAWU.

Except for Jerry Sithole, who was treasurer from 1994 to 1998, NEHAWU's national treasurers have all been women. The union's founding treasurer was Gladys Mlangeni (1987-1992). She was followed by Joyce Mabudalhasi (1992-1994).

Martha Molele
Johannesburg

COSATU's vision

a society worth living in

Our society has been devastated by its history. While formal apartheid has been dismantled, it has left us with the legacy of a society divided against itself - by race, by huge disparities of poverty and wealth, by violence.

Government's GEAR strategy has not delivered the growth and jobs that were promised. Its supporters now say that we must expect pain before the benefits of GEAR become apparent.

It is not clear, though, that our society can take more pain. What is certain is that we cannot take more pain if it is not fairly distributed. If the hardship is to be felt primarily by the same people - black people and poor people - who experienced the suffering of apartheid and the struggle against apartheid, it can only deepen the divisions in our society, possibly beyond the point of no return.

GEAR does not promise to distribute the pain fairly. It was not negotiated with those who are feeling the brunt of the economic crisis - the victims of poor healthcare and education, the rural poor, workers losing their jobs, the unemployed who have no prospect of finding jobs. Furthermore, the 'fiscal discipline' of GEAR tends to curb the ability of the state to redistribute incomes from the wealthy to the poor. The threat of increased labour market flexibility is also simply another way of redistributing income from labour to capital.

Recently the *Financial Mail* published

COSATU's economic proposals could repair a damaged state and a damaged people, argues Karl von Holdt.

a strange editorial, a sign perhaps of how divided our society is, encouraging greed among businessmen, especially black business people, because successful businessmen create jobs.

What South Africa desperately needs is a culture of social solidarity and social justice to overcome the antagonisms of the past, and a culture of productive work, innovation and reconstruction to overcome the legacy of the apartheid workplace.

This is why the economic vision of COSATU is so important. When COSATU speaks on economic matters, it speaks for members on the grinding edge of poverty, unemployment, and labour market insecurity. It is important for the future of us all that society pays attention to a vision of economic development that repairs a damaged state and a damaged people, that builds a common society, and that takes place through the development of people, skills and social relationships.

Reclaiming redistribution

In COSATU's view the important question to ask of economic policy is whether it

helps build a society worth living in. A complex economic vision – summed up in the idea of ‘reclaiming redistribution’ – is emerging from a decade of research, debate and experience within the federation. This vision combines four distinct economic strategies with sources in a rich variety of experiences in South Africa and across the world.

- an expansionary Keynesian macro-economic strategy;
- state-led economic development based on the idea of a ‘developmental state’;
- productivity-enhancing redistribution of skills, resources and assets;
- elements of a socialist strategy.

COSATU’s recent Central Committee (CC) – a mini-congress attended by over 400 delegates from the federation’s affiliates – forged these strategies into COSATU’s most comprehensive and coherent economic policy programme to date. Delegates debated and refined analysis and policies outlined in the RDP, *Social Equity*, the September Commission, policy conferences, submissions by COSATU’s parliamentary office, and resolutions from affiliates.

These represented the culmination of intense debate, research and experience since 1990 – and before, if one includes the influences of the Economic Trends Group and the Industrial Strategy Project.

Expansionary strategies

The state is the biggest actor in the economy. It employs more people, spends more money and invests more than any other economic agent. The ‘fiscal discipline’ prescribed by GEAR strangles this activity, reducing employment and investment and shrinking market demand, with ripple effects across the economy. The high interest rate policies of the Reserve Bank – in part necessitated by the liberalisation of exchange controls –

reinforces this effect, choking investment and demand. The result is economic stagnation and ‘pain’.

In contrast, COSATU argues that, rather than fetishising the fiscal deficit, the central role of economic policy should be addressing the ‘social deficit’ of poverty and inequality. Resources for more expansionary fiscal policies could be generated with more flexible deficit targets, restructuring of the state debt – particularly the public service pension fund – and a more progressive tax policy. The reduction of interest rates is also critically important for stimulating economic activity.

These are standard Keynesian strategies for times of recession or economic stagnation. COSATU’s proposals are for a *modestly* expansionary strategy that cannot be dismissed as macro-economic populism. Some of its proposals, particularly for restructuring the state debt and sources of revenue, would allow government to increase its spending without necessarily entailing a bigger government deficit.

Developmental state

COSATU’s policies for a developmental state are based on two ideas – that the state should lay the foundations for human development by providing good quality education, healthcare and other services, and that the state should actively stimulate economic development, especially industrial development.

The provision of services is not only a cost, but an economic investment in our human capacity. Healthy, educated citizens are an economic asset in building an innovative and productive economy.

The market alone will not generate industrial development. On the contrary, it is more likely to lead to deindustrialisation in South Africa, as industries are overwhelmed by competition or relocate to regions of the

world with cheaper labour, bigger markets or greater technological capacity. This explains the second aspect of COSATU's thinking on the developmental role of the state: that government needs to develop an active industrial policy, co-ordinating and channelling scarce resources – capital, research and technology, training facilities and infrastructure – into targeted labour-intensive industries. This would require partnerships between government, labour and business.

The state has a variety of instruments available to it for implementing such a strategy: development finance institutions such as the Industrial Development Corporation (IDC), the parastatals, as well as research and education facilities. The Reserve Bank, could facilitate the flow of cheap capital to targeted industries via differential interest rate and reserve policies. Prescribed asset requirements for retirement funds would channel capital into infrastructural and developmental investments.

Redistribution

The progressive American economist, Sam Bowles, argues that there are two different possible strategies for responding to the competitive pressures of globalization. The trickle-down approach imposed by the 'Washington consensus' of the International Monetary Fund (IMF) and the World Bank focuses on reducing tax and wage costs.

A more egalitarian approach would emphasise 'productivity-enhancing redistributions' that simultaneously increase productivity and improve living and working conditions by redistributing resources, skills and assets from an elite to the majority of the population.

COSATU's economic policies include a number of proposals that embody such an approach:

- the emphasis on providing resources for training and education,
- developing a national health service,
- closing the apartheid wage gap,



A housing parastatal could boost the delivery of houses.



COSATU CC, June 1998. Themba Kgase debating policy.

- the proposal for a basic income for the poor, paid by the state;
- worker control of retirement funds;
- the redistribution of power in the workplace.

Social sector

The CC took this debate further to focus on the redistribution of productive assets. The September Commission report, issued last year, proposed that COSATU develop a 'social sector' of worker, community and union-owned productive assets in the form of retirement funds, worker- and community-owned companies, union investment companies, co-operatives and collective Esops (employee share ownership schemes).

There was a spirited debate on this proposal, with some unions expressing scepticism because such strategies could co-opt unions into nurturing capitalism rather than seeking its overthrow. It was also pointed out that the mere fact that

investment companies are controlled by unions, or that retirement funds have worker trustees, does not mean that they belong to a 'social sector' if they adopt the same goals and investment strategies as capital.

By the end of the debate, all affiliates had agreed that the development of a social sector could be a powerful strategy for achieving working class goals in the economy and carving out a sphere of production under the collective control of workers and communities rather than private capital.

However, this would only be achieved if the enterprises and investment activities in the social sector have very different goals from those of private business, and remain committed to the aim of rolling back the control of capital over production and investment.

The affiliates agreed to exclude collective Esops from the definition of a social sector, since they generally entail

workers owning a minority stake in the company they work for

Several unionists made the point, though, that the debate on the goals of Esops could not be ignored, as some unions have become involved in them during the process of restructuring of state assets – for example, the Airports Company and Telkom

Despite the limitations of minority ownership of Esops, the vision of a social sector agreed upon by the CC could serve as a useful guide to the sort of goals that unions involved in collective Esops could adopt.

Union investment companies

The agreement on a social sector also influenced the debate on another highly contentious topic – union investment companies. COSATU general secretary, Mhazima Shilowa, introduced the debate by reminding delegates that initially union investment companies were established simply because there were opportunities for profitable investment, and that the unions had not developed a strategic perspective on the goals of investment activity. This led to a situation where “we have actually engaged in investments in a way that undermines workers’ goals”. The time had come to develop a strategic perspective in line with the union movement’s goal of increasing the ability of workers to control their own destiny.

The CC agreed that the goals of union investment companies should be informed by COSATU’s vision of a social sector, and should be seen as an instrument for transforming the economy ‘into a socialist and worker-controlled economy’. Short- to medium-term objectives should be:

- job creation,
- investment in the productive sector of the economy rather than speculative

- financial investments,
- providing benefits for members,
- changing current patterns of ownership, control and corporate governance,
- developing a model democratic workplace

The CC also agreed to a code to prevent their involvement in investment companies from disrupting union organisation by ensuring that

- the priority for union funds is to build effective organisation;
- unions retain worker control by relying on member subscriptions rather than profits on investments,
- union officials should not gain financially through inside information;
- investment decisions should not be taken in secrecy from members;
- investment companies should not draw on workers’ retirement funds to finance deals

The CC also resolved that, although a functional separation of investment companies from union structures was necessary. They should be aligned with union goals and principals. A COSATU investment council should be established, consisting of representatives from unions and union investment companies, to monitor compliance of investment companies with COSATU principles.

Elements of socialism

The CC followed the September Commission in defining COSATU’s economic policies as ‘socialist-oriented’ because they emphasise ‘meeting the needs of citizens and furthering the culture of solidarity, community and social responsibility; opening up the space for economic democracy and the redistribution of wealth, incomes, assets, opportunities and power’.

More concretely, two aspects of

COSATU's economic vision can be regarded as central to COSATU's socialist aspirations. The role of the state, as a redistributive instrument in meeting the needs of all citizens, is the essential basis for establishing a culture of solidarity, community and social responsibility. Where the market allocates poverty to large groups of citizens, the state can redistribute resources to ensure decent living conditions.

The role of the state as an instrument of economic development can also advance social goals. Where the market defines economic development in terms of the profitability of companies, the state can define economic development in terms of the economic activity and well-being of all the citizens in the society.

Secondly, COSATU's vision of a social sector owned and controlled by workers, communities and unions clearly has a socialist inspiration. In Shilowa's words, the CC was "defining a vision for the social sector as a way of socialising the means of production".

COSATU's vision of a social sector means that its commitment to socialism need not remain purely rhetorical. Union involvement in retirement funds, union investment companies, rural development and co-operatives means that the social sector vision can be implemented in the present. Of course, neither COSATU's proposals for the role of the state, nor its vision of a social sector, need necessarily lead to socialism.

These socialist 'elements' in COSATU policies could be accommodated within a capitalist economy as readily as they could form the embryo of an alternative economy driven by the imperative to meet the needs of all. Whether the latter potential is realised will depend on the long-term strength of a democratic socialist movement.

What prospects?

Taken together, COSATU's policies constitute a powerful critique of GEAR, and a set of viable alternative policies. Advocates of economic orthodoxy should not be over-confident that GEAR is the only viable strategy in today's globalizing world, nor that COSATU's is a voice in the economic wilderness. There is an increasingly broad consensus in South Africa that GEAR's growth, investment and employment targets cannot be achieved, especially in the light of the Asian economic crisis, and that a rethink – modest or substantial, depending on the commentator – is required. Doubt about GEAR is evident even among some in the conservative financial press.¹

Nor is lack of confidence in the prescriptions of economic orthodoxy confined to South Africa. The Asian crisis has forced a rethink on the desirability of the unregulated mobility of financial capital, and the World Bank's chief economist has thrown doubt on all the major assumptions of the 'Washington consensus'.²

The world needs a new approach to economics, and the kind of economic thinking emerging from COSATU – the mixture of traditional Keynesian demand management with an interventionist developmental state and productivity-enhancing redistributions – may well turn out to be the economics of the future. The strength of this approach to economic development lies in its basis in real productive activity and social needs, rather than in a narrow concern with financial markets.

The Tripartite Alliance

The clash between the ANC and COSATU over GEAR has obscured the fact that the economic policies of the ANC and COSATU are compatible in many respects. Government attempts to expand access to water, healthcare and education, for

example, are consistent with the idea of a developmental state. So are industrial initiatives such as the strategic development initiatives (SDIs), and the investment programmes of Eskom, Telkom and the IDC. Productivity-enhancing redistributions are also integral to government efforts in education, healthcare and labour legislation. The redistribution of assets - including black economic empowerment, collective Esops and the national empowerment fund - is also an element of government strategy. However, the 'fiscal discipline' and high interest rates imposed by GEAR tends to undermine progress in these directions by strangling public sector activity.

The federation has emerged from its CC meeting with a consolidated economic position, and more convinced than ever that it is necessary to assert its own view and challenge the GEAR strategy. The ANC, on the other hand, is feeling the pressure of GEAR's failures, and its impact on the state's ability to deliver.

There is tension within the ANC over economic policy, as the destructive impact of fiscal discipline on the state becomes clearer. These tensions, which reach from the grassroots to the national leadership, are manifest in ongoing internal contestation, as well as occasional public disagreements such as that between general secretary Kgalama Motlanthe and finance minister Trevor Manuel after the ANC Legotla earlier this year. ANC president Thabo Mbeki's confrontational attack on the SACP for criticising government economic policy should also be seen as addressed to an internal, dissident ANC constituency. It is worth comparing this speech with Mbeki's diplomatic and abstract speech to the COSATU CC a week earlier. COSATU is evidently regarded as a powerful force that needs to be treated with caution.

It is likely that the range of internal and external pressures on the ANC will result in

the modification of GEAR, rather than its explicit abandonment. At this stage, though, the accommodation between the different economic perspectives in the Alliance is more likely to be a grudging compromise than a wholehearted endorsement of a shared strategic perspective.

Several of COSATU's proposals can be implemented without fundamentally affecting government's deficit targets, and may in fact be grasped thankfully by the ANC as a way of improving service delivery without overspending: restructuring the state debt, adopting flexible deficit targets, and increasing taxation on the wealthy - which meshes with Mbeki's own call for a solidarity tax. More flexibility with regard to GEAR would create more scope for the implementation of some of the other proposals made by COSATU.

But COSATU's economic policies do not all depend on agreement being reached in the Alliance before they can be implemented. COSATU has power and leverage at a range of levels - in collective bargaining forums, at NEDLAC, in the parastatals and the public service, on the boards of pension funds, and in relation to different state departments and institutions. In all these places it can contest and influence economic policies and their implementation. It is a matter of political will and organisational capacity. ★

Footnotes

- 1 For example, the editorial in *Financial Mail* 26/6/98 and the feature articles by *Business Day* economics editor Greta Steyn on 22 June and 2 July.
- 2 Joe Hanlon 'We do not have all the answers' in *Mail & Guardian* 19-25/6/98.

Karl von Holdt co-ordinated COSATU's September Commission on the future of the unions, and is currently a research fellow at the Sociology of Work Unit at Wits University.

The SACP

influence or independence?

When the SACP was relaunched as a 'mass organisation' in the early 1990s, the party was at a crossroads. It either had to disown its discredited 'Stalinist' heritage or, like most 'communist' parties around the world, collapse its identity into a reformist mould. The SACP chose to remain 'profoundly communist'.

At its 1995 congress, the party began to reconceptualise its strategic orientation. It characterised the period beyond the 1994 electoral breakthrough as a phase of "deepening and consolidating the National Democratic Revolution". A process of far-reaching political and economic democratisation and an institutional framework to encourage and consolidate this development was seen as a critical part of a socialist strategy. The SACP, in its own words, was "pivotal" in this endeavour.

10th congress

At its 10th congress in June the party noted a series of "strategic setbacks and programmatic retreats" since 1994. Chief amongst these is the "pro-capitalist economic framework" (GEAR) now occupying centre stage. Delegates concluded that the RDP - which formed the overarching basis for an alliance platform in 1994 - has virtually disappeared.

This policy shift by the ANC-in-

Malcolm Ray analyses the recent SACP congress.

government has generated tensions between the alliance partners. The congress noted this has sometimes spilled over into bitter acrimony, the foreclosure of open and vigorous debate and the marginalisation of the SACP (and COSATU) by the ANC.

The party's visibility has waned. Its role has become largely defensive. Of particular concern to delegates was the weakness of alliance structures on the ground, the demobilisation of the popular movement and the failure of SACP parliamentarians to fight for a working class agenda.

SACP spokesperson, Dale McKinley, says that, all in all: "The party has been half hidden under the rock of the ANC, occasionally rearing its head as a left cover for the policy shifts of the government... Ideological disarray in the alliance has seen the party paying lip service to its socialist ambitions, often parroting the policies of the ANC."

Dilemma

The dilemma facing the congress was how to lead the way to a socialist future within this reformist straightjacket.

The first and second days of the congress set the tone for what promised

to be a fiery debate on the party's future. President Nelson Mandela and Deputy President Thabo Mbeki warned delegates in no uncertain terms that government will stand firm on its economic policy.

Contrary to media speculation that this would lead to a split in the Alliance, the prospect of the SACP going it alone in the 1999 elections held no sway with delegates. Expectations that the congress would become a battleground between a left wing caucus and the more moderate old guard in the leadership were also dampened.

Contesting the ANC

The congress adopted a strategic line which sees the party taking on a more independent profile in the years to come.

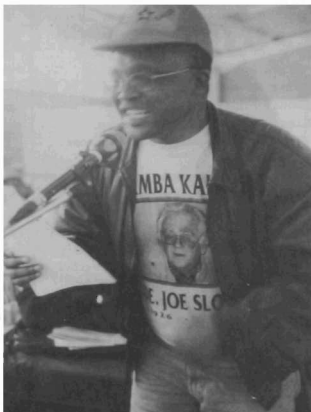
How does this square with the decision to remain in the Alliance? The answer, according to the SACP, lies in the fact that the ANC is

'contested terrain'. There is nothing new in this position. It was adopted by the party during the 1980s. Is it, however, still feasible, given the ANC's adoption of GEAR?

McKinley distinguishes between the ANC leadership's policies and the character of its constituency which "consists mainly of workers and rural poor people". Two problems can be identified with the position adopted by the congress:

- remaining in the Alliance invites a battle for political control over the policy direction of the ANC that the SACP is unlikely to win,
- if the ANC's social base is predominantly working class, where does this leave the SACP?

An alternative view held by a more critical



A delegate addresses the congress.

current in the SACP is that a split in the Alliance is the only guarantee against the party becoming obsolete. An independent SACP would gain support with the ANC's social base. The dominant position at the congress was, however, in the words of deputy general secretary, Jeremy Cronin, that a split would "prepare workers for permanent opposition, permanent defence, and permanent marginalisation".

'Holding position'

It remains a moot question whether the degree of intolerance by the ANC of criticism from the party (and COSATU) and the widespread perception that the SACP-COSATU bloc in the Alliance is a 'nuisance' to the ANC has already forced the party into an irrevocably defensive and marginal posture.

McKinley says that, while there are many reasons to split, the congress did not see a parting of the ways as a practical option. For the moment, the SACP sees itself in a 'holding position' within the Alliance. He provides the following reasons for this position:

- the party lacks the political clout, organisational capacity and resources to go it alone;
- the majority of workers and poor people are still loyal to, and identify with, the ANC;
- abandoning the ANC now might result in a destabilisation of the mass movement as sections of workers rebel and split.

"In the absence of an independent profile on the ground, a split at this point would mean the abandonment of the ANC's soul (working class constituency) to pro-capitalist forces and reactionary political parties. Our priority as a communist party is to fight for hegemony in working class-based organisations within civil society in alliance with COSATU... How the ANC responds to this is a matter which can only be settled through struggle," says McKinley.

Socialist programme

The discussions on a socialist programme were an attempt to build on earlier calls to "reinvent the SACP as a relevant force in the 1990s". There was a clear realisation amongst delegates that unless the SACP challenges the hegemony of the ANC-led Alliance by making real inroads into its working class constituency, it will not gain currency in the mass movement. The congress noted that what has been lacking is an anti-capitalist programme relevant to the new political and economic environment "to enable the party to engage with the current reality on its own terms". Counterposing the RDP to GEAR was seen as inadequate.

It is in this context that a resolution to formulate an 'alternative policy framework' was adopted. It is not clear, however, what this means in concrete terms. The congress mandated the Central Committee to research alternative forms of ownership based on the notion of 'socialising capital'.

Transcending CST

McKinley says that: "The congress transcended the old CST (Colonialism of a Special Type) theory and its linear descendent of 'revolution by stages'." He is hopeful that this is the beginning of a process to fill the policy vacuum.

While CST placed the conquest of state power at the centre of the party's strategy, the approach adopted by congress sees the state as a site of on-going contestation. This is a modification of the strategic path opened up at the 1995 SACP congress. The struggle for political hegemony in the state would rest on forging broad social alliances within civil society. The congress decided that the SACP should develop its own programme in alliance with COSATU and other social formations in civil society in order to fight for influence in the Alliance.

Prospects

Since 1990, the SACP has made a remarkable leap of faith. It has disherited much of the ideological baggage associated with Stalinism and appears to be taking seriously the prospect of an independent status. It has a long way to go, however. While numerous ideas are being put forward, they have not been honed into a coherent programme for socialism.

The congress's greatest achievement was its resolve to develop such a programme. In the meantime, it might well be, in Cronin's words, that the 'ideological fluidity' in this period will continue to straightjacket the SACP in a holding position ★

Poverty and economics

an alternative framework

Economic factors are but just one set of the multiple factors that give expression to poverty. Nevertheless, how an economy functions can either give rise to or, alternatively, begin to eradicate, poverty. An economy does not operate on the basis of a collection of iron laws which cannot be altered and changed. The type of economy a society embraces, and the level of poverty it is willing to endure, must claim a central place in any discussion of strategies to eliminate poverty in South Africa.

Understanding how a modern economy functions must include examining such issues as unemployment, ownership, wages, prices, and government policies. To understand the relationships between poverty and economics, however, the scope of economics must be broadened. Gender dynamics play a critical role in allowing a modern economy to operate. Because of their position within the economy, women and female-headed households face a substantially higher risk of poverty.

Poverty is often narrowly defined and measured in terms of a broad threshold of income or resources which separates the poor from the non-poor. There are two ways of seeing this threshold – as a fixed point of reference, or as measured against the ability of others to command resources in the economy. The first approach can be called an 'absolute'

James Heintz and Conrad Jardine argue that GEAR will entrench, and probably increase, current levels of poverty in South Africa. They outline key elements of an alternative strategy to address the problem.

definition of poverty and the second a 'relative' definition of poverty.

Absolute poverty

The absolute approach to poverty can be helpful if poverty is to relate to a basic, fixed level of economic resources which will prevent physical and social suffering due to material deprivation. If incomes or economic resources were to fall below this level (often called the 'poverty line'), then that person would be considered to be poor in absolute terms.

When poverty is seen in absolute terms, steadily increasing standards of living across an entire population will be sufficient to eventually eliminate poverty. The rate at which poverty is eradicated would be determined by the rate at which the incomes of those people living in poverty, including social security provisions, increase. Often, general

increases in standards of living are linked to the level of economic growth.

Relative poverty

A relative understanding of poverty provides a much more textured and complex engagement with the issue of economic deprivation in society. This approach would identify poor households as those whose incomes (or more broadly, the economic resources they command) fall significantly below the average level of income in the economy. Relative poverty captures a sense of 'economic distance' and injustice in society. It begins to take on board issues of social cleavages and economic distinctions between different groups. Rising standards of living will not be sufficient to eliminate relative poverty if the resources available to the wealthy increase at a faster rate than the resources available to the poor. Increases in relative poverty are not necessarily less onerous than increases in absolute poverty - they can lead to social disintegration, growing violence, segmentation, emotional suffering, and ethnic and racial conflict.

In South Africa, high levels of both absolute and relative poverty exist. The disastrously unequal distribution of income inherited from the apartheid years

means that deprivation of basic needs is accompanied by a vast economic gulf between the rich and the poor. Although the World Bank classifies South Africa as an 'upper-middle income' country because of its per capita GDP, the average income level hides more than it reveals. South Africa is poor, not because it is a 'poor country' but because the economic distance between the haves and the have-nots is enormous.

The extent of poverty

Absolute poverty rates in South Africa are extremely high. They tend to increase in rural regions, in provinces containing one of the former homelands, and in areas whose economies have been underdeveloped by apartheid policies. In most provinces poverty rates for individuals are near to, or exceed 50%.

Poverty rates are much lower for whites than for other racial groupings. Ninety-five percent of all poor individuals are African.

One of the indicators which is used to measure relative poverty is the Gini coefficient. This is a number between 0 and 1. A value of 0 indicates perfect equality (everyone has the same income), while a value of 1 indicates perfect inequality (one person or household has

Poverty head count and ratio per province

Province	Number of poor households	% household living in poverty	Number of poor individuals	% Individuals living in poverty
Western Cape	125 208	14,1%	635 557	17,9%
Northern Cape	51 466	38,2%	267 992	48,0%
Eastern Cape	710 257	56,8%	4 115 332	64,0%
KwaZulu-Natal	626 889	40,4%	4 216 184	50,0%
Free State	263 112	36,1%	1 331 649	47,1%
Mpumalanga	208 419	33,8%	1 275 517	45,1%
Northern Province	608 528	61,9%	3 565 492	69,3%
North West	232 947	29,7%	1 248 724	41,3%
Gauteng	299 821	15,4%	1 443 204	21,1%
Total	3 126 647	35,2%	18 099 651	45,7%

Source: HSRC, 1995: *A profile of poverty, inequality and human development in South Africa*



Eastern Cape. The legacy of poverty continues in rural areas.

all the income) As the coefficient gets closer to 1, the extent of inequality increases. Compared to countries whose economies are roughly at the same level of development as South Africa, and to 64 countries around the world, South Africa has one of the most unequal distributions of income of any country - only Brazil and Guatemala are worse.

Gini coefficients do not have to be calculated for an entire country. They can also be constructed for different populations within a particular country. Within all population groups in South Africa, there is a high degree of inequality. The variation in income across male-headed households is much greater than across female-headed households. The unequal distribution of income in South Africa occurs across many dimensions - including geography, gender, and race. In terms of race:

- the average annual household income amongst African-headed households is R23 000,
- among coloured-headed households it

is R32 000,

- among Indian headed households it is R71 000,
- among white-headed households it is R103 000, 4,5 times the average for African families.

Urban households have more than double the average annual income (R55 000) of those living in non-urban areas (R23 000).

Average annual household income also varies according to type of dwelling, with those living in informal (R15 000) and traditional dwellings (R14 000) having a far lower average annual income than those living in formal houses (R52 000).

Another way of looking at income distribution is to examine income quintiles for different segments of the population.

If incomes were equally distributed across the population, then we would expect each quintile (fifth) to contain 20% of a particular population segment. Thirty-seven percent of African, non-urban, female-headed households, however, fall into the poorest quintile, while less than

1% of white, urban, male-headed households fall into the same category.

Irrespective of race, 26% of female-headed households are in the bottom income quintile, as compared to 13% of male-headed households. On the other hand, 27% of male-headed households are in the top income quintile, compared with 11% of female-headed households.

Socio-economic rights

The high level of poverty in South Africa is linked to a vastly unequal access to economic resources, making it impossible to speak of eliminating poverty without examining how the economic flows that sustain households are determined.

In the Bill of Rights of the South African Constitution, a number of socio-economic rights are guaranteed. These include:

- adequate housing;
- healthcare services;
- sufficient food and water;
- social security;
- basic and on-going education.

All of these rights have important economic dimensions. For this reason, the Constitution limits the obligation of the state to deliver these rights within its 'available resources'.

Many of these rights reflect specific areas of basic needs or delivery of particular goods and services. The right to social security, however, could be interpreted very broadly to include jobs, public support, and access to productive assets

An example of a possible core set of economic rights could be the right to:

- a basic income and access to a minimal level of economic resources;
- participate in the productive and reproductive work of society;
- non-discrimination - on the basis of gender, race, sex, pregnancy, marital status, ethnic or social origin, colour,

sexual orientation, age, disability, religion, conscience, belief, culture, language and birth - in the distribution of income, productive output, and economic resources;

- non-exploitation in all work - in the labour market, in the household, and in the informal economy;
- a just share of the production of the economy;
- an equitable share of the powers and privileges associated with the ownership of productive assets.

The realisation of these rights would require a fundamental transformation of the South African economy.

Current policies

GEAR's primary focus is growth, achieved through greater export - competitiveness, growing foreign investment, and productivity improvements. Its main components are:

- reducing the deficit;
- tight monetary policy;
- trade liberalisation;
- the removal of exchange controls;
- labour market flexibility;
- productivity improvements;
- education and training.

The premise is that high levels of growth will enable poverty to be addressed through redistributive developments. The most important of these is supposed to be job creation. The logic of GEAR is straightforward: as unemployment drops, poverty will gradually disappear. Economic growth will also generate additional public resources, which can be used to provide public services and poverty relief.

It is already clear that GEAR is not delivering, either in terms of growth or job creation. The strategy should also be evaluated in terms of the provisions of the Bill of Rights. Without strong economic growth, efforts at deficit reduction will

constrain government resources. The ability to ensure adequate housing, affordable food, clean water, accessible healthcare and quality education will be compromised. Fiscal austerity measures have resulted in pensions increasing at a slower rate than inflation. Maintenance grants being restricted to a level which provides only marginal poverty relief for children.

What is missing?

What is most alarming about GEAR is the number of economic issues which the document completely ignores. Asset redistribution is hardly mentioned, except for a brief statement calling for land reform. The document's preference for a more restrictive monetary policy means that interest rates will remain high, access to credit and productive capital will be limited, and financing land redistribution and housing development could be prohibitively expensive.

The informal sector is also largely ignored, naturalising the vision of the sector as a residual economy. The failure to create jobs will probably place pressures on the living standards of the informally employed as more people crowd into the informal sector. Gender issues and household dynamics are almost completely invisible, contributing to the on-going marginalisation of women.

An alternative approach

If poverty is to be successfully addressed in South Africa, an alternative approach to economics must be developed, and appropriate policies implemented. While economic transformation by itself is not sufficient to overcome the poverty crisis in South Africa, the workings of the economic system and the economic policies which are adopted have far-reaching consequences.

The operations of the current South African economy, if left alone, will entrench and replicate the conditions of poverty inherited from the apartheid era. Poverty relief programmes cannot eradicate the crisis.

The orthodox economic approach to poverty takes existing economic structures, power relations and distribution of assets as given. GEAR also adopts this mindset. Higher growth rates and productivity improvements are assumed to be necessary and sufficient, more fundamental economic changes are not.

The economics of poverty cannot be reduced to a simple formula. A wide range of class, racial, gender, historical and productive relationships influence the manifestation of poverty in South Africa. An equally textured approach is required to develop an economic strategy which moves towards the elimination of poverty.

There are several areas of focus which could form a foundation on which to move forward. These include:

□ *Asset redistribution*

Highly concentrated asset ownership can contribute to the persistence of poverty through unequal access to income, an unequal distribution of economic power and the persistence of relationships of dependence. A redistribution of assets - through an effective housing policy, land reform, expansion of credit availability, competition policy and policies to expand community and worker ownership - can form one element of an attack on poverty.

□ *Job creation, job enhancement, and full employment*

Lack of access to employment opportunities can severely limit a household's ability to mobilise sufficient economic resources.

Developing a comprehensive job creation strategy, which aims at creating new jobs without eroding conditions of employment, is critical and can be explicitly linked to other components of a strategy to eliminate poverty. A comprehensive employment creation strategy must address issues of investment, industrial policies, trade reform, state asset restructuring, public works programmes, and labour market transformation. The ultimate goal would be full voluntary employment, with jobs paying a living wage.

□ **Transforming gender relationships in the economy**

There is an urgent need to address the gender structures which place women and children at greater risk of poverty. These include discrimination in the formal sector, labour market segmentation, women's responsibility for reproductive labour, dependency on private transfers of income, and marginalisation in the informal sector. At the core of these issues is women's economic oppression. Transforming these structures requires providing women with access to assets, public support for unpaid reproductive labour, changing the gender dynamics of the household, lessening the private burden of the costs of childcare, eliminating labour market segmentation and discrimination, and ensuring that informal sector activities generate an adequate, sustainable flow of economic resources.

□ **Creating a public safety net**

The dependency on private transfers of income to support households which have, for whatever reason, been excluded from economic opportunities carry with them a myriad of problems. Such dependency places female-headed households at a much graver risk of

poverty. While a system of public transfer programmes will not transform the economic dynamics which produce poverty, they can help to alleviate the negative impacts of poverty and to provide a socialised form of insurance against unforeseen circumstances.

□ **Strategies for the informal sector**

In order to develop effective policies for the informal sector, much better information needs to be collected about the conditions which employees and the self-employed face. From this information, appropriate policy interventions can be constructed so as to ensure that developments within the informal sector do not entrench poverty in the South African economy.

Much detailed policy work has already been done in South Africa – in the RDP, by NGOs, by trade unions, and by government departments and committees. There is no need to re-invent the wheel. Rather, it is a question of bringing policies together in a single framework and developing strategies for implementation ★

References

- Central Statistical Service 1997. Income and Expenditure Survey 1995.*
Central Statistical Service 1997. October Household Survey 1995
Central Statistical Service. Employment and salaries and wages, Statistical Release P0200
Department of Finance 1996. Growth, Employment and Redistribution
Human Science Research Council. 1995. A profile of poverty, inequality and human development in South Africa

James Heintz was, until recently, a senior researcher, Economics, at Naledi. Conrad Jarlne is a researcher at Naledi. This is an edited version of a Naledi report prepared for the South African National NGO Coalition, the South African Human Rights Commission and the Commission for Gender Equality

A 40-hour week?

the metal and engineering industry

Metal and engineering workers in South Africa work long, hard hours. Their average working week in 1995 was 49 hours. Production workers work an average five weeks longer per year than their non production counterparts.

Shift workers often work even longer hours. They are exposed to serious health and safety risks, including a lower life expectancy. South Africa's poor and inefficient transport system cuts at least another five to ten hours a week from the time urban African workers spend away from home, community and leisure. The organisation of working time also impacts on workers' ability to access education and training.

Marx pointed to three mechanisms that capital can use to increase the extraction of surplus value (and hence profits) from labour:

- increasing the length of the working day;
- increasing the intensity of work (making workers work harder), and
- increasing 'productivity' through the introduction of new technology and work re-organisation.

The metal and engineering sectors are using all three strategies. The first is applied through the extension of shift work (the extension of operational hours), and more flexibility through overtime, rather than an increase in standard hours of work. Standard hours of work in all

Rob Rees' study of current work practices in the metal and engineering industry concludes that much can be done to achieve a reduction in working hours.

sectors of metal and engineering are declining. This is possible because of increasing work intensity, work re-organisation and higher levels of mechanisation. Individual companies are using overtime more frequently to meet 'just in time' orders and more demanding overseas deadlines.

The impact of a shorter working week on employment in these sectors will depend, in part, on whether or not employers pay workers the same wages. Put another way, it depends on the extent to which the state can pick up some of the employers' costs. Employers are in the business of making profits, not jobs. To the extent that a shorter working week erodes profit levels, it will encourage cuts elsewhere, and workers are normally the first to suffer.

Regulations

The metal and engineering sector is governed by two large industrial councils - the National Industrial Council for the

Motor Industry (NICMI) and the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries (NICISEMI) Auto assembly has a national bargaining forum.

NICISEMI limits normal weekly hours to 44, while NICMI has a 45 hour week. These have each been reduced by one hour over the last decade, despite NUMSA's constant demand for a 40-hour week. In the highly concentrated and strongly organised auto assembly sector, NUMSA won a 40-hour week after a three-week strike in 1989. Only Mercedes Benz has, however, compensated the reduction in hours with an equivalent increase in the hourly rate of pay. Some 36 000 workers fall under house agreements, which are exempt from the main NICISEMI agreement. This includes Iscor and Highveld Steel and Vanadium, which run large, continuous operations. Normal weekly hours are generally 45.

NICISEMI sets a limit of 9,25 hours a day for workers working a five-day week, and 8,25 for a six-day week. Recent changes to the NICMI agreement allow for a 12-hour day, without overtime pay. NUMSA has suggested that this arrangement encourages employment. If it does, it achieves this through lowering access to overtime earnings. A smaller, but growing, number of companies outside of auto assembly work a 40-hour week.

Both councils provide for a maximum of ten hours overtime per week, of which four hours is compulsory for continuous operations under NICISEMI. It is possible to get exemptions, with the 1995 NICMI agreement allowing ten hours extra overtime a week, limited to an average 60 hours over a four week cycle. Some house agreements permit higher levels of overtime for site work, and allow limits to be exceeded without exemption in emergency situations

Working hours

In 1995, the average production worker in metals and engineering worked 43,5 normal hours and 5,6 hours overtime per week, making an average total working week of 49 hours. Non-production workers worked 41,7 normal hours and 1,8 overtime hours – a total of 43,5 hours per week.

Data compiled by the Central Statistical Services (CSS) shows that there has been a downward trend in all engineering sub-sectors between 1993 and 1995, with the exception of basic metals. The trends are similar for total working hours. More recent information suggests that average hours in basic metals are beginning to decline. Some companies have introduced additional shifts, and others were exploring doing so. The impact is best shown by Iscor, given its high employment weighting in the iron and steel sector. Total working hours (standard plus overtime) will fall once the company implements a four-team, three-shift system in all its plants. This will decrease average working hours from 55 to 47,25.

There are many reasons for the reduction in working hours. Statutory reductions have been achieved in engineering, motor and auto assembly. An increase in the number of shifts may lead to shorter average working hours. Capital investment and increasing work intensity result in higher output over shorter periods of time. Other reasons include successful union struggles and a permanent reduction in hours due to the recession of the early 1990s.

The CSS data for 1994 shows that overtime ranges from four hours in 'other transport equipment' to over seven in basic metals. Vehicles, parts and accessories showed the lowest overtime. While overtime use fluctuates in line with growth periods in the economy, it is also

used extensively (albeit at a lower level) during recessionary conditions. While most sectors retrenched during periods of recession, remaining workers work harder and longer to maintain output.

International comparison

While there are methodological problems with international comparisons of hours of work, a comparison of selected countries for which figures are available suggest that, in 1992, South Africa had relatively longer hours of work compared to the Organisation for Economic Co-operation and Development (OECD) countries.

A more complex picture emerges in comparison to Southeast Asian countries, with South Africans working longer hours compared to some countries in particular sectors like iron and steel, but shorter hours in others.

Employment

Employment in basic metals dropped by an estimated 30% between 1990

and 1994. Those workers who remained worked longer hours and probably more intensely, despite higher levels of capital investment. There were also large employment losses in vehicles, parts and accessories. Despite a reduction in working hours, evidence points to a greater work intensity.

It is also clear that machinery has replaced workers. The capital labour ratio, a measure of capital intensity, reached 1985 levels in 1991. The new Columbus mill will increase steel output four times, but employment will only increase by 10%.

A number of companies have introduced multi-tasking/multi-skilling, which results in higher work intensity. Alusaf, for example, has introduced five grades, rather than the 14 provided for under NICSEM, implying that workers undertake a broader range of tasks or skills. While multi-tasking may only mean more 'extensive' work (a broader range of tasks/duties), it is also being used, alongside multi-skilling, to decrease 'unproductive' labour time. The four-shift system at Iscor, for example, will include greater functional flexibility.

Similar trends can be identified in the transport sub-sector, but total hours have been reduced alongside a substantial decline in employment figures, with a fairly large increase in capital intensity. Fewer workers are producing the same number of cars and components in shorter hours.

Shorter hours mean increased workloads. Nissan shopstewards report that work study methods are used by the company to ensure that units previously

International hours of work, metals and engineering, 1992

	Basic metals	Metal products & equipment	Machinery & equipment	Electrical machinery	Transport equipment
Germany	38.8	39.0	38.4	37.7	38.1
Japan	39.8	39.9	39.8	37.9	40.2
Australia	42.7	40.2	40.2	40.2	40.9
US	43.0	41.6	42.2	41.2	41.8
UK	43.8	45.9	44.4	42.2	42.6
Hong Kong	43.9	43.9	44.6	41.1	44.6
Mexico	47.0	45.1	44.2	43.7	45
SA	50.5	43.8	44.7	45.0	43.45
Korea	49.5	49.5	48.1	45.4	41.2
Singapore	53.3	51.0	50.7	48.1	52.3
Thippines	53.9	47.6	47.0	49.3	48.8

Source: ILO, 1995; CSS, 1993a

produced in 45 hours are made in 40 hours. Management has restricted workers' movement around the factory and reduced the cycle time per workers: "If you are away from the line and there are no bottlenecks," says a shopsteward, "then you will get behind in your work". A number of factories in this sector have introduced work flexibility. Workers are beginning to operate additional machines.

Overtime

While overtime adds an average 17% to basic wages, the figure is higher for those who work regular, long overtime hours. Even two hours of overtime a week adds at least 6% onto basic wages. Policies aimed at banning or restricting overtime have not taken the resulting loss of income into account.

A 1989 SEIFSA/FCI survey found that 55% of workers in the steel and engineering sectors work overtime of more than two hours a week. There is a tendency for regular overtime usage to increase as the firm size increases. Engineering and motor shopstewards say workers in their plants work high levels of regular overtime. Just over half the respondents in the NUMSA leadership survey estimate that members in their plants work seven or more hours overtime a week, resulting in a working week of between 48 and 54 hours. Again, this increases with firm size.

Not all production workers necessarily work overtime. Maintenance workers, automotive machinists, computer operators, setters and programmers, as well as those operating bottleneck machinery, are more likely to work overtime. Workers doing overtime also include those who need cash, low-wage earners, those from the rural areas, those who have just purchased homes and those preparing to get married.

The NICISEMI rates for overtime are 1,33 for the first six hours and 1,5 thereafter. Most chapters of the NICMI agreement set a rate of 1,5 times the basic rate of pay. If 1,33 is used as an average, overtime adds an average 17% onto a production workers' normal pay. In auto components, a third of employees regularly pay between 11% and 19% of basic wages as overtime. Workers at Iscor add a week's basic wages every month through scheduled overtime work, while in basic iron and steel the figure is 19%. These examples highlight the importance, for a significant group of workers, of regular overtime pay.

Why use overtime?

According to a survey conducted by the National Association of Automotive Component and Allied Manufacturers (NAACAM) in 1996, the most important pressures to work overtime stem from meeting demand in the context of market fluctuations, shorter deadlines and just-in-time practices. Increased demand also results in higher breakdowns, requiring some overtime maintenance. Some companies also use overtime to test the market before committing themselves to increasing permanent employment. A large part of overtime derives from management inefficiency, whilst some workers may slow production to claim overtime during periods of low volumes.

Overtime and employment

Why does overtime not translate into employment?

According to the ACS survey amongst auto component suppliers, this is because of the cost of retrenchment (56%), non-wage labour costs (47%), insufficient demand (47%) and uncertain future demand (11%). No employer listed direct wage costs as the reason for not employing.



PC: AGS/EPW 4

The auto assembly industry is moving to greater flexibility

Companies also point to shortages in skilled, semi skilled and supervisory labour as reasons for not employing SIFSA data for the 1990s show a greatly changing skills mix in the engineering sector, with far higher demand for semi skilled workers, and considerably lower demand for unskilled workers

Workers have also resisted overtime cuts. Two Cape Town companies, Henrik Fruhof and Gabriels, which have introduced a multi-shift system, were willing to introduce three shifts and greater employment possibilities. In both cases, workers opted for a two-shift system of 12 hours each day, in order to benefit from high levels of overtime. At Iscor Vanderbijlpark, workers revolted against the elimination of overtime pay, settling on a 32-hour gratuity each month that compensates for the loss of overtime.

Towards policy

In a recent survey of shopstewards, 88% said they would support less overtime if it

created more jobs. However, half said that they *could not* work less overtime, as it is contrary to their contracts. When asked whether they would accept less pay in order to create more jobs, 96% said 'no'.

Since its inception, COSATU has called for an overtime ban in the interests of employment creation. While the federation's 1996 Living Wage Conference reaffirmed this position, conference delegates raised the importance of overtime as a source of income, with some calling for a campaign to ensure its incorporation into the basic rate.

The 1996 Green Paper on Employment Standards and Policy Documents produced by the ILO and the Labour Market Commission propose that overtime rates be increased to one-and-a-half times the normal rate, as an incentive to reduce overtime and increase employment. Eleven percent of auto component manufacturers interviewed said that, if this was the case, they would increase employment. All of these claimed their labour costs were less

than 20% of total costs. Thirty-three percent said they would continue to use overtime in the same way. Their labour costs were mainly below 19%. Sixty percent said they would decrease overtime without employing extra labour. These respondents have a wide variety of labour costs. They regularly use overtime of more than two hours a week.

Company decisions with regard to overtime do not, therefore, appear to correlate with labour costs. Asked to motivate how they would reduce their labour costs without increasing employment, companies said they would increase capital expenditure and automation, improve efficiency, shift schedules and set-ups. Some specifically said that they would automate constraint areas to manage bottlenecks more efficiently. The range of methods mentioned to improve productivity include work methods, maintenance, training and process re-engineering. One company indicated that they would introduce swing shifts, with a floating labour pool, while at the same time contracting more of their work out.

Diverse employer reasons for using overtime suggest diverse policy responses. A uniform single instrument, such as increasing overtime rates, may result in small employment increases, but large reductions in overtime income.

Where overtime is a consequence of 'skills shortages', it might be possible to allow for exemption from higher overtime rates, as long as new workers receive training and eventual employment. This would require union and shopsteward monitoring. A gradually declining maximum limit on weekly overtime, especially when this is scheduled, would allow unions time to increase basic rates of pay. This will not, however, necessarily result in higher employment. Employers

might simply increase mechanisation.

A collective labour pool, with employers and the state sharing the costs associated with new employment (training and safety equipment, for example), would reduce some of the indirect wage costs of new employment. There might also be cost savings resulting from economies of scale if retirement and medical care provision were shifted away from industry to the state. Such strategies should, however, avoid increasing the cost workers already carry for these funds.

The health and safety implications of long working hours require access to regular medical care and check-ups. Finally, allegations about the partisan allocation of overtime suggest the need for a mandatory union involvement and monitoring role to ensure fair allocation when overtime is unavoidable, and its elimination for greater employment where possible.

Shift work

Shift work has become a permanent feature of capitalist society. An international study by the ILO in 1978 estimated that the number of workers involved in shift work doubled between 1950 and 1974. Writing in 1991, Adler describes South Africa as a "comparative heavyweight" in the shift working league. Five years later, Standing argued that South Africa still has a long way to go before reaching the levels seen in the Southeast Asian economies. There are two major reasons for working shifts:

- they allow for the maximum utilisation of existing equipment, thereby spreading high overhead costs;
- the nature of the process or long start-up times require shifts.

The earliest data on shift work in the engineering sector dates back to 1981. The metal sector as a whole showed a decline, due to recession, but sectors like

motor vehicles, parts and accessories and non ferrous metals showed an absolute increase in the number of hours worked on shifts. This was most dramatic in the non ferrous metal sector, where shift work increased from a third of total hours in the sector to just under half.

The 1989 SII/SA/TCI survey found that 6% of companies worked three full shifts, 9% worked two full shifts and the vast bulk of respondents worked less than two full shifts. Six years later, ILO data showed that a third of all metal and engineering companies ran more than one shift per day in 1991, increasing to 37% in 1995. These figures show the increasing use of shift work. In motor components companies, 59% of companies are running two or more shifts daily. It should be noted that the samples in these surveys are different and cannot be directly compared.

Greater use of shift work not only increases the utilisation of productive capacity, but may also have a significant employment impact. The ILO found that the major reason for an increase in shifts for the manufacturing sector was increased production.

Any policy encouraging shift work must, however, take account of the large body of international evidence on its health and safety aspects. There is an increased incidence of mortality amongst former shift workers as well as amongst current shift workers compared to day workers. Shift work is associated with an increase in cardiovascular diseases and with a greater tendency towards general malaise, including anxiety and depression, as well as greater fatigue. Safety and productivity both decrease on night shift, while shifts in excess of eight hours are associated with a decline in performance.



Iscor, Vanderbijlpark.

Workers in South Africa face other shift related problems, including transport and low shift allowances. High levels of crime and violence worsen the effects of poor transport. Women are particularly vulnerable.

Despite the negative features of shift work, three quarters of shopstewards interviewed supported an extension of shifts if it creates more jobs. Some answers were conditional on what kinds of shifts were introduced, the extent that workers determine conditions and that it would not result in a loss of income.

International studies show, however, that the negative effects of shift work cannot be avoided. If shift work is encouraged, workers require the protection of lower daily shift hours, such as an eight hour limit. There should also

be stricter limits regarding quick shift changes (such as finishing at 10pm on one day and starting a new shift pattern at 6am the next day), access to meal facilities and longer leave. Workers must have regular access to medical care and check-ups. If a worker suffers health problems as a result of shift work, he/she must be able to transfer to a suitable day job. A more efficient transport system would reduce lengthy travelling time. Recognising the negative features of shift work also entails higher compensation for workers in the form of night shift premiums. If such a premium came from the state, for example, in the form of tax rebates, it might result in even greater employment.

Shift work may undermine union organisation (shift work has a disuniting impact on union members), suggesting the need to extend certain basic rights to shift workers, such as paid time-off for all shop-stewards to attend union meetings jointly, and the right of all workers to meet jointly.

Casual and contract labour

The increasing use of temporary, casual and part-time work is an international phenomenon. South African employers are following this path. The engineering sector is using more and more contract and casual labour. Forty-four percent of motor component companies employ temporary (casual or contract) workers, representing approximately 8% of employment across all companies. In the metal and engineering sectors, 82% of companies employ temporary labour, 58% employ contract workers, 22% employ part-time workers and 7% employ home workers.

NICISEMI provides for a limited duration contract, and the NICMI for casual labour. Both are open to abuse. Labour brokers may receive exemption under the NICISEMI for benefit and leave payments by paying higher rates of pay.

Under NICMI, workers have no retirement cover if they work for less than six months in the industry.

The number of non-permanent workers is set to increase. Existing regulation will be strengthened if the requirement to provide non-permanent workers with *pro rata* benefits and conditions of work is made law. The key question is how to organise these workers. This ultimately depends on shopstewards and members. Any struggle for permanence needs to begin long before the contract ends. A union or federation-wide campaign would provide greater focus to the threat this type of flexibility poses for union organisation and labour standards.

Two ideas worth exploring include setting limits on the number of contract labourers permissible and/or establishing some kind of pool from which this labour is drawn. The Italian metal unions have won a limitation on the ratio of fixed-term contract employees to permanent employees of 10% in firms of less than 100 workers, and 8% in larger concerns. Successful application of this scheme requires exploring effective enforcement mechanisms, as well as low ratios. The TGWU has entered into negotiations for the introduction of a labour pool on the docks, from which all employers should draw their casual labour. This aims to guarantee each worker a minimum of four days work a week, access to training and greater benefits.

A 40-hour week?

COSATU and NUMSA have put forward a demand for a 40-hour week. There are some organisations who support this move. The protestations of the business community notwithstanding, the most contentious issue is not whether there should be a reduction in the working week, but the period of its introduction

and whether workers will suffer a pay loss.

A small, but significant number of the companies in the ACS survey (19%) already have a 40-hour week. Those who do not said that, if there were a statutory 40-hour week without loss of pay, they would increase employment (17%), they would retain existing employment numbers (48%), or they would decrease employment (34%). Firms with high and low labour costs could be found on all sides. This finding begs the question how the majority of companies are able to maintain or increase employment. The conclusion can thus be made that a company's response to reducing the working week with no loss of pay is linked to factors other than labour costs. This suggests that much can be done to meet the 40-hour goal without reducing workers' income.

If employment is to result, workers need some leverage over the constant changes at the workplace: the intensity of work and the introduction of new technology, as well as the levels of overtime worked. This suggests the duty to bargain output, as well as staffing levels at the plant, to moderate the increasing tendency to employ non permanent labour on a contract or casual basis.

A successful strategy requires compensation for loss of earnings. To the extent that productivity grows with a shorter working week, part of the increase in wages is compensated. If profit levels erode, employers are likely to reduce employment. Another route to making up the difference could be phased in, in proportion to the ability of the state to cheapen the cost of labour, through providing public health and retirement benefits, as well as more efficient transport.

If a shorter working week results in greater employment, it will be as a result of new workers sharing the existing

workload, leaving unanswered the question of new jobs associated with new investment creating *new employment opportunities*. Workers would, however, benefit substantially in other ways, particularly through the opportunities created by reducing the inequality between production and other employees. These include more time to develop their organisational and intellectual capabilities, as well as greater leisure. ★

The two surveys referred to in this paper were both done by Rob Rees. They are the Auto Component Survey (ACS), a postal survey through the National Association of Automotive Components and Allied Manufacturers (NAACAM) in April 1996, and the NUMSA Leadership Survey (NLS), questionnaires conducted with the NUMSA motor and engineering national shopstewards councils in March 1996. The paper on which this article is based was completed in 1996. Some of the policy documents referred to have now been translated into law.

References

- Adler, T. 1991, *Sleep for sale: a study of shift work in South Africa*. Johannesburg: Raven Press.
- CSS, 1990, 1993, 1994, *SA Labour statistics*, Pretoria.
- CSS, 1995, *October Household Survey*. Pretoria.
- CSS, 1995, *Manufacturing statistical release P3043*, Pretoria.
- CSS, 1996, *Statistical release P34012.3*. Pretoria.
- ILO, 1995, *Yearbook of Labour Statistics*, 54th issue, Geneva.
- ILO, 1996, *Restructuring the labour market, the South African challenge*, Geneva.
- SFISA, 1987, *SFISA/FCI survey of productive capacity*, unpublished survey.

Rob Rees is a researcher at Naledi. This is an edited version of a report prepared for Naledi's 'Long-term research project on hours of work in South Africa', which was co-designed with the Industrial Health Research Group.

The long road

hours of work in the transport industry

"Do you know the pressure, turnoff, worry in our work? There is nothing good about this job. We are forced to do this for money. We are two experienced long distance drivers (working together in one truck) with 30 years between us. It is very dangerous I hate it. We have no recreation. We lost our family life. We are slaves on the road. We work a 22-hour shift at a time, four hours driving, four hours sleeping. No stopping. No proper rest. Sometimes we talk about the drivers we know who have died on this road. We know the places. We know their stories. There are times when we drive that we cry together about this life on the long road."

Deregulation and the 'free market' in South Africa's road freight sector are creating the conditions for an unregulated industry which threatens the health and family life of long distance truckers, and the safety of all road users.

The transformation of this sector is driven by the transport operators' competition for profits. Drivers' working time is central to this issue. There are fewer permanent jobs, with either longer hours or more intensive work, on a growing but ageing fleet of vehicles with increased carrying capacity. Existing legislation is inadequate, unenforced and unenforceable. Road traffic speed, maximum axle mass and working time

The health, safety and family life of long distance truck drivers are severely compromised by long working hours. Nick Hemwood looks at ways of reducing working hours in this sector:

legislation are contravened by both transport operators and drivers.

Yet legislation which simply reduces the working time of truckers will not, in itself, address the problems. In fact, such legislation is likely to exacerbate the trend, fuelled by competition, towards unregulated working and driving time. The trade union negotiations for a 40-hour week in the industry must address a combination of road traffic and labour legislation. Drivers' demands should simultaneously address the definitions of different categories of working time and resting time, the conditions in which this time is spent, and the abolition of productivity payment systems linking wages to loads and kilometres travelled. Organised driver participation in the formulation of this legislation is crucial to its success.

Employment

Permanent employment in the road transport industry (private undertakings) has

declined by 15.2% from the highest level in 1989 (67 326 employees) to 57 093 in 1995, a loss of more than 10 000 jobs

There are no statistics on the number of casuals and driver-owners, nor is there any information on the number of transport workers employed in other sectors. The 1994 October Household Survey found that there were 259 607 people working in the informal sector of the transport, storage and communication sectors

Tonnage

Figures provided by the Central Statistical Services (CSS) do not reflect the total tonnage of goods transported by road, since those companies with in house transport are not recorded. The total tonnage carried by private transport undertakings declined by 1.4% between 1982 and 1995

In 1985, private transport undertakings accounted for 75.6% of all tonnage, with Transnet carrying 24.4%

The CSS statistics show that the total tonnage carried by road has declined at a steady rate. Between 1984 and 1995, tonnage transported by both private operators and Autonet (Transnet's road transport division) dropped by 26.1%. This decline in recorded tonnage is not accounted for by the 9.5% increase in tonnage carried by rail during the same period

There would appear to be a contradiction here. If one drives on South Africa's roads, one notices the increasing number of ultra heavy-duty vehicles.

Why is this not reflected in increased tonnage? The answer lies in a combination of the following. The growing number of 'informal sector' operators sub-contracted to transport goods. An increase in the 'in-house' tonnage transported. Increasing numbers of foreign-based transport operators. And unreliable CSS data.

Productivity

The transport industry faces a serious problem of productivity. Between 1985 and 1995, South Africa's truck fleet drove on average one third of its kilometres unladen. State initiatives to improve productivity have not addressed the problem of unladen kilometres. Instead legislation concentrated on increasing the carrying capacity of vehicles

Amendments to the Road Traffic Act in 1991, increased the allowable overall length of a combination of inter-linking vehicles by two metres to 22 metres. This contributed to the 14.9% decline in the number of carrier units operated by private undertakings between 1989 and 1995. Productivity was addressed insofar as fewer truck tractors, drivers and assistants could transport an increased number of tons per trip. Between 1990 and 1991 employment in private transport undertakings declined by 19%, with the loss of 12 419 jobs. The total number of operating days also decreased, and the total number of kilometres travelled has increased. However, unladen kilometres remained approximately one third

Role of the state

State transport policy since 1986 has concentrated on restructuring and privatising state-owned transport services and removing legislation which 'controlled competition'. While further research is needed on this subject, it is clear that deregulation has increased the pressure on drivers.

In 1986, 1990 and 1992 the state commissioned three reports on the transport sector. The reports made recommendations on daily driving time, resting time, and the installation of on-board computers, or tachographs, on vehicles travelling beyond a radius of 100 kilometres. They also recommended the

training of traffic officials to enforce driving time and duty time legislation. The Department of Transport decided, however, to set aside these recommendations, on the grounds that "the regulation of driving hours in the road freight industry can only take place if/when driving hours are regulated in the road passenger industry". (NDOT in *Traffic Digest*, 1996) Sections 50 and 53 of the Road Traffic Act (No 29 of 1989), which began to make provision for regulating driving hours, are also not in force.

State policy is that hours of work is a collective bargaining issue. There is an assumption that all drivers either have access to collective bargaining, or are covered by bargaining council (BC) agreements. There is a failure to identify that the hours of work of long distance drivers are central to public road safety.

The bargaining council

The National Bargaining Council for the Road Transport Industry (Goods) was established in 1995, following the 1994 national truckers' strike and road blockades. Despite the fact that the council was not registered, two national agreements were negotiated in 1995 and 1996, covering workers in different geographical areas. The employers were represented by the Road Freight Association, and employees by six trade unions, the largest of which was the TGWU, which has 24 000 members in this sector.

Centralised bargaining has taken place in

the context of an increasingly unregulated road transport industry. This weakens BC agreements, and even the minimum standards set down in the BCEA, which will not cover a growing number of drivers, including owner-drivers, drivers employed by small transporters (who are exempted from the agreement) and drivers employed by non-South African companies.

Employer's strategies

Private road transport operators have promoted the restructuring and deregulation of the sector since the late 1980s. Major unilateral changes have transformed the industry. On the one hand, a few major companies have moved to reinforce their dominance. On the other, an increasing number of small operators and owner-drivers have entered the market. The abolition of the permit system has made it impossible for large operators to compete with small operators in the flatbed freight transport industry. Increases in the cost of vehicles, tyres, fuel, parts and labour have exceeded tariff increases.

Some of the large operators have moved to capture 'niche' markets in specialised services. They have introduced specialised equipment for transporting specific goods, increased the carrying capacity of their rigs, reduced the number of permanent jobs and explored sub-contracting and owner-driver schemes. Increasingly certain maintenance functions, such as tyre management, vehicle maintenance and cleaning services are contracted out and full-maintenance lease agreements signed. Driver-owner agreements are being entered into with their own drivers. This shifts the capital expense, the responsibility and the risk of purchasing a new vehicle to the driver. It also enables a company to circumvent unionisation and BC agreements.

Survey

The starting point of this research was to interview 87 ultra heavy duty truck drivers hauling loads between the industrial centres of southern Africa (along the N1 and N3) between 24 April and 1 May 1996. The information in this article on drivers' experiences and opinions is gleaned from that survey.

Reducing down time (whether resting time, layovers, breakdowns or maintenance) as well as the number of unladen kilometres travelled by vehicles are crucial to employers' competitiveness. Employers' initiatives to improve productivity focus primarily on cutting labour costs, and the re-organisation and flexible use of labour in the industry. Fewer permanently employed workers are operating fewer carrier units, which have an increased carrying capacity. Idle operating days as a percentage of the total operating days have been reduced. The employers' initiatives to restructure are at the expense of drivers' working, driving and resting time.



Permanent employment in the industry is declining

Hours of work

Employers and workers in this sector have different definitions of working time. Drivers define working time as time spent on a trip - the entire time spent away from the depot, when the driver is at the employer's disposal.

The employers and the BC define 'driving a motor vehicle' as "all periods of driving, all periods during which (a driver) is obliged to remain at his post in readiness to drive and any time spent by a driver connected with the vehicle or the load".

However, they define 'hours of work' as all periods during which "a driver is engaged in driving...and ...on other work connected with the vehicle or the load", but specifically exclude any period of each day when the driver is responsible for the vehicle or the load, but is paid a 'subsistence' allowance.

This article adopts the view that drivers are 'at work' for the duration of their trip away from their home depot. Yet it is

important to distinguish between *time at work*, *working time* (referred to internationally as *duty time*) and *resting time at work* in order to analyse how drivers spend this time. Working time includes all time spent driving, loading, unloading, liaising with clients, checking the vehicle and load, refuelling, attending to maintenance, tyre changes and breakdowns. But the definition of drivers' work includes responsibility for securing the vehicle and the load at all times.

The average daily working time of drivers surveyed was 17.9 hours. This corresponds with an analysis of drivers' answers to a different question, where they estimated that they spent an average of six hours a day resting.

The average driver therefore works three to four hours a day more than the legislated maximum (including overtime) in the council agreements. The A-agreement provides for a maximum of 15 hours per day, while the B-agreement provides for a maximum of 14 hours per day.

Driving time

Drivers interviewed claimed to have driven between 15 000 and 21 650 kilometres per month. With a speed limit of 80kph and an average speed of 60kph, these drivers would have to spend between eight hours and 11 hours 54 minutes per day driving, without a day off, for every day of the month.

The first report to the Department of Transport (1986) proposed a maximum of ten hours driving per 24 hours, and 48 hours driving in a seven-day period. The BC does not stipulate maximum daily driving times. By implication, this is equivalent to the maximum daily hours of work. Amendments to the BC agreement have to clearly stipulate daily, weekly and monthly maximum allowable driving time.

Driving is only one of many responsibilities a driver carries. Any regulation of drivers' driving time must take account of the fact that it is one aspect of drivers' work responsibilities. A breakdown of the working day of a 'European international truck driver' in 1987 calculated that actual driving time made up 57% of the 12,2 hours working period each day. Research by Hamlin in 1981 found that driving time comprised 55% of working time. Seventy-two percent of the drivers interviewed said they are not willing to work longer hours, or that it was impossible to find more hours in a day in which they could work. Forty percent would work longer hours if they were paid more money.

Limiting hours

Ninety-one percent of drivers supported the need to limit weekly working hours. Fifteen percent proposed a maximum of 12 hours driving per day, 7% 14 hours and 22% 16 to 17 hours. These proposals are surprisingly high, given the drivers' attitudes to the issues of work pressure,

fatigue and accidents. It makes sense, however, if we take account of drivers' low basic wage and the high percentage of take-home wages linked to load/kilometre productivity. Drivers' demands for the reduction of working time is linked to increases in basic wages: "I can be glad if there is a law (limiting maximum driving hours), but I would fear to lose (money) from such a law."

The drivers who proposed limiting hours proposed three methods: tachographic equipment, union agreements and government legislation (including the adequate provision of traffic officers).

The development of working time/driving time policies must take account of the fact that productivity-linked wages contribute to long dangerous working and driving time which threaten public road safety.

Collective bargaining on drivers' hours of work inevitably focuses on remuneration at the expense of health and safety. Drivers will also oppose and contravene regulations that reduce take-home wages.

Resting time

Neither of the council agreements defines resting time. Only the A-agreement makes provision for continuous resting time, though it does not define the conditions under which this rest must be taken. The B-agreement defines the conditions under which the rest period must be taken by stipulating that "an employee should not be required or permitted to work". The only reference to resting time in this agreement is "rest intervals of not less than ten minutes in the middle of the first and second five-hour work periods of the day".

Both provisions are contradicted by the agreement's definition of drivers' work, which includes "all periods during which he is obliged to remain at his post in readiness to drive and any time spent

connected with the vehicle or the load". The agreement defines a driver's work as continuous for the period for which he is responsible for his vehicle. Therefore, *during a trip away from the depot, drivers do not have a rest period where they are freed of their responsibilities and are not required to work.*

The survey found that drivers' average resting time was six hours per day. The minimum continuous rest period in the Agreement is nine hours in every 24 hours. In the European Community, the continuous rest period is 11 hours, which can be broken up so that at least one part of it is no shorter than eight hours. Unlike India, UK, Kenya and Ghana's state sectors, South Africa's IC agreements make no provision for continuous weekly rest periods.

Virtually all the drivers interviewed supported the need for a regulated daily rest period, though this was often linked to wage issues "it would be safer if we could stop at about 9pm, but our wages are too low". The average daily rest period proposed was seven hours.

Time at home

The work process and working conditions have invaded and colonised the domestic, personal and social life of the long distance trucker.

Thirty-three percent of the drivers surveyed spent between 12 and 24 hours at home between trips. Twenty-three percent spent between one and two days at home between trips. Thirteen percent spent one night (eight hours or less) at home between trips. The average number of trips per month was 3.5, with the average trip lasting 14.5 days.

Drivers felt that the time spent at home is inadequate: "I have spent no time with my family for the last month".

The consequences are severe. "Working like this, one day you will come home and

find the wife and the children gone and a letter on the TV". Seventy-three drivers in the survey were married, with an average of 3.4 children and 5.3 dependants each. Yet they spend 87% of their time away from home each month. They were at home only 97.6 hours per month. A factory worker working maximum overtime and commuting for two hours a day would spend this amount of time at home every week.

Health and safety

Drivers' health and safety is influenced by all aspects of their working, driving and resting time, as well as the conditions in which they spend their trips. Drivers in the survey identified driver fatigue as the major contributory factor in ultra heavy-duty vehicle accidents. This was followed by management pressure to meet work schedules, and then driver recklessness and speeding.

Research on the correlation between fatigue and transport accidents is not conclusive. Investigations often limit themselves to examining the driving or resting time immediately prior to the accident. We would argue that the degrees of alertness or fatigue are cumulatively influenced by:

- the drivers' work process and pressure,
- the daily, weekly and even annual time at work;
- time away on a trip;
- the absence of weekly continuous resting periods freed from working responsibilities.

It is clearly difficult to quantify all these factors and give them a casual status together with many other factors in a particular accident.

The survey revealed that 54% of the drivers claimed their employers' speed regulations exceeded the national regulations. "The employers push us to

drive at 100kph on the Cape Town/PE route, and they victimise the drivers who don't."

"We exceed the speed limit. The management say go faster, but not in a written way." Twenty-three percent of the drivers in the survey had previously been in an ultra heavy-duty vehicle accident. Thirty-six percent of the drivers had worked for more than 12 months without taking annual leave.

According to the Workmen's Compensation Commissioners' statistics, the transport sector has the highest accident severity rate of all industries in 1989 and 1990, and the second highest disabling injury frequency rate after fishing.

In 1995, there were 43 899 ultra heavy-duty vehicle accidents on South African roads, an increase of 14% from 1989. Just over a quarter (26%) of these were fatal.

Recommendations

Both the working time of long distance drivers and the conditions in which this time is spent are detrimental to workers' health and safety. Such conditions will not be automatically improved by the reduction of driving or duty time alone. A quantitative reduction in duty time, and the regulation of driving and resting time must simultaneously address qualitative changes to the conditions in which drivers work, and the abolition of productivity-linked wages.

To achieve a 40-hour week for the average truck driver interviewed would require a 73% decrease in the current hours spent at work per week.

Despite the recent establishment of the National Bargaining Council, the ability of organised transport workers to reduce their working hours and implement health and safety policies is weakened. State policy has allowed the 'free market' and

competition to dictate the conditions in which ultra heavy-duty vehicles and their drivers navigate South Africa's roads. The informal sector which is burgeoning in the industry encourages further erosion of workers' collective solidarity.

A BC or BCEA requirement of a 40-hour week on its own would exacerbate, rather than resolve the problem. Minimum standards can contribute towards regulation, but regulation for one part of the industry (permanently employed drivers covered by the BC) - while driver-owners and foreign-based drivers remain unregulated - would exacerbate the competitive pressures and trends which have resulted in the circumvention and contravention of existing working time agreements. Should the Minister of Labour vary or exempt individual drivers, companies and sub-sectors from the minimum standards, those who are regulated would not survive in the industry without sub-contracting, establishing driver-owner schemes, seeking exemption or contravening the law.

The health and safety of truck drivers, as well as public safety on the roads, depend on the regulation by a combination of both labour and road traffic legislation, of long distance truck drivers' hours of work and systems of remuneration. To secure minimum employment standards in long distance transport, workers should pursue two additional measures:

- *The regulation of all long distance commercial vehicle drivers' driving and resting time.* This is not merely a labour law but also a road traffic safety law. Road traffic legislation should provide for regulated driving time, compulsory installation of on-board recording devices, enforcement by traffic authorities and penalties for contravention.

- *Industry-wide negotiations for special minimum standards*, which take account of the peculiarities of long distance truck driving. Such negotiations can pre-empt ministerial exemption or variation. Special standards must not undermine the BCEA minimum standards. They are necessary to formulate definitions of different categories of working and resting time. They are required to formulate more complex regulations of the maximum daily, weekly and monthly working and driving time, as well as the minimum continuous and flexible daily, weekly and monthly resting time. Agreement on a 40-hour driving-time week could explore flexibility on when the hours are driven and address the question of other categories of additional working hours required for a driver to complete a trip. In addition, negotiations should focus on
 - the prohibition of productivity-based remuneration systems which encourage unsafe working hours;
 - the definition of working and resting time;
 - flexibility for drivers to decide when to work, drive or rest subject to the regulations;
 - the conditions in which drivers spend their time at work;
 - payment for all time at work and exploring different rates of pay linked to time spent either driving, working or resting whilst at the disposal of the employer;
 - recording, monitoring and enforcement of drivers' driving and resting time and penalties for contravention of BC agreements;
 - drivers' health and safety, as well as research and training;
 - double crew drivers, continuous driving and shift systems;
 - a regional treaty standardising the

driving and resting time of southern African countries

In the absence of regulation we face unsafe working conditions, dangerous public roads, and competition that has the potential to spiral into chaos and conflict similar to the unregulated mini bus taxi industry. Drivers have a choice: remain victims, or organise to intervene in the crisis of the employers' 'free market'. ★

References

- Inter lecus uith 87 truck drivers at work on the N1 and N3 in April and May 1996. Inter lecus uith the management of Imperial, Trencor and Laser Transport holding companies*
Central Statistical Services, published and unpublished data
- Lauber JK and Kayten, PJ 1988, 'Sleepiness, Circadian Dysrhythmia and fatigue in transportation system accidents' Keynote address to the Second Annual Meeting of the Association of Professional Sleep Societies, San Diego, California, USA
- Lexetran 1992 *Second report on driving hours. Prepared for the Department of Transport, Pretoria. Draft*
- National Bargaining Council for the Road Transport Industry (Goods) - (NB CRTI), 1996 *B-agreement Consolidated Labour Relations Act 1956 Agreements 1983 to 30 April 1998*
- Traffic Digest, 8/2/96 'Letter from National Department of Transport Director General', *Transport and General Workers Union (TGWU) 1996 'Executive summary of TGWU Transport Policy and response to the Green Paper on National Transport Policy'*.
- Van Ouwkerk, F. 1987 'Relationship between road transport working conditions, fatigue, health and traffic safety'
- Traffic Research Centre Rijksuniversiteit Groningen, The Netherlands May 1997
- Workmen's Compensation Commissioner Reports of Statistics
-
- Nick Henuwood is an educator with the Industrial Health Research Group (IHRG) in Cape Town. This is an edited version of a report prepared for Naledi's 'Long-term research project on hours of work in South Africa', which was co-designed with the IHRG

Public sector struggles

The site of struggle for public sector unions has clearly changed. Collective bargaining is being used to regulate far-reaching transformation of the sector. This marks a fundamental departure from the recent past, when the unions focused only on 'bread and butter' issues that had a direct impact on their members.

Transformation

The COSATU public sector unions' demand for transformation has now become a core bargaining issue.

This follows the threatened retrenchment of tens of thousands of workers and a shortfall in the state's current budget allocation for public sector wage increases of R1,5-million. NEHAWU national negotiator, Makgane Thobejane, says the COSATU unions realise that the state is unable to deliver on public service reform programmes. They are using collective bargaining as a means to address transformation: "In this way we are not only ensuring that our own members' concerns are addressed, but are seeking to use collective bargaining as the catalyst for real reform".

Demands

In April this year, the union caucus in the Public Sector Co-ordinating Bargaining Council (PSCBC), which includes NEHAWU, SADTU, POPCRU and several unions outside COSATU, tabled the following demands:

by Malcolm Ray and Barbara Adair

- **Linking wages with service delivery**
The unions argue that, if the public service is to deliver equitable services to all South Africans, public service workers must not only have the requisite skills to deliver, but must also be adequately paid for this delivery. They are demanding that workers who deliver service must be granted real wage increases.
- **Narrowing the wage gap**
Despite recent efforts at reform, the gap between the lowest paid worker and public service managers is still abnormally high. The unions are determined to bring wages in line with the recommendations of the White Paper on the Transformation of the Public Service. The Paper proposes a gap of no more than 12%. The unions have put forward long-term mechanisms to achieve this. They have also proposed that there be no further salary increases for managerial staff in grades 12 to 16.
- **Removing management from the bargaining unit**
Unlike in the private sector, the terms and conditions of employment of managers are determined in the PSCBC. The employer representatives in the

Chamber end up negotiating their own terms and conditions. This results in wage increases which are skewed in favour of management. The unions are proposing that management be excluded from the bargaining unit. Their terms and conditions of employment should be determined in individual negotiations between the minister or MFC and the management employee.

□ *Training and development*

The need for human resource development, with particular reference to skills training and competency development, is articulated in numerous policy documents drafted by the state, including the White Paper on Transformation, the White Paper on Training and Education and GEAR. Nothing, however, has materialised. The unions are demanding that a reasonable portion of the wage budget be set aside for competency-based training. The state, as employer, must also conduct a skills audit to assess the skills of its workers at both national and provincial levels. Training needs will be able to be identified and undertaken in relation to the services that need to be delivered. It is proposed that a uniform framework for the implementation of competency-based training in the national departments and provincial administrations be developed in the PSCBC.

□ *Pension restructuring*

The Government Employees' Pension Fund (GEPF) built up a huge shortfall during the 'golden handshake' days of the National Party. White civil servants were the main beneficiaries. The new government has extended benefits to black workers. In a recent article, Ravi Naidoo of Naledi explains that "The problem lies in the way the government is trying to finance these

benefits. It has adopted a 'full funded' approach. This requires that money be pumped into the Fund to cover existing - and all future - pensions. To make sure that the GEPF can meet all future obligations, the government has stuffed billions of rands of government bonds into the Fund. These inflict huge interest payments on the government and the taxpayer. Current government payments towards the GEPF exceed the entire national budget deficit. The unions have proposed that the state adopts a Pay As You Go (PAYG) system. The deficit would be automatically reduced by approximately 60%. Money would be released for development and service delivery. Pension payments to public service workers would then become a budget item.

□ *Retrenchments*

The unions have rejected retrenchments driven by the government's budget deficit reduction strategies. They are arguing for an employment strategy based on the needs of departments and provincial administrations. Only after a proper staff audit has been completed will decisions on this issue be able to be taken.

The conclusion of an agreement on all these issues might well herald the beginning of a co-ordinated process of halting the turmoil in the public service, redressing the imbalances of the past and ensuring equitable service delivery. Negotiations in the PSCBC were still underway at the time of writing. (23 July 1998) ★

Reference

Naidoo, R. 'An alternative public debt strategy', *Naledi Policy Bulletin*, Vol 1 No 3 August 1998.

Barbara Adair is an attorney who is presently lecturing at the School of Public Management at Wits University.

SDIs and IDZs

challenges facing South Africa

In June 1998, South Africa and Mozambique celebrated the launch of the first phase of southern Africa's largest infrastructural project, the Maputo Development Corridor - a R1,8-billion toll road linking Witbank in South Africa to the port of Maputo in Mozambique.

This corridor is part of the government's industrial strategy, which is based on production of goods and services for export within special zones. The GEAR macro-economic framework calls for the setting up of Industrial Development Zones (IDZs).

The Department of Trade and Industry (DTI) is promoting Spatial Development Initiatives (SDIs) and development corridors, along with IDZs as part of its industrial policy.

The Maputo Corridor is one such initiative. Others include the Lubombo Corridor, the Wild Coast SDI, the Fish River SDI, the Coega IDZ and the Saldanha Steel Project.

SDIs and IDZs

SDIs and IDZs play slightly different roles in export production. SDIs are broad geographical areas within which different economic activities can take place. Within the SDI, specific locations, called nodes, are identified for various activities. These typically include industrial manufacturing, tourist services and agricultural production.

SDIs and IDZs are part of the government's industrial strategy. Neil Newman identifies the problems associated with these initiatives.

IDZs are more specific, smaller areas, targeted for industrial export manufacturing. They are usually adjacent to a harbour or airport, from which products can be easily exported and raw materials imported. An IDZ could be located as a node within an SDI, or outside of it.

A development corridor is a type of SDI. Typically, it provides a transport passage or corridor from an inland production location to a harbour or airport, or from one node to another (within an SDI). Like the Maputo Corridor, it could also link different countries.

Rationale

The government believes that the SDIs and IDZs will enable South Africa to compete on international markets. It argues that increased exports will lead to growth, jobs and empowerment.

Zav Rustomjee, director general of the DTI, says that: "the country had no choice but to promote exports vigorously because the small domestic market and

low economies of scale could not produce growth to create sustainable growth". (*Business Report* 8/6/98)

Origins

At the end of the 1960s, transnational corporations (TNCs) based in the US and Europe were beginning to search for new ways of increasing their

profit levels. The cost of labour in their home countries was becoming more expensive.

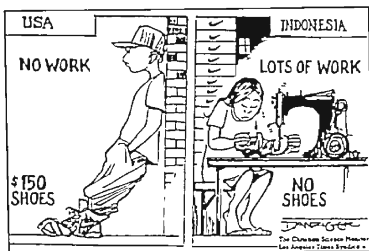
The search for increased profits became the search for cheap labour. This gave rise to the strategy of export-oriented production or industrialisation (EOI) in developing countries where labour costs were much lower than in the US or Europe.

Production was to take place in the developing world (mainly in East Asia, Latin and Central America and, to a lesser extent, in Africa). Goods would then be exported to the US, Europe and the rest of the world.

At the same time, the developing countries were trying to solve their own problems of debt and unemployment. The International Monetary Fund (IMF) and World Bank placed conditions on loans it made to these countries, forcing them to adopt Structural Adjustment Programmes (SAPs).

A key aspect of these SAPs was export-oriented growth and industrialisation.

On the other hand, the TNCs were demanding special circumstances from these developing countries in return for



Richard Woodhouse

their investment. These included tax concessions, economic infrastructure, low wages and in extreme cases, the exclusion of trade union rights.

This gave rise to the idea of creating special economic zones or areas where the production of goods and services for export could take place with maximum benefit to the TNCs. These economic areas or zones are most commonly known as EPZs.

The first zone was established at the Shannon Airport in Ireland in 1960. Today, there are more than 200 EPZs in over 60 countries. Most are located in Asia, with Latin and Central America occupying second place. According to an International Confederation of Free Trade Union (ICFTU) survey, 25 African countries have established EPZs.

While the zones took on many different forms and names, the experiences of workers are very similar. Super-exploitation in the form of low wages, long hours of work and an attack on trade union rights are common. While, in most cases, the country's labour legislation applies, governments turn a blind eye to violations so as not to scare investors away.

The maquiladoras

"The metal covered buildings lie under a leaden sky. Nothing in their appearance suggests there are human beings inside.

They look like giant warehouses. Inside, the only sound is the noise of machines. There is not a single human sound: no voices, no laughing, just the occasional whisper here and there.

From time to time, someone gets up and asks to go to the toilet. The workers are only allowed to go once during their ten- or twelve-hour shift, and even then, their time is strictly limited. If they are absent for more than three minutes, the supervisor shouts for them to come back to work.

Once the women have entered the building, the doors are locked. Nobody can leave or have any contact with the outside world. Their whole world is behind those doors.

Anger drives some of the workers to organise. But any efforts are immediately repressed. Order is restored, with the supervisor using every method available. The end justifies the means: shouting, harassment, physical violence.

If somebody were to ask where the scenes described above took place, no doubt most of us would reply: in a prison or concentration camp. Wrong. It is simply the way workers are treated in the maquiladoras of Central America. In El Salvador, Nicaragua, Honduras and Guatemala, over 200 000 workers, overwhelmingly female, produce goods under these conditions...(the goods) are exported to the US, Canada and the rest of South America."

Adriana Rosenthal of the International Graphical Federation, Latin America

Are SDIs and IDZs different?

SACCAWU's Herbert Mkhize, who is the labour convenor at Nedlac's Trade and Industry Chamber, recently stated that "unions (are) opposed to plans to create 'concentration camps'. Labour (is)...against export processing zones by any other name". (*Business Day*, 11/2/98)

The DTI claims, however, that "IDZs have been conceived after consideration of best practice internationally, which indicates a shift away from traditional EPZ strategies to the development of leading edge industrial development zones. South Africa will not be offering a discount on wages or less preferable conditions of service as incentives to potential investors".

Challenges

The key challenges facing labour are:

Growth and job creation strategies

What kind of job creation and growth strategy is South Africa promoting? Business, labour and government agree on the need to address the problems of negative growth and increasing unemployment.

Their strategies for doing so are, however, very different. The export-led strategy which government has chosen favours business, particularly the TNCs. It leaves growth and job creation up to the private sector. It depends on the willingness of business to invest in production.

Investment will be determined by factors such as how productive and flexible workers are, what kind of incentives (like tax holidays) are given and how much of the profits can be taken out of the country.

The race to the bottom

If South Africa is to become internationally competitive, our production costs must be lower than in other countries. Other countries are also becoming more competitive. The competition for investment involves a 'race to the bottom'. Workers have to continuously lower their standards in the struggle to attract investors. In the end, South African workers may be forced to accept conditions similar to those which prevail in EPZs in other parts of the world.



Workers World News

Who benefits?

Researcher, Sharon Hammond, notes that development corridors may benefit big business, but local communities are experiencing negative effects. At the launch of the Maputo Corridor in Ressano Garcia, no local labour power was used. Workers and other resources were imported from Gauteng. Local residents were separated from the proceedings by yellow ropes.

Residents were not consulted in the planning stages. In towns such as Malelane, Matsulu and Kaapmuiden, residents are fighting against the siting of the toll gates on the N4 toll road, pointing out that the gates will separate them from their schools, jobs and shopping centres in Nelspruit. Local taxi operators also complain of the high cost of the fees they have to pay at the toll gates. No alternative routes are being provided.

Mpumalanga's economic affairs department agrees that the 'little man' has not always featured significantly in the planning. "Casinos and hotels are nice, but they don't really have anything to do with empowerment," says Jonathan Mitchell, development economist (*Reconstruct*,

Sunday Independent, 14/6/98)

There can be no doubt that the strategy of creating special production zones has led to many jobs being created in developing countries. The workers who occupy these jobs labour, however, under conditions of super-exploitation. The jobs have been created at the expense of jobs in other parts of the world.

Today, the search for increased profits is the search for cheap labour. Will South Africa be able to resist these pressures? Despite commitments by government, the logic of globalization may force compromises. Just how flexible are we prepared to become? ★

References

- The South African Industrial Development Zone Concept - DII - consultative draft, April 1998*
Maquiladora Network Update, April/May 1997
Behind the wire: anti union repression in the export processing zones, published by the ICFTU!

Neil Newman is the co-ordinator of the Transnational Corporations Project at the International Labour Resource and Information Group (ILRIG)



Socio-economic protest

Section 77 of the LRA

For the first time in South African history, workers have the right to embark on protest action to promote and protect their economic and social interests. Section 77 of the new LRA protects workers exercising this right from dismissal and other disciplinary action.

In the 1980s and early 1990s, COSATU used stayaways and strikes to protest against the introduction of VAT and petrol price increases.

Since such action was unlawful, many workers who participated in these protests were dismissed.

The new LRA defines protest action as "the partial or complete concerted refusal to work, or the retardation or obstruction of work, for the purpose of promoting or defending the socio-economic interests of workers, but not for a purpose referred to in the definition of a strike".

The purpose of such action is to win from persons and institutions other than employers an advantage for workers of a social or economic, but not purely political, nature. Matters of mutual interest between employees and employers do not fall within the scope of section 77.

A dispute over wage increases in the metal and engineering industry is a matter of mutual interest between the employers and workers in that industry. A dispute between labour and business in Nedlac over the introduction of a national minimum wage would, however, be covered by section 77.

The fact that both workers and employers have an interest in the outcome of such a dispute does not make it a matter of mutual interest.

A test that can be applied is who can, by conceding, resolve the dispute giving rise to the protest action.

Rights and obligations

As is often the case, the rights given to workers in section 77 come with certain obligations.

As the Labour Appeal Court has said: "If a right granted to employees in terms of the Act is to be protected, the employees are expected to play according to the rules of the game." The following obligations are set out in the Act:

- A registered trade union or federation must serve a notice on Nedlac of its possible protest action over a socio-economic matter.¹
- The matter giving rise to the notice must be considered in Nedlac in an attempt to resolve the matter.²
- Thereafter, the union or federation must serve a second notice on Nedlac of its intention to proceed with the protest action. This must be served at least 14 days before the protest action starts.³

Because protest action usually involves greater numbers of workers than an individual strike, its cost to the economy will be higher. That is why the procedural obligations that go hand-in-hand with the

right to participate in socio-economic protest action are greater than those for a strike or lockout

Labour Court

Failure to comply with these procedures means that the protest action is unprotected and can be interdicted by the Labour Court. Even if all the procedures have been followed, however, the Court still has the power to remove the Act's protection after considering the nature of the action, the steps taken by the union or federation to minimise the harm caused by the action, and the conduct of the participants in the action

Section 77 of the LRA has already been the subject of litigation in the Labour Court. In May 1997, the Labour Appeal Court interdicted planned protest action by COSATU in support of its demands on the Basic Conditions of Employment Act. In this case, the Court found that the matter giving rise to the protest action had not been considered in Nedlac.

Earlier this year, the Labour Court denied an appeal brought by the government of the Western Cape to interdict planned protest action by COSATU (Western Cape) about continuing inequality in the education system.

Recent developments

Nedlac has developed its own internal procedure for dealing with section 77 notices of protest action. Since the new LRA came into operation in November 1996, Nedlac has received over 15 notices. Not all of these were valid. Many dealt with matters of mutual interest between employees and employers.

A notice from the NUM in February 1998 about the ongoing retrenchments in the gold mining industry was considered by Nedlac and led to a moratorium on

retrenchments, pending the gold summit. This helped create a more positive climate in which to search for solutions to the crisis.

Notices from SADTU and the Suid-Afrikaanse Onderwysers Unie about the crisis in education have also recently been considered by Nedlac. A process has been put into place to address the problems in education in the longer term, by facilitating engagement around budget planning in provinces.

Most recently, Nedlac held a meeting between the NUM and NUMSA and the Minister of Public Enterprises to consider the Eskom Amendment Bill. The two trade unions had served Nedlac with notices of possible protest action against the Bill.⁴

The responsibilities placed on Nedlac by section 77 of the LRA have given the institution an important role in resolving disputes over social and economic matters. This fits neatly with Nedlac's primary responsibility to discuss and negotiate social and economic policy.

Footnotes

- 1 This is known as Section 77 (1) (b) notice, as that is the paragraph in the Act which spells out obligation*
- 2 This is stated in Section 77, paragraph 1 (c)*
- 3 Legal terminology for this is a Section 77 (1)(d) notice*
- 4 Subsequent to this meeting the NUM and NUMSA served notices of intended protest action on Nedlac, and followed this with a protest march to the Office of the Minister of Public Enterprises in Pretoria. COSATU has served notice regarding possible protest action, and Nedlac is awaiting a response from the Minister of Public Enterprises regarding a meeting to consider the matter and attempt to resolve it.*



Social and economic report

stop => start

Did you know that, by the end of 1997, the municipal infrastructure programme had created 174 440 temporary jobs? Or that, as at 1 March 1998, 12 million people did not have access to clean water and 21 million lacked sanitation facilities? Did you also know that although South Africa ranks very high compared to the rest of the world when it comes to gender empowerment, we have a *poor* gender development measure? Although there has been a conscious political effort over the past three or four years to address gender and racial inequity, the vast majority of South African women are disadvantaged relative to their male counterparts

These and other interesting statistics can be found in the Nedlac report on the state of social and economic matters in South Africa.

Nedlac is mandated to provide an annual report on social and economic matters by its founding Act of Parliament. The report is intended to be of use to all Nedlac constituencies and decision-makers in their policy debates. The 1997-1998 report is divided into three sections.

- The first section provides an easily accessible review of progress during 1997 on a number of economic indicators, including employment, poverty and infrastructure delivery. This section will be useful for constituencies who do not have easy and regular access to data on these issues.
- The second section compares South Africa with different categories of countries (those with similar economic and social characteristics, countries in

the southern African region, and higher-income countries). The comparison is carried out under three themes – growth, employment and equity. Different indicators have been identified for each theme.

- The third section provides information on other structures in our society which also engage in social dialogue. You will find information on GDP growth by sector, employment by sector, inflation and interest rate trends over the last five years, government revenue and expenditure with respect to various categories such as housing, education and health. There is also information on poverty and government's progress on the delivery of social infrastructure. The comparisons provide interesting and useful information on how we have progressed with regard to employment, economic growth, etc. A 'human development index' is used to compare South Africa's progress with a number of other countries.

Social dialogue

Social dialogue has become a permanent feature of the South African political and economic landscape. A range of social dialogue structures have emerged within the provinces, at local level, within industry and within the southern African region. The third section of the report looks at what these structures are, when they were formed and what they do.

Three provinces have established social dialogue structures – KwaZulu-Natal, the Eastern Cape, and the Western Cape. Social dialogue structures similar to Nedlac have been set up in Zimbabwe, Lesotho, Mozambique and Botswana amongst others.



Competition policy

Competition policy sets out the rules whereby the various companies in the marketplace, be they big or small, interact with one another. All these companies have relationships with other companies, whether they be with their competitors (Standard Bank with First National Bank), with their suppliers (Pick 'n Pay with Clover dairies), or with their clients (Company names are used purely as examples, and do not imply any anti-competitive behaviour). Government could allow these companies to do as they please, but then companies would have no protection when other companies act unfairly. The rules set out in competition policy also help ensure an environment in which competition between the players is to the benefit of the whole economy. In order to be competitive, companies must ensure that they have an effective strategy and efficiently manage their resources. A competitive economy is an efficient economy.

Fairness and efficiency

The aim of competition policy is to ensure that companies compete fairly.

- Companies making the same product compete with one another by lowering their prices to attract consumers. Sometimes, competitors get together and decide that they are going to fix prices at a higher level. That is unfair to the consumer. Competition policy addresses price-fixing.
- Sometimes, a company will use its size in order to insist that a supplier provides it with goods at a lower price. That is unfair to the supplier. On the other hand, a supplier which is dominant in the market may supply goods only if the buyer agrees not to stock the goods of a

competitor. Competition policy outlaws such behaviour.

- Companies might decide to join together, so that they can use their increased power in the marketplace. Competition policy sets out rules for mergers.

In the past, South Africa's economy was characterised by a lack of competitiveness. Some companies did not have to rely on being efficient to be successful. Special relationships with government and measures to prevent new entrants into the market meant that a few firms had a lot of market power. Big firms do not necessarily abuse their power, but when there are a number of companies in the market place, the consumer benefits because of the competition between them.

Competition policy and workers

Competition policy recognises that while mergers may make companies more competitive, the jobs which might be lost in the process has a negative effect on the economy. The new Competition Bill proposes a mechanism to ensure job security is taken into account. The Minister of Trade and Industry would be given the power to prevent companies merging on the basis of 'public interest' criteria.

The Competition Bill is intended to be passed in parliament by the end of 1998. It was drafted on the basis of an agreement between business, labour and government reached in Nedlac. It specifies what constitutes uncompetitive behaviour and provide for institutions to determine whether the behaviour of firms is uncompetitive and to take the necessary action to rectify the situation.



Workplace Challenge report-back

Focus on Nedlac introduced the Workplace Challenge initiative to *Labour Bulletin* readers in June 1997. The October 1997 issue of the *Bulletin* gave more detail. What has the Workplace Challenge achieved, and what are its current priorities?

The Workplace Challenge is an initiative which is being spearheaded by the Nedlac Trade and Industry Chamber. It is described in the Department of Trade and Industry's (DTI's) Incentive Schemes pamphlet as a plan "to enhance co-operation between workers and management to boost the country's competitiveness and employment creation by improving industrial performance and productivity".

Phase One of the project was completed at the end of 1996. It asked the question: 'what is productivity?'. It was designed to ensure broad participation from the key players in all provinces. A very important aspect was to develop a common language and understanding of what productivity is. Nedlac published a book on the first phase of the Workplace Challenge project.

Phase Two began in September 1997 and will take about 18 months to complete. Phase One identified the problem.

Phase Two works out how to deal with it. It has consisted of programmes in selected sectors. The DTI made R13-million available for this process.

Project management

To enable the Workplace Challenge Committee (WPC) to carry out its functions, Nedlac appointed a project manager, Alastair Machin of Labour Market Alternatives (LMA). LMA has, in turn, appointed a small team, with regional

project managers in Gauteng, the Western Cape and KwaZulu-Natal. Further appointments in other regions may be necessary as the scope of the project broadens and deepens.

Phase Two

The WPC committee has allocated grants to sectors in accordance with strict guidelines. So far, funds have been allocated to the Petrochemicals, Plastics and Synfibres (PPSC) sector, the (KZN) Footwear sector and the Capital Equipment sector. The funds can be used to conduct sector-level workshops and negotiations and to support practical programmes for the transformation of production systems in pilot firms. So far, there are 20 firms involved in pilot projects.

Individual firms are required to develop an action plan with milestones and budgets. Firms have considerable flexibility in identifying projects, which are designed to identify constraints in their ability to achieve productive and competitive capability specific to their production requirements, and therefore do not have to conform to a rigid and standardised performance regimen.

However, it is imperative that measurement systems are identified and implemented before the majority of available funds are released. This has involved identifying 'measures of success', which will provide the benchmarks for quantifiable assessments in the workplace of factors such as productivity improvements, increases in training time, lower scrap rates, decreases in accidents and reduced absenteeism. The overall purpose of measuring these key components is to arouse the interest of industry. For workers, improvements in



these areas may mean

- improved job security,
- better working conditions,
- training opportunities, or
- the conclusion of favourable workplace change agreements

For managers, these improvements may mean

- world-class competitiveness packages,
- quicker response time to orders, or
- better customer service

In addition to tangible measurement systems, each pilot firm (and the consultants they appoint to provide technical advice and assistance) is required to report on their progress at agreed intervals during the project

Preparatory work

The Workplace Challenge project manager actively assists the industrial parties to come forward with funding proposals. In this preparatory or nurturing stage, such assistance takes the form of initial consultations with the relevant industrial parties, briefing sessions, the planning and conducting of strategic workshops for representatives of the parties in each sector and administrative support

Those sectors which are currently being actively 'nurtured' include fruit and vegetable canning, furniture, secondary dairy, rooibos tea, and ostrich processing. Other sectors which are possible candidates include automobile components, telecommunications equipment, wool and mohair, sawmilling, building materials, electrical durables and steel products and (certain aspects of) tourism

The WPC committee will give preference to those sectors which have demonstrated a commitment to undergo workplace change and/or which have acknowledged a need for change in the face of increasing foreign competition.

In the early stages of the project, the sectors which were targeted for this type of

support were identified as a result of an initial review. During August and September 1997, 23 sector 'scoping' reports were completed. These supplied the committee with background and other information about specific bottlenecks and operational shortcomings in under performing sectors. The reports also highlighted the competitive strengths of the sectors, and whether realistic opportunities for change exist

Capacity building

To support the labour constituency in participating in the sector initiatives, the WPC committee is currently developing a capacity-building programme targeted at national and provincial union officials. This programme should be ready for delivery later in the year. Capacity-building initiatives for shop stewards and line managers at firm level are also supported with funds allocated in sector level programme budgets. The latter take a more practical format, focussing on real and actual production problems

Diffusion of learning

A key objective of the Workplace Challenge is to ensure that the learning and experience that is derived from the pilot plant initiatives is diffused widely to other firms in the sector. It can then create a catalyst for further, accelerated transformation across the industry. To ensure that this occurs, the project encourages and provides limited financial support to researchers to track and monitor the sector and plant-level initiatives. It is anticipated that the first results from the project will start to emerge later in the year.

The Report on Phase One of the Workplace Challenge, can be obtained from the Nedlac information officer, Mbuso Ngcongco, at tel (011) 482-2511, fax (011) 482-4650, e-mail mbuso@nedlac.org.za Visit the Nedlac website at <http://www.nedlac.org.za>



Pre-employment HIV testing

By 1998 there were approximately 3 million people living with HIV/AIDS in South Africa. Of the estimated 33 million people with HIV in the world, 22,8 million are in sub-Saharan Africa. By the year 2000, one in five adults of working age in South Africa could be living with HIV.

Many work seekers in South Africa have been refused jobs because of pre-employment HIV testing. Until March 1997 (when a parliamentary sub-committee decided to outlaw such testing in the public sector) both public and private employers routinely conducted these tests. While this is now mainly a private sector phenomenon, certain sections of the public sector, like the South Africa National Defence Force, continue to conduct these tests.

Why test?

Pre-employment testing is specifically designed to exclude people with HIV from the workplace. This is due to perceptions that employees with HIV are costly, unproductive or a 'threat' to the health of fellow employees. Testing is aimed at establishing the HIV status of an employee at a given time. It is unreliable, however, because it ignores the 'window period', a time of up to six weeks after infection, when an HIV test will be negative. Furthermore, a negative result at any given time does not protect an employee from being infected at a later point. In high HIV

by Fatima Hassan and Mark Heywood

prevalence areas such as South Africa, all sexually active people are at risk if they do not protect themselves.

Routine HIV testing thus creates a false sense of security. It will not keep any workplace HIV/AIDS free. It delays the only intervention that is cost-effective, that is workplace-based prevention programmes.

Against the trend

Overseas and southern African countries are moving towards outlawing pre-employment testing. In South Africa, however, the trend seems to be the opposite.

Research conducted by Hugh McLean and supervised by the University of the Witwatersrand Faculty of Management shows that employers are becoming more vociferous in support of the 'relevance' of testing. Fifty-nine percent of private employers who were interviewed felt that HIV testing (not necessarily pre-employment testing) is appropriate. Ten percent openly admitted to a policy of testing new recruits.

The law

The LRA does not specifically prohibit or permit HIV or other tests. It does, however, provide for recourse where it can be

shown that there is an 'act or omission' involving unfair discrimination, or where a dismissal amounts to unfair discrimination. It is widely accepted in legal circles that HIV testing is an unfair labour practice, because HIV infection can rarely be shown to relate to the inherent requirements of the job. It is likely that a High Court application against South African Airways (SAA) later this year will offer the first formal judgement on the issue, although the case against SAA is being fought mainly on constitutional grounds.

The Employment Equity Bill, which is currently before parliament, includes a section on medical testing (section 7). This section caused much controversy during the negotiations around the Bill. Human rights lawyers, including those attached to the AIDS Law Project (ALP), are critical of this section in the Bill. They point out that, although it aims to prohibit unjustified medical testing, it does not specifically outlaw HIV testing. For the last five years, the ALP has argued for a specific Act to ban pre-employment testing.

Provisions

The ALP accepts that a specific prohibition on HIV testing may not be necessary if section 7 is re-drafted in its entirety. Section 7 currently states that medical testing of an employee is prohibited unless

- other legislation permits it; or
- it is justifiable in the light of medical facts, employment conditions, social policy, the fair distribution of employee benefits or the inherent requirements of the job.

The problems with these provisions are that:

- Legislation allowing HIV testing does not exist. The section is meaningless, unless further and specific 'legislation' on medical testing in the context of HIV is introduced. This seems unlikely.
- It is unclear 'who' will decide 'when' a

medical test is justifiable and when this decision must be made. The drafters of the legislation appear to have left this crucial decision to employers. The section does not state that the Labour Court must declare the medical test 'justifiable' or that this must happen before the test is carried out. Such an approach has been recommended by the South African Law Commission in its report on pre-employment testing.

- The grounds on which such a decision can be made are extremely broad and open to abuse by employers. What is social policy? Who determines whether the distribution of employee benefits can be determined fair or not?

Even though the Bill provides for recourse mechanisms, they are meaningless all the while employees with HIV are afraid to use the law because of fears for their privacy. Discrimination cases brought by people with HIV are few and far between. The ALP's experience with employees who have tested positive after an employment-related HIV test is that they often resist challenging their employers for fear of reprisals. This is exacerbated by the stress involved in understanding and accepting their recently discovered HIV status.

High unemployment also means that, even if workers know they are not required to submit to a test, they will agree if the employer demands it.

The Bill has enormous symbolic significance for black people, women and the disabled. If it fails to protect workers living with HIV, it will defeat its own purpose, namely, putting an end to unfair discrimination and creating equal workplace opportunities. ★

Fatima Hassan is an attorney with the ALP. Mark Heywood heads the project. The ALP is based at the Centre for Applied Legal Studies (CALS) at Wits University.

Transport merger

FEDUSA unions join forces

Three FEDUSA-affiliated unions have merged to become a force in the transport sector. They are the Employees Union of South Africa (EUSA), the Salaried Staff Association (SALSTAFF) and the Technical Workers' Union (TWU). The new union will have almost 27 000 members giving FEDUSA majority representation in the transport sector.

The three unions operate mostly in Transnet and its business units including Portnet, Petronet, Autonet, South African Airways (SAA) and Spoonet. They also have members working for British Airways, Sun Air and other transport companies.

Rank and file must still decide upon a number of issues, including:

- the name of the new union - a proposed name is the Transport and Allied Workers' Union of South Africa (TAWUSA);
 - how branch structures will be integrated;
 - the election of regional officials.
- Like other FEDUSA unions, the new union will be politically independent and non-partisan. Officials warn government - their main employer - that they will not allow it to undermine human and trade union rights.

The new union will participate in privatisation as long as there is no retrenchment and no downsizing. They will participate in order to influence the

Etienne Vlok reports on the launch of a new union in the transport sector.

process in the interest of their members. The union reminds its employers that it can bring transport to a standstill to enforce its demands.

Why the merger?

André Venter, general secretary of SALSTAFF, says that the merger is in the interest of workers because the three unions will combine their services and energy.

Three unions existed in the past, only because of a paternalistic system that dictated which union workers should belong to. Since freedom of association in 1988, workers have migrated from one union to another. This has resulted in membership of the three unions consisting of similar types of workers. SALSTAFF's membership consists of clerical, salaried technical and operational workers and supervisors.

TWU's focuses on artisans and technicians in the transport industry. Its membership of about 12 000 consists of technical, support and administrative staff in all divisions of Transnet.

Adriaan van Rensburg, assistant general secretary of TWU, identifies the following



BY SALSTAFF

SALSTAFF general secretary André Venter (second from left)

factors that led to the merger:

- changes in the LRA encouraging centralised bargaining with bigger unions,
- the high cost of running three different unions,
- improved conditions for members by having a strong collective base.

Van Rensburg says that if the unions do not have a strong base, they will be unable to make significant changes in basic conditions. He also feels that there needs to be a balance between FEDUSA and COSATU unions to ensure that the COSATU unions do not benefit the most in negotiations and leave the minority unions with a little to gain.

The structure of the new union

Venter says that the new union will have created an industry committee for each sector (air, rail, sea and road) of the transport industry. The result would be a more professional approach and a stronger union. This structure is necessary as each sector has different rules. Venter does not think that members will get lost in this super-union because members will fall under one of the four industry committees. He admits that members could have been lost in the old unions but

the new structures will prevent this.

Ruben Cloete, vice-president of SALSTAFF, says that the union will now be able to focus more on the needs of members, than in the past when it was a general union. The industry committee of each transport sector will focus on the specifics of that sector. Members will thus get more value for their money with the new structure.

Van Rensburg thinks that the positives of a bigger union outweigh the negatives and that a bigger union enhances capacity. TWU had experienced difficulty in attending all the relevant forums at Transnet because of limited capacity. The new union will have more control over deals struck in the different business units of Transnet because of consolidation that takes place in the merger. Van Rensburg states that the different divisions in the new union, and dynamic leadership, will ensure there is no bureaucratisation.

Van Rensburg admits that it will not be easy to reconcile the needs of white- and blue-collar workers. The new union will differentiate in terms of skill but they will not service one group more than another.

The union will not address members' political needs but rather their economic needs. Van Rensburg says that supply and

demand will always affect what wages gains can be won. The union supports pay-for-performance.

Cloete adds that the unions involved had spent a great deal of time competing against each other, but now they will have more time to focus on their members. Officials in the new union will not nominate leaders but members will nominate and elect shopstewards. This will ensure democratisation and accountability.

Venter believes that white-collar unions must adapt and contribute to transformation. Many managers are inadequately trained and act more like administrators than businesspeople. Venter states that the union must show companies that unions can transform businesses. White-collar unions should be led by realities not emotions, says Cloete.

Cloete, discussing the union's view of the future of South Africa, says that it is of concern to them as a trade union that there is only a small elite in this country. He says that unions must work to broaden the elite and all people should share, although not equally.

Venter believes that in Transnet there is mistrust between the parties and this has to be removed. There has to be a common realisation of where they are going to ensure that everyone involved buys into the process. Venter says that when unions take co-responsibility with management, retrenchment could be reduced.

Affirmative action

The new union calls for more women and men from previously disadvantaged communities to be employed in the workplace. This will promote equality. The unions urge companies to narrow the wage gap by training workers with the required skills.

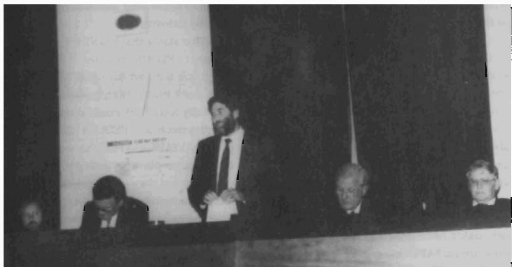
The union wants to play an active role in employment equity and its implementation. Venter says that in the workplace historically disadvantaged communities want to move up and white males feel threatened. He suggests that accelerated and focused training should be provided for disadvantaged workers so that they can catch up. He warns that training for those in advantaged communities should continue since this is in the interest of the company and the country. Van Rensburg adds that their white male members understand that changes need to take place. Nevertheless, employers should realise that this highly skilled group also contributes and therefore resources should also go to them.

Discussing their fight against casualisation, Venter says that the union's biggest problem is casualisation in the dock labour pools and at SAA. The unions together with the COSATU affiliate the Transport and General Workers Union (TGWU) fought against casualisation in the dock labour pools. The union also fought casualisation at SAA by using legal opinion and threats of action. Venter says that this is one way the union plays an active role in fighting casualisation and exploitation by employers.

Other FEDUSA unions

The merger does not include all the FEDUSA unions in the transport sector. The South African Footplate Staff Association (SAFSA) and the Air Line Pilots' Association of South Africa (ALPA-SA) decided not to join the merger.

SAFSA was originally established for train drivers and their assistants. (Train drivers stand on the footplate in the locomotive, hence the union's name.) Most of SAFSA's membership is still in the footplate grade but the union now



SALSTAFF vice-president, Ruben Cloete.

represents a variety of workers in Spoornet and Metrorail

Chris de Vos, general secretary of the union, denies that SAFSA may be in a weaker position in collective bargaining by not merging. He believes that SAFSA will maintain its membership because of the good benefits it offers.

De Vos does not believe the merger would be beneficial to SAFSA's members. He uses the example of the Marion Hill train accident where SAFSA used R500 000 to defend the train driver involved. This would never happen if they were to merge with other unions, since the other unions would not allow them to spend so much money on one member.

Another reason given by De Vos for not joining the merger is the difficulty of organising in Spoornet. Currently SAFSA organises members in their trains while they are between stations. This would be more difficult if the union joined the merger.

De Vos thinks that other unions, especially white-collar unions, do not understand train drivers' needs and special circumstances. In Europe, train drivers are

grouped on their own. Frank Boonzaier, president of SAFSA, agrees that other unions "cannot service our people". De Vos believes that contrary to the LRA, space exists for groups of workers to stand alone. He wants to convince all train drivers, including blacks and women, that SAFSA looks after its members. De Vos says that while they are not ready to merge now, they may think about it in the future, especially if there are going to be retrenchments.

De Vos alleges that SALSTAFF and TWU were forced to merge because of declining membership. He adds that the merger is only taking place to ensure that this new union is *the* union in Transnet - comparable to the SARHWU. SAFSA, on the other hand, is financially healthy and its membership fell only 10% when Transnet's workforce declined by more than 100%.

De Vos explains for SAFSA a merger should be more than just increasing numbers to become bigger than SARHWU. If it were only a numbers game, workers may benefit more by joining SARHWU. (He adds that SARHWU has asked them

whether they would 'want to talk'. "Maybe in the future we will," says De Vos.)

Cloete says that SAFSA was involved in all the workshops on the merger, but later withdrew. He concedes that SAFSA's needs are unique and that the three merging unions are closer to each other. Cloete also says that some union officials felt insecure about the process and were afraid of being axed in the merger. However, the current agreement is that officials will not be retrenched in the merger. Van Rensburg feels that SAFSA will eventually join the new union because companies will put pressure on SAFSA in bargaining and members will put pressure on their leaders when they see other employees getting better benefits.

Venter explains that ALPA-SA is not involved in the merger because the culture among pilots is unique and they have a distinctive bargaining unit.

FEDUSA's policy

De Vos says that FEDUSA does not hold an official position on SAFSA's not joining the merger. FEDUSA has also not approached SAFSA regarding the merger. SAFSA was uncomfortable when the merger was announced because FEDUSA joined the merging unions on the stage without taking SAFSA's position into account.

Chez Milani, FEDUSA general secretary, says that FEDUSA's policy is to encourage and facilitate mergers but the federation will not push for them. He thinks that the bigger the union the better the service. Milani recommends that SAFSA and ALPA-SA join the merger unless they think that they could give their members better service on their own.

Van Rensburg states that the success of other mergers in the FEDUSA ranks made the three merging unions realise that a merger is a viable option. His view is that FEDUSA supports the merger because it

wants to harmonise like-minded unions in specific industries.

Venter states that SALSTAFF chose to affiliate to FEDUSA because it is the federation with which SALSTAFF feels most comfortable, both politically and culturally. SALSTAFF could contribute constructively as a FEDUSA affiliate. In the past, SALSTAFF and FEDUSA were not seen as legitimate players. However, this is changing and they enjoy prominence now like never before. They are now also reaching maturity in their roles.

Van Rensburg says that TWU joined FEDUSA as FEDUSA is not politically aligned. He feels that a union must represent members on economics, not politics. COSATU and FEDUSA face common issues, but politics is not one of them.

Venter says that co-operation with COSATU is good. "Gone are the days when we scored against them." Cloete is part of the labour delegation in the NFA (National Framework Agreement on the Restructuring of state assets) 'six-a-side' team together with COSATU. He says that instead of the 'us and them' rivalry that existed between the federations, there is now a mutual respect. SALSTAFF is working with SARHWU in Transnet and other companies.

Challenge to unions

We are now seeing more and more mergers in COSATU and FEDUSA. As a result there are much bigger general unions which will no doubt be significantly stronger at the bargaining table. The challenge for these new super-unions is to provide an excellent service to each individual member. It is one thing for a union to secure a good wage for a member, but the union must also still be able to address each member's individual grievance should the need arise. ★

NUMSA takes on Iscor

In 1997 Iscor embarked on a major rationalisation programme, which led to the retrenchment of more than 1 500 workers

The programme is continuing this year. The Vanderbilpark steel operation has been earmarked for closure. This will result in the loss of a further 6 500 jobs. The closure will be handled in stages, over a two-to-three year period. Two divisions have already been shut down. Iscor claims that these measures are necessary for the company to be able to compete on international markets.

NUMSA, which represents the workers at Iscor, was not consulted about the closure of the two divisions. Plant structures were bypassed by management. The company failed to provide any information about its strategic plan, saying only that it is based on advice from MacKinsey, a group of American-based management consultants.

Summit

In May, the union and management agreed to hold a joint sectoral job summit to develop restructuring alternatives. The meeting agreed that a moratorium would be placed on the closure of the two divisions. Iscor has reneged on this undertaking, and is proceeding with the closures.

NUMSA is consulting broadly with researchers and economists on the

by Dumisa Ntuli

different options the company might follow. At a recent general meeting attended by 900 Iscor shop stewards, workers vowed to intensify action to force the company to reimpose the moratorium.

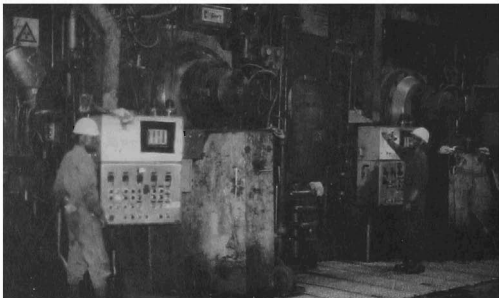
Consultants

The MacKinsey consultants do not understand the South African situation. Using international benchmarking to retrench workers is not the solution to Iscor's problems. This is the third major retrenchment in two years that MacKinsey have been involved in. Their recommendations on the restructuring of the South African Broadcasting Corporation (SABC) resulted in the loss of 1 400 jobs. They also proposed the retrenchment of 1 500 workers at the Iscor Pretoria plant last year.

NUMSA believes that the MacKinsey strategy is misguided. Their approach to restructuring is a crisis response. There is no long-term, sustainable plan and no job retention strategy.

Social impact

Retrenchments at Iscor will add to the woes of the metal industry, which has lost close to 114 000 workers since 1992. This will swell the ranks of the unemployed.



Iscor Vanderbijlpark. Rationalisation and company closures will shed jobs.

and increase poverty. The closure will also have negative effects on the region. Many companies are dependent on Iscor for survival

Accountability

NUMSA believes that justice for workers is also good for a company. Iscor management took a unilateral decision to close the divisions NUMSA demands employer accountability. We demand that employers fulfil their responsibilities to the community within which they prosper, and society as a whole. If, after all avenues have been explored, retrenchments are necessary, workers must be equipped to sustain themselves and their communities in the future. Iscor has no proposals for job creation or training schemes. Profit maximisation is the only consideration.

Plant closures must be negotiated with workers well in advance. Employment security and community stability must be primary goals. The alternative is dire poverty.

Government's role

Government's role in the Iscor saga compounded the problem. Although the government is the major shareholder, it is reluctant to intervene. Government has known for a long time that Iscor suffers from major management and structural problems, yet it has allowed company officials to go their own way.

The problems at Iscor and other companies are compounded by government's failure to provide a social security system which can sustain the unemployed and the poor. It is this situation which has prompted NUMSA to call for an adequate 'social wage'.

The South African economy is shedding, rather than creating jobs. Now that GEAR has replaced the RDP, the chances of the unemployed finding jobs are slim. One is forced to the conclusion that government has abrogated its responsibilities to the unemployed and the poor. ★

Dumisa Ntuli is the NUMSA Information officer.

Democratising companies?

union representation on company boards

Board level representation for trade unions was recently placed in the spotlight with the appointment of the NUM President, James Motlatsi, to the board of AngloGold, the country's largest gold mining company.

The NUM is one of the few unions in South Africa that has previous experience of board level representation. Its general secretary, Gwede Mantashe, participated in Eskom's Electricity Council from 1993 to 1997 and had a short sojourn on Samancor's board between 1996 and 1997. These cases provided the union with sharply contrasting experiences - Eskom has been seen as a success, whereas Mantashe has dubbed his involvement in the Samancor board "a disaster".

Other unions which are currently testing the water include the CWU, which has a nominated representative on the Telkom Board. The CWU and other unions are also considering an offer of seats on the board of the Post Office. In both these cases changes in the composition of the board were initiated by the Minister of Posts and Telecommunications, Jay Naidoo, using the legislative powers available to him and his role as a key shareholder in these enterprises.

Board-level participation may be different in the private and public sectors, and may also come about in different ways. There are a number of factors which shape the value of this experience for

Union representation on company boards is a new phenomenon in this country: Ian Macun draws on international experience to provide some pointers for South African unions.

trade unionists. These include the number of seats on offer, whether they are involved as individuals or as representatives of their constituency and the role of other board members.

In South Africa there is, as yet, no legislation which specially addresses board representation. The guidelines which exist to define the role of non-executive members of boards are few and rather rudimentary, particularly where state enterprises are concerned. The most recent intervention in this regard is the King Report on Corporate Governance, which was published in November 1995. Private sector company boards are governed by the Companies Act.

In the absence of a clear legislative framework, and in the context of different views about the value of board level participation, this is likely to remain an area of experimentation and one that will be approached cautiously by unions. It is

also an issue over which existing board members are likely to be uncertain and to have a number of concerns.

Key issues which are likely to be of concern to trade unions and company boards are.

- potential conflicts of interest between serving the interests of workers and serving the interests of the company;
- how to deal with wage mandates;
- union participation and conflict on boards;
- directors' fees;
- the value of employee/union representation;
- capacity questions.

In Germany, a system of co-determination at management level is statutorily supported and has been in practice since the 1950s. What follows draws on the German experience. This is not to suggest that the German model should be followed in South Africa. Rather, it will be used as a reference point to suggest ways of thinking about union participation on company boards.

Conflict of interest

A basic problem is whether union representatives can act according to the fiduciary and other responsibilities of directors and at the same time represent workers' interests. This potential conflict may be regulated by law, but it will also be affected by the way in which companies are viewed as economic and social institutions, and by the way in which industrial relations have evolved in a particular country.

Under German law, co-determination at managerial level (through the Supervisory Boards) is aimed at ensuring employee participation in important entrepreneurial plans and decisions. Supervisory Boards are composed of equal numbers of shareholder and employee representatives,

in proportions that vary with the size of the company. The employee representatives are elected by a group of delegates who, in turn, are elected by all employees. Wage earners, salaried employees and executives have to be represented in accordance with their numerical strength in the company, with adequate protection for minorities. The chairpersons and vice-chairpersons are elected by a two-thirds majority of board members.

The Supervisory Board meets for approximately four hours, four times a year. The worker directors meet beforehand to caucus. When a Supervisory Board makes plans and decisions, it has to take into consideration the interests of both shareholders and employees. The role of employee representatives is to bring their knowledge and opinion to bear on the matter under discussion. Underlying the German system of co-determination is a different theory of the enterprise. Enterprises are public institutions, not just the property of their shareholders. Employees, managers and trade unions are also regarded as key stakeholders.

Although Supervisory Boards function in relation to a broader set of interests, they are bound to act in the interests of the company. This involves a commitment to contribute to the preservation of corporate assets, to the continued existence of the company and to safeguard the interests of shareholders, employees, business partners and the public when developing corporate plans. This should not prevent employee representatives from bringing the interests of their constituency into the deliberations of the board, but the pursuit of their specific interests is limited by the company interest. In practical terms, co-determination at board level may conflict



Board-level representation may conflict with workers' interests

with the direct, short term interests of employees, for example, in the case of staff cutbacks or plant closure.

The system of Supervisory Boards works in Germany because of the experience, level of sophistication and near parity which employee representatives enjoy with shareholders. They also work because the representatives are acting on behalf of employees, not the union. It should also be borne in mind that participation in Supervisory Boards takes place alongside representation on Management Boards, via the appointment of a Labour Director and the Works Councils in enterprises.

In Sweden, there is legal provision for board representation for employees by way of 'worker directors' on the company board. Worker directors have the same standing as other board members. They are appointed by unions, or elected by the workforce in non-unionised companies. Board representation is, however, regarded

primarily as a way of keeping unions and the workforce informed, rather than as an instrument for them to influence managerial decisions.

In South Africa, the situation is slightly different. The Companies Act states that board members have a duty and a responsibility to the company. The articles of association of a company cannot override the Act. An interpretation which is widely accepted is that the company exists to make a profit and to satisfy its shareholders.

Board members, whether they be trade unionists or anybody else, are tied to these responsibilities. Whether this notion of the company is open to broader interpretation under South African law requires further investigation.

The King Report moved closer to the German situation. Its interpretation of 'good governance' extends beyond the narrow economic well-being of companies. The report identified three

stakeholders with respect to corporate governance:

- shareholders;
- parties who contract with the company (employees);
- non-contractual parties who have dealings with the company, for example, the state.

One of its recommendations was that corporations should develop systems which will ensure information sharing and enable employees to gain a better understanding of the company for which they work.

The King Report confined itself to the private sector. State enterprises and the public sector will presumably be governed by separate legislation. A draft 'protocol' regarding the governance of state enterprises, which is partly influenced by the King Report, is apparently in circulation at the moment. The document has not been made public.



James Motlatsi.

A simple way around the difficulty of board members having to juggle different and conflicting interests would be for trade unions to nominate persons to a board, as in Sweden, and as the CWU has done at Telkom. In this way, they may gain a sympathetic voice and access to information, without having to be directly exposed to the contradictions presented by the legislative and labour situation.

Wages

An obvious concern for South African unionists is how to conduct themselves when the company board discusses a mandate for wage negotiations. In South Africa, company-level negotiations are common. In Germany, wage bargaining is done at industry level. This institutional separation of collective bargaining from plant level production issues is crucial to the functioning of the German system.

Where wage adjustments are made at enterprise level (which is becoming more common), they are referred to executive committees or a sub-committee of the board, which may exclude employee representatives. In Sweden, worker directors are always in a minority and do not participate in collective bargaining matters.

South African union representatives could either recuse themselves from proceedings that have a bearing on collective bargaining, or act on the basis of equal responsibility with other board members - which would clearly give rise to a number of contradictions. It is common practice, however, for company boards in South Africa to have remuneration sub-committees

composed of non-executive directors, which decide on wage mandates and the remuneration of executives. Trade union representatives do not sit on these sub-committees.

Conflict

The extent to which employee or union representatives will be able to influence the board will clearly be affected by their status on the board, the constituency which they represent, the composition of the board and the attitude of unions and workers towards board participation. It is worth noting that in the German system, the chairperson of a Supervisory Board is elected from amongst the shareholder representatives. He/she has a casting vote in the event of any deadlock. In some countries, the decision making powers and status of board members are circumscribed in ways that may reduce the potential for conflict. In Finland, employee representatives are excluded from discussions on managerial pay, appointments and industrial conflict. In France, employee members of the boards of private companies do not have voting rights, although they are full voting members in public sector corporations.

In South Africa at the moment 'democracy rules'. Differences on issues are put to the vote. In a more general sense, the way in which conflict is dealt with depends very much on the strength of the chairperson. As one board member put it, "One does not want the board to be a negotiating forum". Current moves to avoid situations where the company chief executive also serves as chairperson of the board may reduce the potential for conflict. The trend towards non-executive board members may also help. These members may provide a more 'neutral' voice, or represent the interests of particular stakeholders. Changes in the structure of boards would, presumably, alter

the 'politics' of boards, although it seems that the dominant role of boards at present is to support management.

Directors' fees

In Germany, employee representatives are paid a small honorarium for their participation in Supervisory Boards. This fee is, however, transferred to the Hans Bockler Stiftung, a union education centre linked to the largest union federation, the DGB. This brings in approximately 32-million Deutsche marks per annum. Supervisory Board members are entitled to ten days paid leave per annum to attend to their duties as board members.

In South Africa, it used to be the case the executive directors did not receive payment. Currently, both executive and non-executive directors are being paid a fee. Executive directors' fees are disclosed in annual financial reports. Many non-executive directors pay their fees over to their full time employers. This would, presumably, apply to unionists as well.

Value

A valid question that may be asked by both management and unionists is, what value or benefit do union representatives bring to a company board? In other countries, board level participation tends to be justified in four ways.

- The economic legitimation that boards provide to corporate governance is supplemented by a social form of legitimation. It could be argued that the involvement of non-executive directors fulfils this purpose. This is true up to a point. There is, however, no guarantee that representatives of public interests outside of the firm will necessarily give sufficient consideration to the interests of employees. Social legitimation thus concerns the effective representation of both public and employee interests.

in shaping and implementing corporate policy.

- Union and employee board representation creates greater equality between capital and labour and recognises the importance of an employee voice in decision-making and policy-making. In this sense, board representation can be said to be part of the democratisation of firms and improved forms of governance.
- Employee board representation can be justified in relation to improved monitoring of management and managerial power.
- Employee representation on the board may contribute to improved company performance by ensuring that adequate attention is paid to the development of human resources and labour relations.

The extent to which these broad justifications translate into concrete benefits to firms and their employees is difficult to judge. This will depend, to a large extent, on legal support for employee or union representation, the dynamics of their role on company boards and the extent to which democratisation of corporate governance is accepted by business, labour and government.

Capacity

In South Africa, systematic attention will have to be given to the capacity of trade union representatives to participate meaningfully on company boards. Experience has shown that union participation has been shaped to a significant extent by the strengths of the individual.

A board member points out that "company boards are not a supportive environment". Private sector boards tend to cater for particular individuals. They are not orientated to deal with persons who represent other interests. Decisions have to be made within a short space of time

and boards try to avoid situations where decisions are made outside of the structure, thereby reducing their role to that of a 'rubber stamp'. The boards of state enterprises may be slightly different. In the case of Eskom, the Electricity Council includes representatives from civil society, consumer groups and labour, which makes it more of a stakeholder-type of body. This may provide more latitude when it comes to the way in which boards function, and may make engagement by union representatives more straightforward. It will not, however, do away with the need for capacity issues to be addressed. ★

References

- Blumberg, R. 1995. "Labour-management perspective on disclosure of information." Paper read at the SAG-CALS Workshop on Disclosure of Information and Employee Participation in Enterprise Decision making Structures, Johannesburg Centre for Allied Legal Studies. "Draft summary of statutory institution of employee participation in enterprise decision-making", Johannesburg, University of the Witwatersrand.
- Halback, G., Poland, N., Schwedes, R & Wlotzke, O. 1994 "Labour Law in Germany: an overview". Bonn, Federal Ministry of Labour and Social Affairs
- Rogers, J & Streeck, W 1994 "Workplace representation overseas: the works council story". In R.B. Frooman (ed) Working under different rules, New York, Russell Sage.
- The Federal Minister of Labour and Social Affairs. 1991. "Co-determination in the Federal Republic of Germany". Bonn
- Webster, E. & Macun, I 1998. "Actually existing' workplace participation: case studies of South African enterprises". Law, democracy & development, (forthcoming)

The author would like to acknowledge assistance from Richard de Villiers, Karl von Holdt and Eddie Webster. Ian Macun is a senior researcher at the Department of Labour. The paper on which this article is based was written while he was with the Sociology of Work Unit (SWOP) at the University of the Witwatersrand

Lost opportunities

It is unusual for ministers of trade and industry to make arguments in favour of sanctions. The tenor of Alec Erwin's piece ("Government is not an NGO", *SC Labour Bulletin* Vol 22 No 3, June 1998) is therefore unsurprising.

While the minister acknowledges the role that trade and investment sanctions played in the downfall of apartheid, he nevertheless constructs arguments as to why South Africa should not engage in similar tactics in relation to regimes such as Suharto's Indonesia.

Erwin's can be summarised as follows:

- unilateralism is ineffectual,
- short-term economic strategies are unsustainable,
- we need Indonesian trade for strategic as well as commercial reasons,
- we need a rules-based international trading system,
- support for human rights should emanate from NGOs, not governments.

It is true that a unilateral response would be somewhat futile. South Africa could, and should, however, have provided moral leadership, initially in Africa, and subsequently elsewhere, to mobilise support against systematic violators of human rights. Regrettably, our current foreign policy places little value on using our domestic honouring of human rights values to build a human rights culture globally. We could have provided the kind of leadership that Canada has provided on

by David Fig

the question of landmines. It is not so much unilateralism, as initiating strong global alliances. We have squandered such opportunities so badly that they are no longer recognised as having any importance, even amongst key cabinet members.

Short-term strategies are, indeed, often ineffectual. It took many years to mobilise trade sanctions against apartheid, and even these were not universally effective. In the case of Southern Rhodesia, it may be argued that sanctions contributed strongly to Smith's final downfall.

Trade sanctions are not an ideal form of pressure, and often punish the vulnerable (in Iraq, for example). Nevertheless, they are a strong indicator of disapproval, short of violent intervention. They make life more difficult for the affected regimes.

Trade

Do we need Indonesian trade so badly? Erwin argues that it is a key roleplayer within the Association of Southeast Asian Nations (ASEAN) and one of the South's strongest economies. Instead, we could have built alliances with other ASEAN members, as we are doing with Malaysia, and still need to do with Vietnam and Thailand. His assessment of the strength of

the Indonesian economy has been proven erroneous. Food shortages are currently so acute, that President Habibie has called for citizens to fast for two days a week. (*Business Day*, 8/7/98)

We certainly need a rules-based trading system, but that depends on the rules. Currently we are locked into WTO agreements which privilege the Northern, industrial economies and which factor out environmental and human rights issues. We have seen how the obsession with patents impacts upon economic mass health delivery in South Africa. India has also seen how the WTO rules will protect the US patenters of commodities such as turmeric and basmati rice, indigenous products which have been known to Indian cultivators for thousands of years. By all means, let us have rules, but let us not understand the WTO system as neutral or apolitical.

If reports emanating from WTO-watchers in Geneva are correct, Erwin, the current president of the UN Conference on Trade and Development (UNCTAD), is also a potential candidate for the director-generalship of the WTO which falls vacant next April (Chakravarthi Raghavan, "WTO to start process for choosing successor to Ruggiero", Geneva, 6 June 1998.) This may account for the cautiousness and pragmatism of his views, given that he would have to earn widespread Northern support for his candidacy to succeed.

Reaching out

We are fortunate in that both our own, and Indonesian, NGOs have bravely spoken out against human rights violations and evil regimes. But it cannot stop there. We need to entrench a human rights culture throughout our society. In this, our government should take a lead and not wait for public action to pressure it into taking moral positions consistent with our

domestic political expectations.

What is unclear from Erwin's article are the party-to-party relations with Indonesia, which could be clouding the situation. We need to know what the precise role of Suharto was in the funding of the ANC, for us to understand whether this is a factor in our foreign policy. If so, there needs to be a strong policy distinction made by our government between party and national interests.

Our foreign minister needs to be supported in his attempts to set up a dialogue with Fretelin's Xanana Gusmao, currently a political prisoner in Jakarta's jails. On his last trip to Indonesia in April, Minister Nzo commendably insisted on a personal audience with Gusmao. We look forward to South Africa playing a constructive and assertive role in the settlement of the question of East Timor's sovereignty, as demanded by the equally rules-based UN system.

On a number of occasions since 1994, there has been public debate about the place of human rights values in our foreign policy. Yet pragmatism of a narrow commercial nature continues to rule this out, whether in relation to arms sales to Algeria, or our distasteful honouring of Suharto. We need to move to a foreign policy in which it becomes more pragmatic to support global peace and human rights. Our stance on landmines, on non-proliferation of nuclear weapons and on the comprehensive banning of nuclear tests should be paving the way.

If we hope to host the Non-Aligned Movement summit in Durban effectively, we cannot afford to have our foreign policy shackled to an amoral commercial policy. ★

David Fig teaches sociology at the University of the Witwatersrand. He visited Indonesia a few weeks prior to Suharto's downfall.

The 'South' is no model

In his reply to my intervention, "Dancing with dictators" (*SA Labour Bulletin*, Vol 22 No 1, February 1998) Minister for Trade and Industry, Alec Erwin, raises issues of substance. These need to be properly debated within the appropriate structures of government, COSATU and other progressive forces. Such debate is crucial if the ANC government is to develop a trade strategy that does indeed advance democracy and social development.

Absence of this political commitment further promotes global labour exploitation, thereby undermining South African jobs. Before taking up certain key issues in this regard, a pertinent issue needs to be clarified.

At the outset, the minister states that it is legitimate for "Lambert and activists like him" to raise justice issues. However, how the ANC government should respond was complex. I would like to clarify that I engage in this critical debate in terms of my organisational responsibilities, not as an 'activist' free to adopt moral stances unavailable to those burdened with wide ranging responsibilities like the minister.

I am the international officer for the Western Australian Branch of the Australian Council of Trade Unions. I am also the regional co-ordinator of the Indian Ocean Trade Union initiative, an organisation representing the interests of democratic unions in 12 countries in the region. My initial intervention grew out of pressure

by Rob Lambert

from union leaders inside Indonesia who were deeply dismayed by the nature of the ANC government's relationship with the Suharto regime.

The debate should therefore be constructed in terms of the relationship between the South African state and the union movement in the region. Movements in the region are struggling for their very existence in much the same manner as their South African counterparts did during the 1970s. Alec Erwin played a key role in those developments, hence our organisation believes that he can be constructively engaged on these issues. Traditionally, trade ministers only represent business interests abroad. A progressive trade department would adopt a broader perspective. Let me now turn to the key issues that the minister has raised.

Alliances

The minister's economic argument rests on a particular understanding of the rapid growth of the Asian economies, the positive gains of globalization, the potential sophisticated production systems and the changing international division of labour. Not only is his understanding of global change flawed, but Erwin's argument contains major factual errors.

- The "heyday of export processing zones" was not in the 1960s and 1970s. Recent research reveals that EPZs were quite marginal in the Asian region until around 1986. In 1986, there were only four zones in the entire region. By 1996, there were 183. There is strong evidence that the zones are the driving force of international investment in these nations of the South. They are the policy instrument through which Asian governments attract foreign investment. They have become the principle form of global competition between nations. Were the Minister to visit these zones, their extent and the range of foreign companies taking advantage of the special incentives being offered would stagger him. The main incentives are the denial of trade union rights and massive tax breaks. The EPZs have further advanced the globalization of consumer goods industries such as textiles, clothing, footwear, metal products, home appliances and motor vehicle assembly and component manufacturing. They also include more complex processes, such as chemicals.

The problem underlying this shift in manufacturing is that it is uneven. The global shift has devastated communities in nations with secure labour rights. Were this shift to have markedly improved the situation of the majority, there would at least be some gain to offset the dislocation. What is actually happening is that manufacturers are relocating from the United States and Australia, where union rights and conditions are given some recognition, to Mexico and Asia, where their workforce labours under conditions very close to slavery.

Child labour (compliant, teenage women workers), below subsistence

wages and extreme working hours characterise these zones. Corporate tax rates are minimal. The main beneficiaries are the business elites, who have entered into joint-venture arrangements with foreign companies, and state bureaucrats and politicians who secure the bribe payments. This is the social strata engaging with South African business and trade representatives.

- India is not "the largest supplier of software in the world". In 1995, Indian companies produced less than a half a percent of all software produced in the world. Multi-national corporations dominate this sector. Twelve of the 20 largest companies are foreign, multi-national corporations. At present, most of the work that is done is relatively unsophisticated. The majority of the work done in Bangalore, the centre of the Indian software industry, is in the maintenance of software systems for major US corporations, which are taking advantage of India's low labour costs.

The current economic catastrophe in East and South East Asia re-emphasises the fact that this region is little more than a cheap labour haven for global capital. The manufacturing base is extremely fragile, because capital is so mobile. The social extremes that this form of development has produced have heightened the instability and deepened the crisis.

This does not mean that business leaders from the region have not succeeded in advancing their own interests. A new bourgeoisie has emerged. There are a number of large conglomerates which are powerful forces within national economies. However, the dominant EPZ form of development has rendered these economies vulnerable. They cannot

serve as a model for securing the "relative autonomy" that the minister speaks of

The role of government

Erwin is clear that the development of long term economic relations requires that "our peoples start to develop relations". The worst possible way to develop relations with 'the people' of Indonesia, is to honour and fawn over a ruthless military dictator with blood on his hands

As the May events reveal, Suharto is much hated, not just by the working class and the peasants. He became loathed by large sections of the middle class for his extreme corruption and brutality

In the harsh realities of the world of trade and economics, governments have to engage with other governments, even when dictators like Suharto head those governments. The relationship should, however, be a pragmatic one, born of necessity and in full awareness of 'the people' unrepresented by the dictatorship. Every opportunity should be taken to promote the crucial link between democracy and genuine social development.

Positive action

Diplomatic and trade relations are, of course, complicated and constrained. Erwin's reaffirmation of the ANC's role as a liberation movement concerned about democracy and freedom does, thankfully, open the way to some creative initiatives

Those of us who are engaged in trying to contribute to the international labour movement in this difficult age of globalization hope that positive advances will derive from these reflections. We hope that the ANC government and COSATU, which took a principled stand on the Suharto visit, can create the space to translate the minister's suggestions regarding the role of NGOs into a concrete, organisational advance.

No civilised government, particularly one with the moral authority of the ANC, can stand idly by in the face of ruthless repression. Governments that sanction the murder of workers in the name of order and stability should be warned that such actions will jeopardise future trade and other relations with South Africa

Yes, there is a cost to such a stand. This was the argument Thatcher used in refusing to support the ANC campaign against the apartheid regime. Discrimination against workers struggling for justice transcends race. Our consciences should not be freed simply because the racial dimension is not present in the violent act

Yes, the government is not an NGO. However, the government *can* explore different forms of struggle to advance the cause of freedom and democracy. High standards are expected of the ANC government and its ministers precisely because of the proud tradition of struggle that they represent. Many, including the Minister of Trade and Industry, sacrificed the best years of their lives for this cause, now being fought on the streets of Indonesia

The ANC can play a leadership role in the countries of the South, not by feting dictators, but by a genuine and enduring commitment to working people. The sufferings of the ordinary working men and women drove the liberation struggle in South Africa. This same sensitivity should be incorporated into trade strategy

The development of a sophisticated response to this blight on our century could be a beacon of hope and a lasting legacy. COSATU is already leading the way. We look forward to the further development of COSATU's alliance with the ANC on this trade and rights issue in Asia. ★

Rob Lambert is a South African sociologist who is currently working in Australia. He is a member of the Labour Bulletin editorial board.

Let's use the space

Alec Erwin's article spells out yet again the limitations that individual national governments have in determining their economic and political destiny.

We all know that government is not an NGO. We also know that NGOs have more flexibility and space (in some instances) to pronounce on the social and ethical issues facing humanity. I want to argue, however, that there is much more space for governments to manoeuvre than Erwin suggests.

The ANC government has invited the envy of many other countries, particularly in Latin America, where the space to defy US foreign policy dictates are much more constrained. When the ANC government says "we will meet Cuba irrespective of what the United States says", we are, in fact, pushing the boundaries of political possibilities and getting away with it.

Neo-liberalism

In order to understand what contribution South Africa needs to make to combating injustices in our global environment, we need to acknowledge that the dominant paradigm of neo-liberalism does inordinately influence the responses of government.

In Latin America, the programme of the political left has varied significantly over the last decade. In the past, the left called for armed struggle, protected industries, nationalisation, subsidies and so on. Today, the Latin left is mainly united by its opposition to neo-liberalism. In common

by Kumi Naidoo

with the South African left, its task of identifying what it is *for* is a much more different enterprise in the current conditions.

Even fairly conservative economists are now beginning to accept that the key flaw with neo-liberalism is that it is not helping the poor. Countries are being divided into a small group of wealthy businesspeople and a large group of poor, marginalised people. There is a growing acceptance amongst governments and even international banks that there is a need to put a 'human face' on neo-liberalism.

If neo-liberalism is not the answer, what is? New thinking emerging from progressives in Latin America suggests that government has a key role, but perhaps a very different one from in the past. Instead of simply spending money to reduce the suffering of the silent majority, governments must pursue locally designed policies to draw the poor into the global economy.

Like our Latin American counterparts, we must not give up the notion that there could, indeed, be alternatives to economic paths that generate greater inequality and poverty. It is in this context that we need to look at the interrelationship between trade policy and global human and socio-economic rights concerns.

Sanctions

When we evaluate whether sanctions might work as a strategy in the current economic and global order, we should not regurgitate the very arguments which were used against us when we called for sanctions. Unfortunately, many of us suffer from the disease of South African exceptionalism. We believe our struggle against injustice had so many exceptional circumstances that what was appropriate in our case is not appropriate for most other instances. It is true that the injustices in South Africa enjoyed a much higher level of prominence on the global agenda than struggles elsewhere. It is also true, as Erwin points out, that sanctions on their own would not have won democracy. They made a much greater contribution, however, than he is willing to concede.

The suggestion is not that the South African government must behave rashly and impose sanctions on countries where there are some or other forms of justice. Certainly, however, there is a need for South Africans to explore seriously and earnestly what contributions we can make to support the cause of global justice. We also need to recognise that some form of sacrifice may be necessary. The realities of globalization and our own economic interests should not prevent us from even giving serious consideration to just appeals for assistance.

This raises a bigger question about how individual countries in the South can chart their economic and political destinies, given the global economic order we confront. Do we all just try and make the best of a bad situation, or do we develop our economic policy frameworks with some semblance of discussion and coordination?

The space for NGOs

Other countries are looking at government legislation and how it affects the space for

civil society organisations to be able to flourish and contribute towards building participatory democracy and contribute towards development.

The South African government has shown considerable vision in thinking through the space for the functioning of NGOs. That is why it was so unfortunate to see COSATU representatives being bundled into police vans for protesting against former Indonesian president, Suharto's visit. As subsequent events have shown, these concerns were more than valid.

A strong NGO and civil society sector is critical if development challenges are to be met in South Africa. The NGO community itself needs to guard against a narrow nationalism based on economic self interest. Notions such as the 'Rainbow Nation is a winning nation' promote the cynical notion that the world can be divided into winning and losing nations. If the recent poverty hearings are anything to go by, the vast majority of South Africans are not so triumphalistic about our achievements.

We cannot accept that trade and political relationships can be divorced from human rights. There has to be sensitive consideration, both on the part of government and civil society, about how to find the appropriate balance. Complexity should not be a deterrent for engagement with thorny issues, nor should it be an excuse for evasive indifference, which leads to inaction and silence in the face of inequality and poverty. *

Reference

Rosenberg T. 'Listen as the left argues a ill neo-liberalism', *The International Herald Tribune*, 7/7/98

Kumil Naidoo is the Director of the SA National NGO Coalition.

WIEGO

WIEGO (Women in Informal Employment: Globalizing and Organising) is a worldwide coalition of people, organisations and institutions who want to improve statistics, research, programmes and policies in support of women in the informal economy.

WIEGO is an action-research programme with two major concerns:

- Globalizing – women all over the world are part of the global economy, and globalization is having a big impact on women
- Organising – the most effective way for women to cope with the negative effects of global trade and investment, and to seize opportunities arising from it, is to organise at local, regional, national and international levels.

WIEGO aims to improve women's economic and social prospects by highlighting how important women's informal employment is in national and global economies. It aims to integrate their informal work into mainstream economic theory, policies and markets, as well as into urban planning and policies.

Specifically, WIEGO aims to:

- do research which will promote a better understanding of women in informal employment;
- use this research to feed into better policies and programmes for women in informal employment – both economic

by Caroline Skinner

- policies and urban planning policies of local governments;
- promote and strengthen alliances of women in informal employment, in particular the alliances of home-based workers (HomeNet), and of street vendors;
- improve statistics on women's informal employment, nationally and internationally.

The founder organisations of WIEGO are the Harvard Institute for International Development (HID), a research, teaching and policy advising centre at Harvard University in the United States, the Self-Employed Women's Association (SEWA), a trade union for self-employed women in India and the United Nations Development Fund for Women, an agency of the United Nations that focuses on women.

An international steering committee formulates policies and objectives. Pat Horn, the general secretary of the Self-Employed Women's Union (SEWU) in South Africa, sits on this committee. There are three working groups to plan and monitor activities. The three groups are research, statistics and programme/policy.

Research project

South Africa is one of four countries in

Africa where research will be done on women street traders. The pilot phase commenced in this country early in 1998, and will continue for 18 months. At the end of this period, there will be a regional exchange workshop. The South African research will be presented to researchers and street vendors from the other countries, who will continue with the research. These countries are most likely to be Kenya, Ghana and Cote d'Ivoire.



Informal trading on the streets of Yeoville.

SEWU has contracted the Centre for Social and Development Studies (CSDS) at the University of Natal to manage the South African pilot study. It has contracted the Durban Workers' College to run the policy dialogues and workshops which will be held to share research results with various stakeholders.

Products

The research will give rise to the following products:

- a report which synthesises existing South African research on women in informal employment, especially street traders,
- a report which compares the regulatory and institutional framework for street traders in five South African cities, voicing both street traders' and local government's views. The 'best' existing programmes and policies will be identified. SEWU's experience of

negotiating with local authorities will be drawn on;

- a report which describes how street traders, and especially women, are organised in South Africa, and what barriers there are to further organisation.

The reports and papers will appear as soon as they are completed as working papers and later in academic publications. The main findings will be published in a lively, attractive and accessible publication for wider dissemination in South Africa and other countries in Africa participating in the project. ★

Contact details

The research programme at the CSDS: Francie Lund tel (031) 260-2365, e-mail lundi@mtb.und.ac.za; Caroline Skinner tel (031) 260-1115, e-mail skinnerc1@mtb.und.ac.za

Caroline Skinner is the researcher employed to work full-time on WIEGO in South Africa

Awards, cases and comments



Incapacity

In this case, the arbitrator was called upon to decide whether or not the dismissal of an employee due to incapacity was fair.

The facts and circumstances of this case make for interesting reading. The incapacity arose as a result of an injury the employee suffered outside working hours on a day he was absent from work. The dismissal was done in terms of the employer's Medical Disability Procedures.

In May 1994, the doctor found that it was unlikely that the employee would recover fully from the injury, and recommended that the employee be placed in alternative employment, where he would not be required to take 'strenuous physical exertions' as a result of standing.

The employee was temporarily placed at the 'cost office', where he performed clerical duties. The limitations placed on him by his condition were taken into account when he was placed in this position. A memorandum was sent by the company social worker requesting that the suitability of the employee be evaluated. There was no evidence indicating whether the evaluation was done and, if so, what the result was.

Responses to a memorandum sent to various divisional managers in June 1994 by the Department of Human Resources indicated that they did not have any vacancy to accommodate the employee.

*by Ellen Francis, IMSSA
arbitrator, attorney at the Legal
Resources Centre, Gauteng
Consumer Court.*

This process was repeated in May 1996. The response from the managers was still the same. The result was that the company issued the employee with a letter terminating his employment. An interesting aspect of the evidence is that the company employed several employees between the period of the employee suffering the injury and his termination.

The company, in support of its argument that it acted fairly, used the various memoranda which had been sent to the divisional managers. In essence, one of the company's arguments was that it had exhausted all the requirements for a fair procedure in terminating the employment. In other words, by asking, through memoranda, whether managers had a vacancy for the employee, the requirement of seeking an alternative to dismissal had been complied with.

The union, on the other hand, argued strongly that the circulation of memoranda, which were responded to within a day, was not sufficient effort on the part of management in seeking an alternative position for the employee. The

employer had not consulted with the employee on the matter. The union further argued strongly that not advising him of his rights amounted to denial of a fair hearing.

The fact that the employee had not performed duties and that the company had continued to pay him his salary was found to have been fair. However, in taking into account that a number of vacancies arose between the time of the injury and the dismissal, the arbitrator found that the company had failed to exhaust all possibilities in search of a suitable and alternative position for the employee.

In arriving at his decision to reinstate the employee, the arbitrator took into consideration the fact that the employee had, at one stage, performed clerical duties, as was also recommended by the doctor. The arbitrator was further not convinced that a company which employs 4 800 people was unable to find an alternative position for the employee in a period of three years.

The arbitrator took into consideration the employer's failure to consult as required by the company's own policy; the 11 years of service the employee had with the company and the failure to conduct a hearing prior to the dismissal of the employee.

Code of Good Practice vs statutory obligations

Snow on the Highveld is an unusual occurrence. In Witbank, it is particularly unusual. People in the area are not acclimatised to it. The cold spell was inconvenient not only to the people in the region, but also led to a dispute between the company and the union.

The arbitrator in this matter had to decide whether or not the dismissal of an employee was fair. The dismissal complied with Schedule 8 of the Code of Good Practice in terms of the LRA, but not with

the provisions of the Occupational Health and Safety Act (OHSA).

The 17 July 1996 was confirmed as the coldest day of winter thus far in the region. The employee, who could not cope with the cold weather, approached his supervisor and told him so. He informed the supervisor that his eyes were negatively affected by the cold. The supervisor sent him back to his job, saying it was essential that the task he was busy with be completed on that day. He, however, advised him that he could rest for awhile in order that his condition could improve.

Despite this, the employee and a colleague were required by the company to work outside without any protective clothing, like gloves and goggles. This led to a complication in the employee's health condition. As a result, he was declared medically unfit to perform the job. The company dismissed him for his incapacity due to ill health.

In analysing the evidence of the company, the arbitrator found that it had complied with the provisions of Schedule 8 of the LRA. In assessing the status of Schedule 8, in particular items 10 and 11, the arbitrator found these were guidelines, not rigid principles that had to be adhered to at all times and all circumstances. In other words, departure from the guidelines may be warranted, depending on the circumstances of each case.

The arbitrator answered the question of whether compliance with Schedule 8 would be a defence in a case where the employer acted negligently and in contravention of the OHSA in the negative. The arbitrator found the company to have acted negligently by failing to provide safety clothing to the employee. The possibility that the employee's condition was caused by his work circumstances was not ruled out.

Negotiating forum: provincial vs national jurisdiction

In the case, the matter to be determined was whether the Provincial Negotiating Forum (PNF), Mpumalanga, had jurisdiction to refer the dispute to arbitration, or whether it was a dispute which had to be dealt with at national or provincial level. The dispute concerned the union's contention that the employer started to deduct HOSMED (the province's medical scheme) contributions from the salaries of certain union members from 1 July 1996 without prior consultation. It was common cause that changes in conditions of employment, including those relating to medical aid benefits, are negotiated in the National Bargaining Forum, or its offshoot, the Medical Aid Committee. During the evidence and arguments, it emerged that the critical issue in dispute was whether the dispute referred to in the terms of reference involved a change in conditions of employment. If it did, it had to be dealt with at national level. If it did not, it could be dealt with at provincial level.

The employer led evidence by a member of the negotiating team at national level and the convener of the POLMED committee (later renamed the Medical Aid Committee). He explained that all medical aid issues are dealt with at national level. This would include disputes about HOSMED deductions, because the outcome of the dispute affected not only Mpumalanga. There were members of HOSMED in the Northern Province, the Eastern Cape, Gauteng and other provinces. It was therefore necessary to deal with this dispute and all medical aid issues in an integrated manner at national level.

There was insufficient evidence to support the union's argument that referral to national level was a mere formality, as

the matter, in reality, would be dealt with at the provincial level.

The arbitrator found that the Mpumalanga Provincial Negotiating Forum did not have the jurisdiction to refer the dispute relating to the HOSMED deductions to arbitration. This dispute was one which had to be dealt with at national level.

IMSSA does it again

In 1997, IMSSA was very successful in providing training to trade union officials and shopstewards.

This was made possible by funding from the Department of Labour. This year, IMSSA has again entered into partnership with the Department. It will now be able to provide subsidised training for public sector unions on all its courses.

IMSSA will make available its considerable experience in alternative dispute resolution to union shopstewards and organisers, thereby helping to ensure the success of the LRA and the CCMA.

Courses and workshops

Courses will be provided in line with the new LRA, legislative developments and the economic imperatives of the day. They will be continuously adapted to meet the specific needs of the public sector unions. Courses offered by IMSSA include:

- negotiation and conflict resolution
- arbitration skills
- the LRA
- the BCEA
- relationship building
- employee participation.

Public sector unions are encouraged to be pro-active by contacting Kholisa Xhindi at (011) 482 2390/1 for more information.



INDEPENDENT MEDIATION SERVICE OF SOUTH AFRICA

PROJECTS DIVISION OFFERS

Interventions

- ✦ Arbitration
- ✦ Mediation
- ✦ Conciliation
- ✦ Fact Finding
- ✦ Relationship Building
- ✦ Dispute Systems Design
- ✦ Accounting Disclosure
- ✦ Facilitation
- ✦ Commission of Enquiry
- ✦ Public Participation Process Design
- ✦ Industrial Relations Audit
- ✦ Diversity Management
- ✦ Team Building

Training Courses

- ✦ Arbitration Skills Course
- ✦ Negotiation and Conflict Resolution Skills Course
- ✦ Labour Relations Act
- ✦ Business Finance and Information Disclosure
- ✦ Understanding Employee Participation and Workplace Forums
- ✦ Effective Dispute Resolution
- ✦ Conflict Management Skills
- ✦ Facilitation and Dispute Resolution

PUBLICATIONS

- ✦ The *IMSSA Review*, a regular publication keeps interested parties apprised of developments and trends in dispute resolution processes conducted by IMSSA. It is available on subscription from the Research Co-ordinator, IMSSA, PO Box 91082, Auckland Park 2006
- ✦ Summaries of IMSSA Arbitration Awards are published by Butterworths in conjunction with CCMA awards and are available to the public by subscribing to Butterworths Arbitration Law Reports, PO Box 4, Mayville 4058

IMSSA OFFICES

Johannesburg

P O Box 91082, Auckland Park, 2006
1st Floor, 1 Park Road, Richmond
Tel (011) 482 2390/1
Fax (011) 726-7411

Cape Town

P O Box 15920, Viaeberg, 8001
81 Bree Street, Cape Town, 8001
Tel (021) 22 1016/7
Fax: (021) 22 1030

Durban

7th Floor, Standard Bank Centre,
96 First Avenue, Greyville, 4001
Tel (031) 309-4315
Fax: (031) 309-4318

Port Elizabeth

P O Box 23492, Port Elizabeth, 6000
Silver Oaks Building, Cnr Bagshaw & Main
Streets, North End, Port Elizabeth Tel: (041)
573-083/4 Fax: (041) 573-096/7

Indonesia after Suharto

"Suharto is the only obstacle to democracy in Indonesia and self determination in East Timor"

Jose Ramos-Horta, leader of the East Timorese liberation movement and Nobel Prize Winner, May 1998.

"The resignation of Suharto solved nothing"

Ted Grant and Alan Woods, socialist journalists, May 1998.

At the end of May, after more than a million Indonesian people took part in demonstrations against him, President Suharto resigned. Around the world, progressive forces hailed the downfall of one of the world's most notorious dictators. Will the departure of the president make much difference? What lessons does the Indonesian experience have for South Africa?

Fallout

While Suharto may have gone, the Structural Adjustment Programme (SAP), imposed by the IMF during the last months of his rule, remains. An IMF loan of A\$43-billion made it possible for Indonesia to meet international debts. It is the strings attached to this loan which are responsible for the major tragedy unfolding in Indonesia today. According to the World Bank's Chief Executive in Indonesia, some 10 million

by John Pape

people have already lost their jobs and 20 million more are expected to be retrenched in the next year. National production is expected to fall by 10% in 1998.

The Indonesian rupiah has declined in value by some 80% in the last year. This has strangled production in sectors of the economy which rely on imported inputs. By the middle of June, 40% of the buses in the capital, Jakarta, were off the road due to a shortage of imported spare parts. The country's largest automotive producer, Astra, was threatening to stop all production because of the escalating cost of components from overseas. At the same time, foreign investors, once the driving force behind the economy, were pulling out of Indonesia in large numbers.

Successor

While foreign investors can take the gap, the Indonesian people face the music. President Habibie, Suharto's handpicked successor, does not have the credentials or the will to steer the country on an alternative course. In the words of Mughtar Pakpahan, leader of the progressive trade union federation SBSI: "Habibie is part of the collusion, nepotism, and corruption of the Suharto regime."

While Habibie did release some political prisoners, less than a month after

he took power, he called out his troops to stop workers from joining a student demonstration. One of his security chiefs, Major-General Sjafrie, warned Indonesians in late June "I have given (my troops) orders to warn the protestors first and then cripple them if they have to."

It is far from clear that these threats can keep the lid on popular protest. Demonstrations and strikes swept the country during the whole of June. In Surabaya, the second largest city, 10 000 workers from the shoe factories set up roadblocks. Dockworkers left ships idle in the harbour.

Wages have been the focus of many of the protests. With the minimum wage set at as little as R10 a day, meeting basic needs was difficult enough before the crisis. The situation is, however, getting steadily worse. Inflation is currently running at 60%. Drought has driven up food prices. The annual April increment has been cancelled. Workers simply cannot tighten their belts any further.

Alternatives

Attention is not focused solely on bread and butter issues. Indonesians are desperately in search of the political way forward. In typical post-dictatorship fashion, nearly every political force is attempting to distance itself from any links to Suharto, and is calling for democracy and reform. Definitions of these terms vary, however. For some, such as the student structures which led the May demonstrations, change is linked to justice. They want Suharto to stand trial to explain, among other things, how he accumulated a personal fortune of some A\$ 50-billion during his period as president.

Is there a political force which can galvanise the potential of the fledgling mass movements into a coherent, progressive programme of action? Two worker organisations, the SBSI and the Indonesian Centre of Labour Struggle (PPBI), will be

important players in any resolution of the crisis. The Peoples' Democratic Party and the East Timorese liberation groups may become the focal point of the movement toward an alternative Indonesia.

It remains uncertain, however, whether any of these groupings will define a new direction, or if they enjoy a mandate from the majority. No progressive opposition force may have the military clout to steer an alternative course in a political environment as fraught as Indonesia's. There are also forces which will aggressively oppose any left-wing solution. General Wiranto, a former military henchman of Suharto, is frequently mentioned as a successor to Habibie. The moderate intellectual, Amien Rais, is another possible candidate. He will most likely try to forge an agreement which pacifies all 'stakeholders': the military, the IMF, business and the mass movement.

Lessons

Without a clear alternative to export-oriented growth and an open economy, even a modicum of social peace may remain a distant dream. The formulas of the conflict resolvers and international peacemakers which produced the so-called 'South African miracle' may not work in Indonesia.

For South African workers, this raises the issue of the appropriateness of the Indonesian economic model. A few months ago, there were many who were punting the 'Asian miracle' as a panacea to South Africa's problems. A close look at Indonesia today should provide a healthy dose of understanding the perils of export orientation and surrendering to the interests of foreign investors and neo-liberal financial institutions. ★

John Pape is the projects co-ordinator at the International Labour Resource and Information Group (ILRIG)

The waterfront war

the Australian dockworkers' struggle

In the dead of the night on 7 April 1998, Patrick, one of Australia's two major stevedoring companies, made a decisive move with direct government support: the company dismissed its entire, 2 000-strong unionised workforce. Workers were replaced by non-union labour that included people previously employed by the Australian Defence Force.

War

War is defined as a state of open hostility; a conflict conducted by force, where ordinary law is suspended. In their determination to break union power swiftly, government and employers suspended the rules of democratic industrial relations. They adopted entirely new rules. This new form of intervention would test the strength of the trade union movement and the power of Australia's democratic institutions.

The shift to a warlike approach arose out of government and employer frustration with a more indirect attack on unionism and collective bargaining rights through the introduction of the 1996 Workplace Relations Act. This Act promotes a system of individual contracts in the workplace, in preference to union bargained agreements. The government and certain employers are not happy with the fact that the take-up rate of individual contracts has been uneven. The government wanted to force the pace.

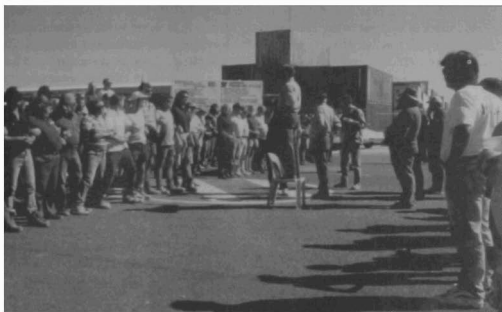
The war which the Australian government and a major stevedoring company is waging against dockworkers is a blatant attempt to break union power. Rob Lambert reports.

The plan

The federal government prepared a game plan to break the Maritime Union of Australia (MUA) as meticulously as did Thatcher with the miners in the 1980s. In early 1997 a secret plan to de-unionise the Australian waterfront was prepared by government paid consultants. The attack was justified by the argument that the introduction of non-union labour was essential to Australia's international competitiveness.¹ The plan included an assessment of legal issues surrounding such action. Over the past year, the Prime Minister has repeatedly vowed to 'break' the MUA.

The army

Secret documents reveal that plans were developed as early as March 1997 to train a non-union workforce to take over, following the engineering of mass dismissals. The document states,



"Overpaid, lazy, unproductive dockworkers" – Patrick management.

"Stevedores would need to activate well prepared strategies to dismiss their workforce and replace them with another, quickly, in a way that limited the prospect, for example, of the commission (Australian Industrial Relations Commission) ordering reinstatement"²

In early December 1997, the MUA discovered and exposed a secret operation to train new stevedores in Dubai, a free trade zone where foreign workers predominate and where trade unions are outlawed. The 70 trainees were from the Australian Defence Force. Two former Special Armed Services (SAS) commandos were put in charge of the operation. The group was sent to Dubai to participate in an estimated A\$30-million project. When the scheme was exposed, the International Transport Workers Federation (ITF) threatened to blockade Dubai. The trade dependent Dubai government immediately caved in and cancelled the trainees' visas. The project was abandoned on 14 December.

The operation then moved to

Melbourne. An SAS member explained to a meeting in Melbourne organised by a Commando Association that plans had been formulated to trigger "a major waterfront dispute" in April. Fynwest, a company established by the SAS leaders, entered into arrangements with another company that had been recently established by the National Farmers Federation (NFF) called P and C Stevedores Ltd. The latter had secured a \$20-million 'war chest' from business donors. The companies were granted a two-year lease of Melbourne's Webb Dock from Patrick.

On the night of 28 January, Patrick cancelled the evening and midnight shift at Webb Dock. A battalion of security guards, armed with riot gear, shields and batons obtained from the Victorian Prisons Department, were sent in to secure the wharf. They took control of the massive portainer cranes and locked out the MUA workforce. The P and C trainees included ex-army personnel and persons brought in from New Zealand.

The MUA responded with strike action against Patrick in Melbourne and Sydney. Patrick claimed it had lost \$10-million since January 1997 and was close to bankruptcy as a result of the actions. This was a mere prelude to the main event – the dismissal of Patrick's entire workforce on the evening of 7 April.

Around 11pm on 7 April, Patrick imposed a lock-out of the unionised workforce. Almost simultaneously and under cover of darkness, the company moved security guards, clad in black and holding German Shepherd dogs, capsicum spray and batons, into all the major port terminals. The struggle for the future of trade unionism in Australia had begun.

As news of these events broke, the government stated that it was determined to achieve waterfront 'reform'. A news commentator noted,

"Margaret Thatcher took on the coalminers and won; Ronald Reagan sacked air traffic controllers and won; and John Howard (the Australian Prime Minister) picked a fight with the warfies and...watch this space".³

Howard's Industrial Relations Minister, Reith, hailed the action as "a decisive turning point in the history of the waterfront".⁴

The director of Patrick, Chris Corrigan, stated, "We will move forward with a new workforce which, like most Australians, wants to do a fair day's work for a fair day's pay. This initiative will improve dramatically Australia's international competitiveness and open the nation's gateways to the world's best practice".⁵

There were four principle elements to the strategy adopted by the government and the company: a capital strike, a propaganda war, redundancy and legal sanctions against local and international solidarity.

Capital strike

On 23 September 1997, without the workforce recognising the implication of the change, 2 100 workers employed by Patrick Stevedore Holdings were transferred to four new subsidiaries, National Stevedore Tasmania and Patrick Stevedore No 1, 2 and 3. These subsidiaries were labour hire companies that employed workers and on-sold employment services to a company especially established to purchase these services, Patrick Stevedore Operations 2. This company was owned by Patrick Stevedore Holdings, which is, in turn, owned by Lang Corporation.

Prior to this date, each of these subsidiaries owned assets and the business of the stevedoring operation at particular ports as well as employing the labour for that operation. On 23 September, the subsidiaries sold the assets and the business agreements to Patrick Stevedore Operations 2 under a Business Purchase Agreement (BPA). These labour hire companies were stripped of \$300-million, which was used in new share deals and the repayment of debt. Consequently, the labour hire companies had no assets.

Under the BPA, Patrick Stevedore Operations 2 owed between \$14-million and \$16-million to the subsidiaries. Each of the subsidiaries entered into a Labour Service Agreement (LSA) with Patrick Stevedore Operations. Clause 2.3(h) of each LSA stated: "The contractor will ensure that the performance of the services are not interfered with or delayed or hindered for any reason." The agreement went on to state that, should this provision be breached, a 'rectification notice' would be issued to the contractor. If the breach was not rectified within 30 days, the LSA could be immediately terminated.

Clearly, the LSA gave Patrick the power to strip the labour hire companies of their only remaining asset - labour. This would render the subsidiaries insolvent, and as a consequence, allow Patrick to claim that the workforce had not been dismissed but had in fact been rendered redundant. Patrick believed that Australian Corporations law placed them in an unassailable position, because holding companies are not necessarily liable for the debts or decisions of a subsidiary. Since the subsidiaries had no assets, creditors, including unpaid workers, would find it impossible to launch legal action to retrieve money or their jobs.

When the entire workforce was locked out, Patrick claimed that they had not been dismissed but that the labour hire companies had become insolvent and had been placed under an administrator. On 7 April, Patrick entered into a new set of labour hire arrangements with the farmers' PCS Resources who agreed to provide 353 workers under three-month contracts. They also entered into a three-year maintenance contract with Genelect Engineering Services Pty Ltd.

In the long history of conflict between capital and labour, capital strikes are not uncommon. Capital has often withdrawn funds from businesses and, in some



Ready for attack.

instances, entire industries, in the face of worker demands and the need to drive the rate of profit higher. Globalization has facilitated the process of transfer between nations and regions.

Patrick's action is, however, one of those rare instances where the providers of capital hope to immediately continue operating in the same locations, under the same name, but with a new, dramatically cheaper, workforce.

Financial analysts have calculated that, as a result of the mass sackings, Patrick could reduce its wage bill by 62% (from \$112-million a year for the unionised workers to a mere \$42-million for the

contract workers)⁶ This will enable the company to achieve a pre-tax profit rate on investment of 11%, which the institutional investors argue is still not high enough. Company accounts reveal an increasing level of profit Patrick made a profit of \$10.9-million in the 1995 financial year. This doubled in 1996, coming in at \$20.4-million. Patrick's problem, however, is its massive debt leverage. This is the main reason the company is pursuing high rates of return on investment.

This strategy shows how financial and economic de-regulation have transformed the nature of capital itself. These policies have created a highly mobile capital and accelerated the internationalisation of corporations. This has enhanced the power of companies to act against trade unions, through capital movements from nations where strong unions exist, to nations where unions are repressed.

The current dispute reveals ways in which the globalization ideology has empowered companies to take more direct action. Patrick did not have to enter into a chase around the globe for union-free ports where they could try to achieve higher profit rates. They used corporate law in Australia to challenge union rights.

The banks

Patrick is not a 'traditional' stevedoring company, prepared to give and take, but essentially live with the union. Rather, the company represents the 'fast money' of the 1980s and 1990s, when financial engineering designed to empower relatively small investments with massive leverage dazzled the marketplace of the day.

Corrigan and Scanlon bought Patrick in 1993 with one aim only: to reduce the number of stevedores and then to make

money out of the business.⁷ High gearing meant a high indebtedness to the banks and other financial institutions. These institutions are impatient with social institutions such as trade unions, which may constrain the 'quick money' path in some way. Their aggressive, short-term focus is a product of globalization.

Propaganda

The Australian government and Patrick launched an intensive propaganda war against the MUA. Dockworkers were portrayed as overpaid, lazy, unproductive people. Using the anti-union language of liberal economics, both claimed that this situation had arisen because of the 'monopoly' control of the MUA. In the language of globalization, efficiency is equated with flexibility, which is equated with union-free workplaces.

The government and Patrick also believed that they could win the day by buying out the unionised workforce. The government offered to directly finance redundancies in the hope that workers would quickly accept the cash. In its initial announcement, the government stated that it was advancing \$250-million for redundancies, and that workers would receive up to \$250 000 each. However, the MUA quickly revealed that this was a distortion. The actual redundancies being offered were in the region of \$70 000. The government also warned that any international solidarity action would be met with the full force of the new industrial laws, which imposed huge penalties against parties involved in organising trade boycotts. They launched immediate High Court action against the ITF in London.

Trial of strength

The government and Patrick were of the view that, with the forces that their

combined power represented, their pre-emptive strike would achieve a swift and clean transition to a new industrial order on Australia's waterfront. Confidence resided in the notion that trade unions were essentially a spent force. There might be 'a last gasp' but this was not likely to derail the bold, decisive action taken.

The government and Patrick seriously miscalculated in three fundamental areas:

- They miscalculated the resilience and the wider popular appeal of trade unionism in Australia. This is not to say that a majority of Australians supported the MUA. The action against the MUA created deep divisions with the population. When the union organised pickets at every Patrick terminal across Australia, however, union members received widespread community support. As was the case in Eastern Europe in the late 1980s, the events revealed the potential of a people's movement in the face of even the most determined strategy. There were numerous moments when the police concentrated themselves in large numbers in a determined effort to break the pickets and force a pathway for the heavy-duty trucks. With few exceptions they failed simply because the vast numbers of people on the line far outweighed police resources. Forcibly breaking up lines involving thousands of people and bundling them into police vehicles appeared to be something neither the government nor the police had the political will to carry through. Many people who joined the picket lines had never done so before.
- They miscalculated the international trade union reaction to the events and the power of their secondary boycott laws to prevent international solidarity action. They sought to muzzle the ITF

through successfully taking out a High Court injunction in London against the federation organising international boycott action. However, the government lost an appeal against the ruling. Unions as far afield as South Africa, Japan and the United States put plans in place to boycott any Australian shipping load by non-union labour. Australian produce was also a target. Five hundred protesters from the International Longshore and Warehouse Union prevented the Columbus Matson from being unloaded when it docked in Los Angeles on 9 May. The ship was carrying perishable farm products. The American unionists forced the ship back to New Zealand. A special national shop steward council of TGWU and SARHWU in South Africa decided on an indefinite boycott of all Australian shipping and Australian goods. They sent a solidarity message, which was read out at all picket lines across Australia. The message was read at a time when the action against the pickets was most intense - police helicopters with searchlights overhead, water cannon trucks and a mass mobilisation of police. The commitment of the South African workers was warmly received from a workforce and community fighting for its life. The deep ties that exist between organised workers in both countries were further deepened and are likely to develop further in the years to come.

- They made some severe legal miscalculations. Section 298K(1) of the Workplace Relations Act protects the right of workers to belong to a union. The MUA succeeded in gaining an injunction against Patrick. The company will have to reinstate the sacked workers until the outcome of a

court case brought by the union claiming unlawful dismissals. The company took appeals against this decision to a full bench and then to the High Court, but the ruling was upheld. As a result of the court orders, the administrator of the Patrick labour hire companies has been forced to remove the P and S workers and re-employ the unionised workforce. The MUA is, however, still in a tenuous position, given the fact that the labour hire companies have been stripped of their assets. The government and Patrick have warned that unless the MUA agrees to significant changes the labour hire companies will go into liquidation.

Settlement

The MUA is presently negotiating a settlement with Patrick in which it will agree to drop its \$500-million conspiracy case against the government and Patrick in return for the secure employment of MUA members in real companies, not fake labour hire arrangements.

There is every likelihood that the MUA will succeed in this demand. The government and Patrick have suffered a humiliating defeat in their attempt to break the MUA. There is a cost to victory, however.

The union has had to accept redundancies, a reduction in wages and has had to give up certain rights in terms of organising work rosters on the docks.

In one sense, the logic of free market globalization has been challenged. The notion

of flexible labour markets uninhibited by unionisation has been completely defeated. In another sense, the challenge remains partial. The logic of work intensity, lower wages and conditions, managements' absolute right to manage without interference from unions – all in the name of global efficiency – still remains a powerful force that unions have to find a way of constraining. ★

Footnotes

- 1 *The Australian Financial Review*, 15/8/97.
- 2 *From the MUA document, War on the Waterfront*, p 7, published on 8 April 1998
Also available on the Internet: <http://mua.tcp.net.au/Pages/war.html>
- 3 *The Australian*, 9/4/98
- 4 *The West Australian*, 8/4/98
- 5 *The Australian*, 8/4/98.
- 6 *The Australian Financial Review*, 9/4/98
- 7 *Comments by Mark Westfield, The Australian Financial Review*, 9/4/98

LINKS number 10 is out now

'All that is solid melts into air'

Feature articles on the Communist Manifesto and the Asian economic crisis.



Plus, in this issue: Allen Myers on capitalism and the environment; Makoto Itoh on political economy for socialism; Alan Freeman on the WTO's global takeover; James Petras on Brazilian land occupations; and more. **Debate:** South Africa's Carl Brecker and Dale McKinley.

Subscribe Today • Make cheques payable to LINKS and mail with address and contact details to: PO Box 515, Broadway NSW 2007 Australia.
E-mail: links@peg.apc.org

Rates:	Airmail	Economy	Surface
3 Issues (1 year)	\$A35	\$A33	\$A27
6 Issues (2 years)	\$A62	\$A57	\$A44

Labour force experiences

The Mesebetsi Labour Force Survey is a joint project between the Department of Labour and the Institute for Applied Social Science (Fafo). It is funded by the Norwegian Agency for Development Co-operation (NORAD).

Mesebetsi is one of the most comprehensive surveys to be conducted in the history of labour relations in South Africa. It represents a groundbreaking event and a unique opportunity to gather information about the factors that influence people's access to the labour market and conditions within that market.

The project got under way in June this year. At the moment, the various stakeholders are being informed about the project and their participation or contributions are being solicited. A reference group, which includes labour market researchers and experts, will be involved in the conceptualisation and design phases of the project.

Battlefield

Labour market policy is contested terrain in South Africa. It exists in an environment of low economic growth, high unemployment, lack of job creation, huge income and wealth disparities and a growing informal sector. There are major disagreements on labour market 'flexibility' and 'rigidity' and strategies for job creation and redistribution. Negotiations on the Labour Relations and

by *L. Torres, K. Malatji,
PD Molatedi and JR Vass*

the Basic Conditions of Employment Acts broke down on a number of occasions.

Political debates about future labour market restructuring are sometimes based on different interpretations of the available data or a lack of legitimacy of the information that exists. There is also a major lack of well researched information about the actual conditions under which people live and work and the conditions that determine productivity, growth and distribution.

While much emphasis is placed on the need for a skilled workforce to develop a globally competitive economy, very little is known about the *actual* skills base of workers and the unemployed. In critical areas for job creation and labour market restructuring, such as training, we have little information. In areas such as organisation of work, decision-making at work, etc, we have even less knowledge.

The challenge to researchers, statisticians, politicians and unionists is to fill the large, unexplored territories in our knowledge of the labour market and to develop reliable information. The Mesebetsi Survey hopes to go some way towards meeting these objectives.

Information

Around the world, labour force surveys are conducted in order to inform labour market policy formulation and evaluation. The Mesebetsi Survey aims to provide new information where little or none exists, as well as complementing existing information necessary to policy-making and evaluation in key areas for the Department of Labour.

We need to gather more information about employment, unemployment and underemployment. We also need to know more about the cash and non-cash benefits received by the labour force and the distribution thereof. We need to know how the unemployed manage to survive, and the financial responsibilities of those in employment.

The survey also seeks to provide information on issues such as conditions of employment, affirmative action programmes and discrimination, health and safety, training, organisation of work, decision-making at work, industrial relations issues, etc. This refers especially to issues addressed in the LRA, the BCEA, the Employment Equity Bill and other recent labour legislation. Finally, the survey will test the perceptions and priorities of the economically active population in areas of job creation, industrial relations and conditions of employment.

Approximately 10 000 interviews will be conducted to investigate the working and living conditions of the labour force, as people themselves perceive them. The economically active population in the formal sector, the informal sector, the self-employed as well as unemployed will be targeted. This will provide more in-depth information on each of these sectors, as well as providing greater comparative value across sectors. The survey is a once-off study, and should not duplicate or seek to take over areas that are already covered

by the Central Statistical Services and other agencies.

In the past few years, there have been many new pieces of labour legislation. It is time to start monitoring the effects of these laws. Whilst it is not the task of Mesebetsi to achieve such an ambitious goal, it can at least give some momentum to such a monitoring process.

A statistical report will be made available early in 1999. This will be followed by a more in-depth, analytical report. The full database will be made available to the public for further scrutiny and analysis.

In the longer term, Mesebetsi can make a contribution on a number of levels:

- It can contribute to the development of suitable concepts, definitions and survey designs which can adequately measure employment and other labour market concepts.
- It can provide information to labour, government and business about the nature and extent of unemployment, labour market barriers, work restructuring etc. This can be used for policy formulation and evaluation in areas such as human resource development, income and employment policy and other social programmes aimed at redressing inequities in the labour market as well as for macro-economic planning and monitoring.
- It will contribute to building legitimacy for research as an instrument for policy-making.
- It can develop more agreement about the measurement and estimates we use for the labour market, and hence contribute to broader agreement about policies to deal with problems. ★

If you have any contributions or information please contact the project co-ordinator, Ltu Torres, on tel (012) 309-4475. The authors are the members of the Mesebetsi research team.

Productivity and GEAR

By Gideon Skhosana, General Manager, Productivity Awareness, NPI

A competitive economy is critical to South Africa. One of the fundamental pillars of competitiveness and economic growth is productivity.

There is much about productivity that requires careful explanation if the links between it and growth, GNP, the standard of living and employment are to be understood. Productivity is measured by Output over Input.

GDP = Output
Input = Labour and capital

GDP = (Labour and capital X productivity)

GDP growth = (Labour growth and capital growth) X productivity growth

Economic growth is a function of three prime factors: growth in labour (employment growth), growth in capital (investment growth), and growth in productivity. These factors operate individually as well as interdependently. Generally speaking, the higher these factors, the higher the rate of economic growth. However, it is also possible to achieve economic growth by optimising the combined contribution of the three factors.

Stages

In its initial stage of development, a country depends on its labour supply to generate growth (labour-driven economy). Subsequently capital investment replaces labour as the primary factor driving growth (investment-driven economy). In the third stage, innovation becomes most

important, as the prime consideration turns to making the best use of the already invested resources (innovation-driven economy).

In South Africa, some sectors of the economy are in stage one, others in stage two and others are in stage three. Taking cognisance of this fact is critical to any industrial development strategy.

Sources of growth

Long-term sustainable growth cannot depend solely on expansion. An economy will face competition from other countries offering similar, or even better, incentives. A better option is to strive for productivity-driven economic growth, involving accumulation of labour and capital inputs and their qualitative improvement. Of these, the quantitative aspects of capital and labour improvement are the most important.

The structural factors that determine long-term productivity growth are capital intensity (CI) and Total Factor Productivity (TFP).

CI measures expansion in the physical material (fixed assets) allocated to each employee. This ratio indicates whether an enterprise adopts a capital-intensive or a labour-intensive policy. Higher CI provides the advantages of capacity, quality, volume and speed to help raise output, and hence it helps to improve productivity.

TFP measures the efficiency of the utilisation of both capital and human resources. It is also regarded as a measure of the degree of technological advancement associated with economic growth. Higher TFP

indicates efficient utilisation and management of resources, materials and the inputs that are necessary for the production of effective goods and services for consumption.

There is a close relationship between changes in productivity, CI and TFP. Productivity growth is the sum of TFP growth and weighted CI growth.

For a given productivity growth, the percentage contribution from TFP and CI growth must total 100.

Generally, the sources of TFP growth are:

- changes in the level of education and training of labour;
- the extent of economic restructuring;
- changes in the capital structure relative to construction and works;
- technical progress;
- intensity of demand.

South Africa's performance

During the period 1970 to 1994, growth was mainly investment-driven. Total employment (labour input) rose by 0,8% per annum between 1970 and 1994, while the quantity of fixed capital increased by 3,5% per annum. Growth started slowing down after 1985. TFP in the private economy remained virtually unchanged between 1970 and 1994. This was the net effect of the labour productivity increase (1,1% per annum) and a decline in capital productivity.

GEAR

In the appendices to the GEAR document it is stated that "annual GDP growth averaging 5% or higher, fuelled by strong private formation, export growth and improvements in labour productivity leads to employment growth of some 500 000 annually, increasingly dominated by higher formal sector wage growth".

This statement, and the fact that GEAR assumes a productivity growth rate of between 0,1% and 2,2% per

annum, with an annual average increase of 1,1% for 1995 to 2000, clearly calls for a concerted effort to improve productivity.

GEAR was rather conservative in its productivity assumptions. It is the experience of the rapidly developing economies, especially the Far East, that productivity increases of 6% to 8% per annum are quite possible if it is sufficiently emphasised.

Productivity improvement also requires a mind-set change. This common goal is largely driven by four core values:

- Every employee (management as well as labour) should have an entrenched focus on the customer, in other words be fully committed to ensure that his/her output is truly acceptable to the recipient of the output.
 - Every employee should at all times want to maximise the utilisation of his/her own time and of the capacity resources which he/she controls.
 - Management and workers should have a systemic view of the organisation as a whole.
 - Trust and a preparedness to share relevant information are prerequisites to instilling productive behaviour.
- A mind-set change is not enough. There are certain guiding principles that must underpin the change:
- There should be no employment loss as a result of productivity improvement.
 - Management should not only focus on spending less per unit of output but also on earning more per unit of input.
 - The gains from productivity improvement must be shared equitably amongst capital, labour, government and consumers.
- These principles should be embraced by the social partners to form a framework for productivity improvement.

The union and politics

I was born in 1956 in Newclare. I have two older sisters. My parents separated when I was barely a year old. We lived with my grandfather in Soweto. It was difficult because my mother had to do domestic work and my grandfather was ill. Nonetheless, we had a reasonably happy childhood.

I started school in 1963. I attended the Ncobe and Morris Isaacson secondary schools until 1976. The Soweto uprisings brought education to a halt. Then my mother lost her job. I could not complete my matric. My dream to become a lawyer was shattered. I still wonder how my life would have turned out if things were different.

Work

Finding work so that I could further my studies proved difficult. My first job in 1981 was as a domestic worker, but the money was not enough. I applied to several institutions for bursaries, without success.

In 1984 I was employed at the Baragwanath Hospital (now the Chris Hani Hospital) as a ward attendant. I had failed to make the shortlist for trainee nurses because I didn't have a matric. I worked in the orthopaedic and general wards cleaning up, making beds and assisting the nurses. My starting salary was R183 a month. Although the working conditions were not that bad, the job was not

Monica Sefese, shopsteward and vice-chairperson of the Sobala branch of HOSPERSA, speaks to Malcolm Ray and William Matlala.

challenging. But it was better than not having a job. I was desperate. I had children to take care of.

I eventually became a speech therapy assistant, which is the position I still occupy. Most of the therapists at Chris Hani Hospital are foreign and don't understand African languages. I interpret for them and the patients. I finally completed my matric last year. 'Better late than never' is my motto.

HOSPERSA

I joined HOSPERSA in 1984 when it was a staff association. Until 1995, HOSPERSA was unrecognised and did not have collective bargaining rights. Despite this, it was a privilege to be a member of the association. My choice was straightforward as there were no other unions organised at the hospital at the time.

We are a non-racial union representing all categories of workers, from cleaners to management. We are affiliated to FEDUSA.

When NEHAWU was formed in 1987, signing up was not my obvious choice. I could identify with the problems facing



NEHAWU members, which were common to many of our members, but not with their methods and strategies. NEHAWU embarked on illegal strikes, which reminded me of the 1976 uprising. I did, however, support their goals. On the whole, HOSPERSA's method of reaching agreement by talking things through was far more appealing to me.

Recognition

When HOSPERSA gained recognition and registered as a union under the new LRA, things changed. We were granted rights to bargain on behalf of our members, voice our grievances and needs, and elect union representatives in various departments.

My active involvement in union work began in 1995 when I was elected as a shopsteward. I assume workers saw me as a dedicated and outspoken person when it comes to worker rights and needs. The issues facing our union differ from the old days, when we were an association. Firstly, there are various unions organised at the hospital. NEHAWU and HOSPERSA are the

dominant unions. There is no difference in terms of the categories of workers we represent. We are therefore competing unions.

Secondly, we now have the power to enforce our rights as workers. Our philosophy is starting to change as a consequence. We now see industrial action as an integral part of the collective bargaining process. We recently had a demonstration, which is something new to us. We have to be careful how we exercise this power. We are cautious not to abuse our right to strike. The union has not changed its culture and methods.

The final challenge relates to my position as a shopsteward. I have to deal with union issues during working hours. This has a crippling effect on my work.

Transformation

At a national level, the restructuring and transformation of the public service is firmly on the agenda. While HOSPERSA supports transformation and has a policy on affirmative action, there are some in our ranks who are not particularly happy with what is happening. We are affected by downsizing and restructuring in different ways to NEHAWU. Many of our members have either resigned or gone on pension. NEHAWU, on the other hand, faces the threat of retrenchments at the lower staffing levels. Our position on affirmative action is that people who occupy positions which carry responsibilities should have suitable experience and qualifications. While we recognise that there are barriers to transformation the process should be gradual.

Unity

Our relationship with NEHAWU is not as ugly as one might expect. We have come a

long way since the 1992 NEHAWU strike. Our members felt threatened by NEHAWU. We were worried about possible victimisation and had ethical problems with workers striking in an essential service like hospitals.

There are still deep reservations among our members about collaborating with NEHAWU. Workers are sometimes at loggerheads with each other over wages and conditions. On a positive note, we have managed to forge unity at shopsteward level. We remain separate organisations, but there are issues which have brought us closer together.

Our embracing of industrial action has also been a source of unity. We always try to avoid a strike, but will resort to it if we have no option. Workers are realising that it is the government, as employer, that must accept responsibility for strike action. In this regard, HOSPERSA, like NEHAWU, is adopting a rights-based approach to collective bargaining.

In principle, we support unity in action. At the end of the day we are workers with common needs and aspirations.

Merger

An organised merger is a possibility. Today, there are more commonalities than differences between our organisations. We operate in the same labour relations environment and negotiate in a single bargaining forum.

But there are still things that need to be ironed out. We disagree on a whole range of issues. Our strategies are still very different. We have a more conservative membership. NEHAWU is also in alliance (through COSATU) with the ANC and SACP. FEDUSA is strongly opposed to political alliances. I feel strongly that, at the workplace, we are workers first. When you bring politics into the union, issues cease to be worker issues. They become

political issues and are potential sources of division.

I'm not implying that workers should keep out of politics. Politics is the prerogative of individuals. It should be kept out of the workplace.

There is an argument that being aligned to the ANC is positive, because the government is our employer. My response is that this is a conflict of interests. I am comfortable in a non-aligned union fighting workers' issues. This is the feeling of our members.

If we overcome these differences, there is no reason to remain separate organisations. In the meantime, we see joint action around common problems and challenges as a basis for unity.

Gender

I am also the provincial gender representative. It is a new position and I am still coming to grips with the issues. I have noticed that the gender question raises eyebrows in the union. Most of the members of HOSPERSA are women. Gender equality is therefore very real to us. Some of the challenges are the under-representation of women in the union, equal pay for equal work and affirmative action. I see this as part of the broader transformation process in the public service.

The three positions I occupy in the union can be taxing on my home life. If management allowed shopstewards time off to do union work, the balance between work, the union and the family could be better managed. The burden on women shopstewards would be lessened. I am a single mother. Fortunately, my children are older and are able to take care of themselves. It is still very demanding, but challenging. I will continue doing union work until it ceases to be a challenge. ★

glossary

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
FEDUSA	Federation of Unions of South Africa
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution strategy
IFP	Inkatha Freedom Party
ILO	International Labour Organisation
IMSSA	Independent Mediation Service of South Africa
LRA	Labour Relations Act
MEC	Member of the Executive Committee
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
OAÚ	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 Venda Ciskei
UIF	Unemployment Insurance Fund
WTO	World Trade Organisation

COSATU-affiliated unions

CAWU	Construction and Allied Workers' Union
CWIU	Chemical Workers' Industrial Union
CWU	Communication Workers' Union
FAWU	Food and Allied Workers' Union
IPS	Institute of Public Servants
NEHAWU	National Education, Health and Allied Workers' Union
NUM	National Union of Mineworkers
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	The Finance Union
TGWU	Transport and General Workers' Union



The Workplace Challenge:

A NEDLAC initiative funded by the
Department of Trade and Industry

Call for Expressions of Interest

The National Economic Development and Labour Council (NEDLAC) has recently commissioned a project entitled The Workplace Challenge (WPC). The Workplace Challenge is aimed at transforming workplace practices and work reorganisation as a means to improving equity, efficiency and productivity. The project has been funded by the Department of Trade and Industry and is managed by Labour Market Alternatives, Pty Ltd.

The Workplace Challenge operates at both the sectoral and the workplace level.

At the sectoral level, trade unions and employers will be required to develop parameters to guide workplace transformation at the plant level. At the workplace level a series of pilot projects will be run at selected sites. The pilot projects will focus on providing parties with consulting assistance to improve productivity performance through transforming work organisation, working practices, skills development and industrial relations. In order for plants to be selected as pilot projects they must be prepared to

- act as demonstration plants and share information with other firms of their sector and/or along the value chain,
- establish a joint worker-management committee to steer the process of workplace transformation
- make financial contributions of a minimum 25% of the value of the grant.

Employer organisations and trade unions that are interested in being part of The Workplace Challenge are invited to express their interest by contacting the Project manager. An expression of interest does not guarantee that the sector will be able to access Workplace Challenge funding as there is a limited budget for this process. Individual firms can not apply directly for financial assistance. The selection of firms and the allocation of grant funds to support a Workplace Challenge initiative at the workplace level is determined by sector level committees made up of trade union and business representatives which must be established as a requirement of the grant guidelines.

Employer Organisations and Trade Unions interested in knowing more about The Workplace Challenge can contact the Project manager directly at the following listed numbers:

The Project Manager

The Workplace Challenge

c/o Labour Market Alternatives Pty Ltd.

P.O. Box 94075, Yeoville, 2143, South Africa

Tel: (011) 487-2627, Fax: (011) 487-2628

E-mail: afastair-lma@global.co.za

DITSELA EDUCATOR CONFERENCE

16-19 September 1998

Ditsela will be hosting the second Trade Union Educator Conference in September this year. Preparations for the Conference are already underway.

New Ways of Seeing • New Ways of Doing

This is the Conference Theme for 1998. The 1997 Conference focused on developing a common framework for trade union education in South Africa – including a vision, principles, policy, content, systems and structures. 1998 will focus more on the people who do the educating and are educated:

New Ways of Seeing – the ideas and perspectives of trade union educators on trade union education in the changing context. There will be a series of workshops exploring different themes

and

New Ways of Doing – bringing workers' voices into our education programmes using different methods and mediums. Workshops will be set up which explore popular theatre, video, audio tapes, posters and other media.

In addition, Federations, Unions and Labour Service Organisations will present exhibitions of their work.

Ditsela is hoping for full participation, not only in the Conference, but also in the preparation. Ditsela is therefore inviting individual educators and LSOs to:

- Write short papers for the 'New Ways of Seeing' workshops
- Contact us with your ideas on 'New Ways of Doing'
- Develop exhibitions of activities, materials, methods for display at Conference
- Contact us if you want to read poetry or are part of a choir which would like to perform at Conference

If you would like to participate in any of the above areas please contact Bobby at Ditsela
Telephone: (011) 403-2155 Fax: (011) 403-1055 e-mail: bobby@ditsela.org.za