

SOUTH AFRICAN

LABOUR BULLETIN

Volume 20 Number 6 December 1996

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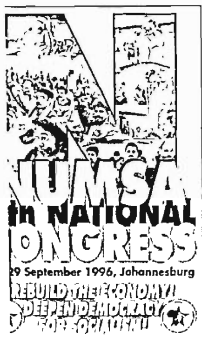
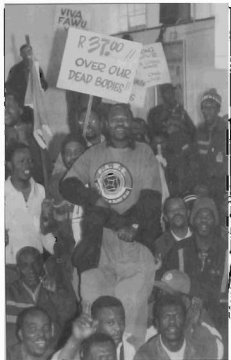
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The South African public service suffers from a number of ills. Amongst other things, it is unrepresentative and inefficient.

This issue of the *Labour Bulletin* focuses on the public sector. Phillip Dexter points out that the sheer size of the sector makes it a potential engine for economic growth or stagnation.

Two and a half years into the 'new South Africa' there is little sign of the kind of reform that is needed if the sector is to deliver. This has opened the door to forces inside and outside the state who would downgrade its role, mainly through wholesale privatisation.

There can be no doubt that apartheid, and its numerous proponents who still hold office in the civil service, bear a large measure of responsibility for this state of affairs. The time has come, however, to get the transformation of the public sector on track. Dexter suggests that labour has a critical role to play in this process.

As the sites of service-delivery, local authorities are perhaps the most important part of the public sector. Government's Municipal Infrastructure Investment Framework (MIIF) assumes that these authorities will not be able to deliver. Instead, it proposes that the private sector take over a number of services.

The South African Municipal Workers' Union (SAMWU) is strongly opposed to this approach. In this issue, SAMWU General Secretary, Roger Ronnie, puts forward the union's alternative to these proposals.

The MIIF is a logical consequence of government's macro-economic strategy (GEAR). SAMWU has vowed to "go to war" to fight GEAR. Meanwhile, the National Union of Metalworkers of South Africa (NUMSA) has released its own socio-economic platform which directly challenges GEAR. The details of this policy are discussed in Economic Alternatives.

Government has stated repeatedly that it will not negotiate the fundamentals of GEAR. Will it take any heed of these initiatives? What does this attitude mean for institutions like NEDLAC, which are based on consensus-making? In our interview, representatives of business, labour, government and NEDLAC reflect on the role of this institution.

1996 has been a good year for the *Bulletin*. We are well on the road to self-sufficiency and look forward to many years of publishing. We thank our readers for your continuing support and wish you all the best for 1997.

Deanne Collins
Managing editor

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BEDFELLOWS

IMF head, Michel Camdessus, used the occasion of his visit to South Africa to warmly congratulate the government on its macro-economic plan, saying that the strategy is "exactly right."

While COSATU refused to meet with him at all, he was fêted by Finance Minister, Trevor Manuel

REDEYE wonders whether, if Trevor has friends like that, he might soon find he has some new enemies

SO WHAT IS MANAGEMENT GOOD AT?

Gold Fields managements' evidence to the recent commission of inquiry into violence on the mines makes for fascinating reading. Mine manager, William Eksteen, told the commission that Zulus are excellent production people. Swazis like drilling with machines and Shangaans are very good at mechanical tasks

REDEYE is forced to ask what mine management is good at. The answer must surely be racism!

CRACKING THE WHIP

On a kinder note, one might say that Eksteen and Co are simply living in a (not too distant) past. Someone else who hankers for the 'good old days' is Elizabeth Bradley, vice-chairperson of Toyota and one of the richest women in South Africa.

In a recent interview, she complained that productivity at Toyota is low due to poor labour relations. Her solution? To reimpose "plain, old-fashioned discipline" and to "get rid of people who spoil the lives of the... majority who are not part of the spoiling process."

REDEYE has no doubt that, as long as such attitudes prevail, everything will keep going wrong

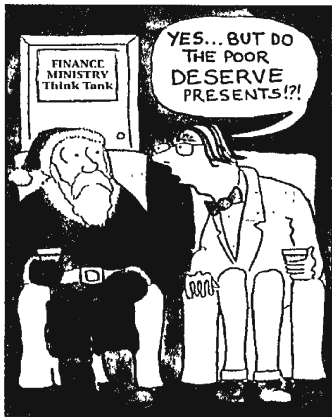
ALL TALK

There is an ANC minister who is very fond of opening any meeting with trade unionists with a lecture about how poorly they are servicing their members.

As an example he tells how, every time he goes to his local supermarket, the workers crowd around him, complaining that they never see their union organiser, and asking him to do something about it.

REDEYE hears that, at a recent meeting, one national union leader who was fed-up with this story, decided to tell one of his own. Every time a COSATU unionist walks in the street, he or she is mobbed by citizens demanding to know where the ANC is and when they are going to start delivering ..

REDEYE suggests that both parties stop talking and start acting



Inflation monitor: August and September 1996

Area	Consumer Price Index		Annual rate of inflation (% increase over 1 year)	
	August	September	August	September
Cape Town	174,6	191,2	7,6%	9,4%
Port Elizabeth	173,3	189,5	7,6%	9,0%
East London	172,6	188,7	7,7%	9,2%
Kimberley	174,5	188,0	8,0%	8,0%
Pietermaritzburg	175,6	191,2	8,5%	8,5%
Durban	167,6	183,5	7,4%	9,4%
Pretonia	173,8	188,7	8,2%	8,5%
Witwatersrand	171,5	185,1	7,3%	7,7%
Klerksdorp	171,4	184,3	7,4%	7,4%
Vaal Triangle	163,4	176,0	7,4%	7,5%
OFS Goldfields	170,5	184,0	6,0%	7,5%
Bloemfontein	167,7	182,4	7,5%	8,6%
SOUTH AFRICA	171,9	186,6	7,5%	8,4%

Source: Labour Research Service

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VITAL READING FOR TRADE UNIONISTS THE WORLD OVER

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Recent contributors include COSATU General Secretary **Sam Shilowa**, British TUC General Secretary **John Monks**, President of the Australian Council of Trade Unions **Martin Ferguson**, **Sergei Popello** from the FNPR of Russia and **Jacaranda Fernandez** of the Nicaraguan union FETSALUD.

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HISTORY WILL JUDGE

Dear editor

The Growth, Employment and Reconstruction (GEAR) strategy of the ANC-led Government of National Unity has been the issue of much focus recently, with rather half-hearted opposition from predictable quarters and, of course, delirious endorsement from capital and its allies

In assessing the implications of the government's economic direction, we must be aware that GEAR is a logical extension of the government's acceptance of South Africa's role in a global economy dominated by the US-led industrial societies. As a 'third world' or 'South' nation, South Africa has been assigned, and has accepted, a service role to provide resources, cheap labour, markets and opportunities for investment

One can predict with confidence that the strategy is aimed at ensuring that its first beneficiaries will be those same international investors, whom we are told should be welcomed warmly and commended for the wonderful development they will bring to this country

A comment in the *New York Times*, which appeared at the time of the overthrow of the Mossadegh regime in Iran, seems apt. The *Times* commented that "underdeveloped countries with rich resources now have an object lesson in the heavy cost that must be paid by one of their number which goes berserk with fanatical nationalism". The service areas must be prevented from pursuing social transformation "that reduces their willingness and ability to complement the industrial economies of the West"

The historical record conforms very well to this commonly articulated understanding of the role of the South. The pattern is consistent. It would be remarkable if it were otherwise. The 'New World Order', as imposed by the powerful, can only be perceived as a bitter international class war, with the advanced state capitalist economies and their

transnational corporations monopolising the means of violence and controlling investment, capital, technology, and planning and management decisions, at the expense of the huge mass of the population.

South African politicians, who were elected on the promise of rapid alleviation for the working masses and the poor from the ravages of apartheid, must realise what they are letting us in for, and remember that history is a harsh judge

*John September
Johannesburg*

A VAT BREAK

Dear editor

Government has introduced zero-rated tax 'holidays' for certain businesses. They say this will encourage growth.

This is such a good idea that it should be extended! What about a VAT tax holiday?

A holiday from VAT would benefit all of us, not only a few.

The beneficial effects will be felt at once. The first result will be increased expenditure on the part of the very poor, who will immediately begin to buy more foodstuffs and other essential goods than they do at present. Because there are a lot of very poor people around, this will have widespread effects. The massive increase in demand will stimulate production, and so lead to increased employment.

As sales go up, there will be increased profits for employers. There will therefore be more tax revenue for our cash-strapped state; that is, from those employers who are not enjoying a tax holiday too!

There will doubtless even be some 'trickle-down', from the very poor to the even poorer. Money will be circulating faster; a shot in the arm for the economy

*Creative thinker
Johannesburg
(name and address supplied)*

The public sector

transformation and reform

South Africa's public sector, comprising the public service, local government, and public assets and enterprises, is a significant sector of the economy. The *J&T* weekly recently quoted figures which suggest that the government owns 51% of all of our capital stock (*J&T* 20/9/96). This taken together with the 1,2 million public servants, 300 000 employees of state owned enterprises, 233 000 local government employees, and the 100 000 employees of universities, parastatals and agricultural marketing boards, makes for an impressive public sector.

Taking stock

The fact that all these distinct areas of the public sector suffer from similar problems is no accident. They are generally regarded as being unrepresentative, unresponsive, inefficient and ineffective. These faults have by and large developed because of apartheid policies and, if they are purely technical faults, they have usually been exacerbated by the same.

The sheer size of the public sector makes it a potential catalyst for economic growth or stagnation. By itself the public sector could mean the difference between a national democratic transformation that is for the benefit of a tiny elite or one that is for the people as a whole. In this context, as well as that of increasing international pressure and economic competition, not to mention the demands and sophistication of

The slow pace of reform in the public sector threatens to derail transformation. Phillip Dexter outlines what is needed to get things back on track.

client needs, the current situation in the public sector is intolerable.

Guidelines for change

The government has set out some broad policy guidelines to transform the public service and to restructure public enterprises. The White Paper on the Transformation of the Public Service and the National Framework Agreement (NFA) on the restructuring of state assets go a long way towards establishing a broad vision for the future. The new Labour Relations Act (LRA), forthcoming legislation on Employment Standards and the amended draft of the new constitution will further refine this vision.

While the basis for reform has been set, there remain serious weaknesses. The challenge for labour is to ensure that the slow pace of reform and transformation does not lead to a situation where the pressure being brought to bear on the government by the forces of neo-liberalism on the one hand, and the need to be seen to

be delivering, on the other, do not lead to the interests of workers in this sector being compromised, or the interests of the public, specifically the working class and the poor, being sacrificed on the altar of political expediency.

The reality is that little of substance has changed in the public sector, whether in relation to the public service, management and control of public assets and enterprises or in relation to local government administration. This is not solely the responsibility of government, especially since we are only two and a half years into the democratic dispensation. But there are areas where results and achievements could be better. In the public service the Judge White (formerly Browde) and Presidential Review Commissions have not delivered anything substantial or concrete as of yet. Some doubt that they will at all.

Rationalisation

Rationalisation, whilst almost complete in the legal and technical sense, has yet to result in any substantial changes to the organisation of work, delivery of services, or the conditions of service of personnel in the public service.

The current round of redundancy packages whilst having some effect in terms of shrinking the service, are not necessarily desirable and personnel cuts may, in fact, be taking place where they are least needed. There is also no certainty that the packages will lead to the kinds of saving the government has envisaged. The creation of the new Department of Public Service and Administration and the restructuring of the Public Service Commission have yet to deliver any concrete results.

The same could be said with regard to public assets and enterprises. The NFA has laid down principles, but there has been little progress in redefining the strategic orientation and direction of these entities,

or the benefits they supposedly generate. Human resource management issues have also received very little attention. There is increasing transparency and individual enterprises have gone some way down the road of change in corporate governance practice, but progress is small and has been painfully slow in coming. For example, the salaries of the top management in TRANSNET, South African Airways (SAA), ESKOM and other public enterprises are still not being disclosed.

Local authorities

With local authorities the situation is most bleak, particularly in relation to the smaller towns and rural areas. In most of these, and even some metropolitan areas, the very idea that anything should change is still being vigorously contested by elements of the former regime. The government has not yet produced a policy paper on local government and the discussions around the municipal infrastructure framework seem to be leading to a situation where services delivered at this level will be the bare minimum.

New areas

An entirely new area of the public sector has been opened up by the new constitution. Institutions such as the Commission for Conciliation, Mediation and Arbitration (CCMA), the Human Resource Council (HRC), and the office of the Auditor General are now similar to Parliament in their status. Those who work in these institutions are not public servants according to legislation and no structure has the authority or responsibility to regulate the appointment, dismissal and terms of conditions of those who work in these institutions, apart from the institutions themselves. The question arises as to how the government can ensure equity, representivity, and even proper



The salaries of TRANSNET management have still not been disclosed and rumours of a 'gravy train' abound.

accountability in these structures and between these and the public service

Direction

In short, it has to be said that despite sound policies, a vision in terms of the Reconstruction and Development Programme (RDP), and political control of most of the democratically elected structures of this country, the broad range of progressive forces led by the national liberation movement is failing to address the issue of reform and transformation of the public sector coherently, strategically, or effectively. Even the new macro-economic policy framework of the government, GEAR, does not offer much in the way of concrete suggestions. Some of the policy directions indicated in GEAR would seem to contradict the objective of creating a public sector which facilitates the development of a non-racial, non-sexist society and ensures

equitable service delivery of an acceptable quality

Of particular concern is the fact that elements of policy that attempt to flatten hierarchies, increase the entrepreneurial role of all public sector actors, and make practices in the public sector conform to standards of profitability, efficiency, and that in short amount to good economic sense, are, for the most part, being ignored. Instead there is a cynicism creeping in to government circles which echoes the views of proponents of the free market. This holds that the public sector can never be efficient and cannot deliver the goods to the public. It calls for greater privatisation and contracting out. This in a situation where the private sector in this country is not competitive itself, has poor management practices, and many of the problems which exist in the public sector are to be found in the private sector! The public sector is in

fact the answer to many of South Africa's problems, but it needs a new mission and new values. Most of all, it needs new management.

Blockages

There are clearly many factors impeding implementation of the government's stated vision and policies. Perhaps the most significant has been the uncertainty generated by the constitution drafting process. There has also been a general slowness in terms of the drafting, passing and implementation of key legislation that flows out of government policy.

A good example of this is that almost two-and-a-half years since the democratic elections, the public service is still being regulated by the outdated, cumbersome and rule-bound Public Service Act of 1994. The slowness in transforming Parliament itself has assisted in bedeviling the efforts of the ANC-led government to pass the necessary legislation in other areas.

It must also be acknowledged that there has been a paralysis in government in relation to the public sector. This is caused by turf battles between departments in relation to specific powers, assets and enterprises, a constant unresolved tension in relation to privatisation, and the general lack of vision in relation to corporate governance in the public sector.

In a few enterprises new board members have been appointed, but by and large little has changed in terms of who has control. There is no change in terms of who benefits from these services, who receives the profits (if any) and what role workers play in running these enterprises. Whilst the government has settled into its confusion, those conservative forces who represent their own narrow self-interest have continued to make their own pensions, pay-packets and perks the priority of the parastatals.

Impediments

The incumbents of key posts in the public service are also a significant impediment to reform. This is a difficult issue, since there has been a constant refrain from government that we do not have replacements with the necessary skills or experience. There seems to have been little effort to train and skill possible appointees since the election. Prior to 1994 the ANC sent various cadres on 'crash courses' in other countries. Many of those who received training have not been placed in posts to date. In general, there has been an extremely bureaucratic approach to training.

The naivete of the government in relation to the good will of key managers from the former regime has been breathtaking. The idea that apartheid bureaucrats could lead the transformation process in the public sector, and improve productivity when they themselves are under-performing, is sadly one which has not been defeated. We have been our own worst enemies by underrating the abilities of seasoned activists and cadres schooled in the trade union and mass democratic movements, non-governmental organisations (NGOs) and the ANC in exile.

There has also been a reluctance to set quotas, targets or even time frames in terms of representivity, recruitment, programmes and policy objectives. This, in the context of the policy of reconciliation, has led to confusion, room for obfuscation, and even sabotage on the part of those who do not support the transformation effort.

Loss of morale

The government has also been slow to develop, refine and articulate policy from its initial base documents. Any movement from frameworks has tended to be left in the hands of technical experts, without involving the mass based constituency of the ANC-led Alliance. As a result, when

choices have had to be made people have not been taken along in the process. The result is a loss of morale in the public sector and an increasing cynicism on the part of workers and the public.

Bargaining

In relation to the public service central bargaining agreement there is little evidence that any of the targets that have been set in relation to savings through downsizing, greater representivity or reduction of the salary differential will be as effective as was first believed possible. This, taken together with the fact that services will no doubt be adversely affected, and the continued manipulation of the rules and regulations by senior public servants to continue their unreasonable perks and high salaries, make for serious problems in the future. Examples

of this are the fact that senior public servants negotiate improvements of conditions of service from which they will directly benefit. Most of the government's debt burden, which has led to severe restrictions on RDP projects result from government's commitment to the public servant's pension fund. This debt could be literally halved if this pension fund were to be restructured.

All these factors, and many more, have created an inertia and a climate of indecisiveness in the public sector. This has entrenched the culture of emphasising what cannot be done, rather than what should be done.

Solutions

The ground which has been lost needs to be won back. The naive notion that the private

sector can and will deliver better, faster, cheaper, and more reliably, is one that must be vigorously contested. There are few examples, if any, where this has proved to be the case, particularly in a developing country with such acute social backlogs.

Leadership

Labour and government clearly have different roles with relation to these issues, and the privatisation agenda of business makes it a wolf in sheep's clothing in relation to the public sector. This means that the two social partners



The 'old guard' are a significant impediment to reform.

formally represented in the Alliance must make a concerted and united effort to get the transformation of the public sector on track and on time. This will require some key co-ordinating structures and decisive political leadership on the matter.

The ANC-led Alliance needs a specialised structure to deal with policy formulation for the public sector and to ensure the implementation of these. The Alliance must decide what its three or four priorities are in relation to the public sector and gear up to achieve these before 1999, if possible.

A co-ordinating mechanism – perhaps a committee of key Directors General – is also needed in government, to drive the reform and transformation process. This advisory structure could be used to negotiate the decisions that will have to be made and implement them.

Whilst one of the key levers for reform must be finance and the budget, the process must be politically driven to ensure that priorities are kept in perspective. Clearly, improving service delivery, achieving greater representivity in terms of former racial categorisations, gender and disability, efficiency and equitable human resource development are amongst these priorities. The Public Service Commission is an instrument that can be creatively developed to promote, facilitate and encourage good practices, good governance, and an overall improvement in terms of services delivered by the public sector as a whole. This requires a mind-shift of proportions not yet seen in the democratic dispensation, but this only emphasises the need for the change!

Whilst there must be consultation and respect for the collective bargaining process, government must ensure that these must not be used by reactionary forces to slow down reform and to sabotage the transformation process. In this regard the restructuring of the Public Service

Bargaining Co-ordinating Council is urgent. The role of progressive unions in relation to the bargaining process is therefore also critical.

Currently there are problems in terms of the public sector unity process in COSATU, a crisis in servicing of membership, and strains in the Alliance as it is currently operating that militate against strategic unionism in the public sector. There is also a sense that the ANC-led government is not really clear on its relationship to these unions.

Support

But progressive labour has a still more critical role to play, and that is in relation to winning broad support from the public for a progressive, defined reform and transformation process. COSATU should be setting up public sector steering committees in all towns and provinces, as well as at national level, to drive the reform campaign that is needed. At this level certain issues can be cleared up and the public kept fully informed of the process and issues that are relevant.

For example, there is a lot of confusion about the retrenchment/voluntary packages in the public service. This could be dealt with at such a level. Such steering committees can also unite all the public sector unions and ensure these have a coherent strategy and programme in relation to the public sector.

Key issues that should inform these programmes are:

Privatisation

The need to defend the public sector from privatisation and contracting out cannot be over emphasised. The focus should be on unbundling the private sector monopolies and the 'big five'; for black business development and empowerment (a process which should not be confused with the



The anti-privatisation campaign must be stepped up POTWA march against privatisation, Johannesburg, January 1996

broader issue of black economic empowerment) This amounts to a 'hands off the public sector' campaign

Citizens' charter

The unions also need to lead the struggle for a 'citizens' charter' in the public sector The campaign for such a charter could be a catalyst for uniting a broad range of forces in the transformation process

Worker demands

Labour also needs to fight for key demands, including job security, the reduction of the apartheid wage gap, reform of the grading system and work organisation, skills development and training programmes, affirmative action and efficient use of the public sector for reconstruction and development COSATU proposals, such as the need for a state owned housing provisioning entity, are not being linked to these demands

Socialism

There is also no sense that COSATU has linked the issue of the public sector to the broader struggle for socialism It is clear from the size of the public sector, both in financial and human resource terms, that it could be a significant building block for socialism This needs to be explored in relation to the demands for a universal public health system and welfare reform and the extension of benefits, as well as industrial strategy, job creation and general economic development

Management

There is no doubt that more emphasis needs to be put on reforming managerial practices in the public sector This means linking the remuneration of all senior personnel to performance and bringing in corporate governance which will improve efficiency In both the public service and local government serious thought needs to be given to the



The focus should shift to unbundling private sector monopolies.

creation of a management cadre that is separate from the rest of public service workers in terms of their employment. The use of contracts at this level can greatly improve mobility of management and ensure better performance. This, together with the notion of risk management, will bring in the necessary market imperatives without needing to resort to privatisation and contracting out.

Decentralisation

Increasing decentralisation is also needed in the public service and in public administration as a whole. Taken together with the flattening of hierarchies, this will ensure better management, team building and collective effort, as well as the meaningful input of all public sector workers in the work that needs to be done. Together with the opportunities for worker participation that the new LRA provides, the work environment in the public sector could be transformed in a very short space of time.

Transformation

If we are to reform the public sector, make it efficient, transparent and effective, we need to transform it. In effect, this means waging constant struggle around who makes the decisions in the public sector, who manages the enterprises, institutions, and departments that make up this sector, as well as how these are managed.

Many of these struggles must be initiated by the progressive labour movement, since workers in the public sector will benefit from these struggles directly and can win broad support from the wider public, who will be the ultimate beneficiaries.

Government will only respond to the pressure that it feels, and currently it feels the most from conservative forces, the unions of the already privileged, business, who see the public sector as ripe for the picking, and the forces of neo-liberalism who want to ensure that any building block for socialism in our country is decisively smashed ★

Phillip Dexter is an ANC MP

Local government

can it deliver?

For labour, the Reconstruction and Development Programme (RDP) represents a minimum programme aimed at transforming the lives of the millions of South Africans who suffered under the apartheid regime.

The RDP is unique in the sense that it managed to bridge the divide between competing interests and arrive at a macro-economic framework where growth and development would be achieved through redistribution and reconstruction.

The Growth, Employment and Redistribution (GEAR) policy recently released by government is an alternative vision to the RDP. It is an anti-worker and anti-working class programme which will not come anywhere near to delivering on the RDP. While it will certainly benefit some - mainly those who currently control large chunks of the South African economy - it will have disastrous consequences for the impoverished masses of this country.

The South African Municipal Workers' Union (SAMWU) is committed to meaningful reconstruction and development in South Africa. The union has developed a programme to ensure that local government delivers on reconstruction

The MIIF

Since the 1994 elections, numerous programmes have been launched at local government level. They cover a wide range

The South African Municipal Workers' Union (SAMWU) has developed a programme to ensure local government delivers on reconstruction. As Roger Ronnie explains, this also involves resisting any attempt to privatise services.

of services and fall under a number of different departments

Some time ago, the now defunct RDP office released the Municipal Infrastructure Investment Framework (MIIF). This programme has now been taken over by the Department of Constitutional Development (under which local government falls)

The MIIF sets down the financial and regulatory framework for a five to ten year project aimed at ensuring that every South African citizen has access to basic services

MIP

A key element of the MIIF is the establishment of a Municipal Infrastructure Programme (MIP). This will bring existing local government projects into a consolidated programme under the control

of the Department.

The MIP represents a single, integrated package on service delivery at local government level. SAMWU is in agreement with the broad intentions of the programme. These include:

- The setting of a five to ten year delivery period
- The emphasis in the programme on affordability and the setting of standards
- Proper spatial planning, which is aimed at eradicating the existing apartheid inspired design of our cities and towns
- The need to ensure that programmes are integrated into local government
- The creation of a central funding mechanism for capital transfers to local government in respect of infrastructural development
- The need for individual local government bodies to develop strategic plans and realign their budgets in line with these plans. (This, in our view includes a thorough examination of how and to what extent the service standards in more privileged areas can be reduced and capacity redistributed to areas in need)

The union is, however, at odds with government over how the objectives of the MIP are to be achieved.

Differences

It is specifically around delivery institutions and mechanisms that differences have emerged between SAMWU and the government.

The MIP is based on the premise that local authorities do not have the capacity to deliver. Instead, the private sector is being put forward as the most appropriate mechanism.

Whilst the union agrees that there are many problems with the present set-up in local government, we cannot accept that the answer to these problems is to run local government according to strict business principles and to bring in the private sector. SAMWU is also extremely concerned that the plan omits any mention of worker participation.

It is extremely unfortunate that government chose to bring in World Bank advisors to assist it in designing the MIP. The Bank's commitment to privatisation is well known. The advisors' recommendations are, of course, also in line with the macro-economic objectives laid down in GEAR.

SAMWU will oppose any attempts to privatise service delivery at local level. This should not be seen as a knee-jerk reaction designed only to protect our members. Rather, we believe that the approach chosen by government is not sustainable and will

The MIP and privatisation

Every single alternative delivery mechanism put forward in the MIP is one or other form of privatisation. The range extends from 'ring-fencing' (in our view the first step towards ultimate privatisation) to outright privatisation.

The explicit intention of ring-fencing is to neatly package particular services into 'going concerns' – using taxpayers' money. It and when the private sector is satisfied about the rate of return on these services, the stage would be set to move towards full privatisation of the service. Should the service prove unattractive, the private sector is left none the poorer.

SAMWU has vowed not to participate in such a cherry-picking exercise. We do, however, support a form of ring-fencing which seeks to effectively measure the cost of a particular service and which is part of a transparent process of cross-subsidisation. SAMWU is opposed to the current campaign against cross-subsidisation which attempts to smear this process as hidden taxes. Cross-subsidisation is an integral part of the financial operations of big business. In addition, there are clearly certain basic services which can never be operated on a surplus-generating basis.



Service standards in privileged areas can be reduced

undermine both local government and civil society

In SAMWU's view, only direct public service delivery will ensure sufficient accountability. The MIIF directly violates this principle. It notes that "local governments will need to weigh up political concerns (such as relinquishing direct accountability in a new democracy) against efficient and cost effective service delivery"

Government's pre-occupation with privatisation and the private sector threatens to be the biggest stumbling block to management/worker co-operation at local government level and ultimately the realisation of the RDP.

The revitalisation of local government is the most appropriate means for the delivery of infrastructure requirements and ongoing service delivery. The omission of this option by the government (a conscious omission, in our view) is the clearest indication yet that government has capitulated to the dictates of the World Bank and the IMF. The government

has missed a vital opportunity to radically restructure public sector delivery

Apartheid legacies

What is missing from the government's proposals is any recognition of the effects of apartheid on the face and form of local government institutions.

Local government currently experiences

- wide variations in technical capacity,
- inadequate capacity to work with customers in identifying and responding to needs,
- very little transparency in how resources are used.

Bloated management systems, excessive hierarchies, a multiplicity of designations and an extremely unfair remuneration system are all features of this system.

In ignoring these issues, government is denying any potential for local government to change. It is also undermining the possibility of human resource development in local government and replacing it with



Local government suffers from a lack of transparency

external consultants and the private sector.

SAMWU's approach

SAMWU is committed to meeting the objectives of the RDP. However, the union also seeks to nullify the growing perception that the RDP is only about service delivery and not about improved working conditions for local government employees.

SAMWU will vigorously oppose neo-liberal pressures to privatise service delivery. This includes mounting a campaign to oppose the GEAR strategy.

The union intends focusing on local government employees as the key to extending and improving services. This will necessitate investment in ongoing skills development and the maximum utilisation of the expertise and experiences of front-line local government employees in the process of reorganising the way in which services are delivered. It will also require financing mechanisms which promote maximum utilisation of state funds, engender social responsibility and limit the influence of private capital on the form and content of the restructuring process.

The following proposals are currently under discussion within our union. Some are very definite demands, others are still being explored.

Government in its own right

SAMWU has consistently argued for local government to be constituted as a level of government in its own right. By this we do not mean an over-emphasis on local autonomy. We are talking about the ability of local government to be able to order itself in such a way as to ensure effective delivery of basic services. The new constitution goes some way towards addressing this issue, but still leaves too much unsaid.

Any serious attempt at implementing a sustainable RDP project in local government will require a total restructuring of the sector. This includes developing proper mechanisms for interaction between different levels of government. For example, if primary health and electricity are placed under the authority of other levels of government, local government could be undermined.

Serious consideration should also be given to locating a wider range of services

at local government level. One of the many legacies of apartheid is a public sector which is skewed in favour of provincial and central government. The trend in other parts of the world is towards increased service delivery at local level. Some of the services which could be considered for relocation include unemployment fund management, social welfare and education.

Bargaining Council

The union has long proposed the establishment of a National Bargaining Council (NBC) to tackle restructuring at local government level.

The Council would be made up of both employer and employee representatives and would deal with issues such as the status of local authorities, financing and revenue sources and staffing matters. It would deal with social and economic issues as well as industrial matters and would not seek to create an artificial separation between the two, as is the current practice.

Institutional capacity to deal with restructuring in a co-ordinated and integrated way would be created. The success of an NBC would, however, require that local government is effectively organised. The union is proposing the establishment and registration of a National Employers Organisation (NEO) to participate in the NBC.

Financial matters

Government's proposals regarding service delivery are influenced by a perceived lack of financial resources - hence the pre-occupation with private sector involvement. SAMWU has put forward the following issues for further investigation, discussion and negotiation. This is done in the context of our particular perspective which seeks to turn local government around.

- A review of the monetarist macro-economic policies of the government. This includes thorough discussions on

the current controls which the Department of Finance exercises over local government.

- Developing a system which promotes the transparent collation of strategic financial information and the appropriate presentation of such information. Local government chief executive officers should be responsible for this task. Consideration needs to be given to making them criminally liable in the event of failing to respond adequately.
- The re-introduction of prescribed assets. This form of finance generation was used to construct and maintain the apartheid infrastructure. There is absolutely no reason why it should not be a vehicle for the construction and maintenance of a democratic dispensation. The reluctance on the part of the government to openly support this option is consistent with the financial deregulation aspects of GEAR and its neo-liberal authors.
- SAMWU is of the view that more direct taxing powers should be devolved to local government. This should obviously be in line with nationally agreed norms and standards and would seek to grant local authorities greater power to generate income and thereby improve their credit-worthiness. It could include powers for special once-off levies and taxes which would be specifically earmarked for infrastructural development. It could also take the form of semi-voluntary contributions by local communities.
- Whilst we are clearly supportive of the need to create a culture of payment for services as envisaged in the Masakhane Campaign, we are often not consulted in this process. Involving the union more closely in the campaign could help bring about the desired results.
- It is necessary to define what we see as 'life-line' services and to determine an appropriate and progressive tariff.

structure on a national scale.

- Another idea we wish to float is that of a Local Government Solidarity Fund. Such funds exist in other countries and were introduced to effect redistribution between richer and poorer local authorities. Besides the potential internal benefits of such a fund, the idea could also be extended to provide for international support (through twinned local government institutions)
- We are proposing an audit of all existing privatisation initiatives and current proposals currently under investigation by various local government bodies. This must include a transparent analysis of the pros and cons of such initiatives, along with the profit margins of existing and prospective sub-contractors. In addition, we are calling for a moratorium to be placed on all major contracts currently under negotiation between individual local authorities and the private sector. In particular, mechanisms need to be agreed to contain the activities of the multinational companies bidding for services such as water and sanitation.

We are not denying that local government faces a financial crisis. Existing funding mechanisms have led to insufficient resources for effective local government. It is, however, our view that the only real way to meet all elements of the RDP is to move away from reliance on the private sector and to focus more strongly on state based delivery systems.

This is not to say that private sector lending will not be necessary. What we should be striving to do is to free up some of this money to allow for direct lending to local government. A recent study commissioned by SAMWU shows that many of these multinational companies do not bring huge dollops of their own cash with them. Rather, they are able to mobilise large amounts of money from various financial institutions. Why should local

government not be allowed the same direct access to capital?

Internationally, there is no evidence to indicate that an excessive reliance on private money markets has benefitted delivery to the people. Rather, it has tended to benefit a select consumer market and the profit margins of the private sector providers.

Workers

Any real attempt to meet RDP objectives should be built on turning around local government services. This involves investigating new forms of work organisation. It means eliminating the bureaucratic and inefficient blockages currently associated with local government, dealing with concepts like delayering and broad banding and a general focus on human resource development. This is totally consistent with the stated objectives of the RDP.

We do not pretend that we have a blueprint for 'turning around' local government to achieve effective, efficient, community-friendly services which accord with the objectives of the RDP. We do believe it is necessary to create the necessary models in practice and we are currently seeking to establish such projects in consultation with the Department of Constitutional Development (notwithstanding the different perspectives of the parties in dealing with the problem). SAMWU will also be relying on international union support in this regard.

Of one thing we are very certain: the GEAR strategy will not solve the problems of the poor and, contrary to what is being painted by government, is not in accordance with the objectives of the RDP. We are prepared to go to war on this matter. ★

Roger Ronite is the General Secretary of SAMWU. This is an edited version of a speech delivered to the Institute of Municipal Treasurers and Accountants Conference in September 1996.

Workplace rights

a gay and lesbian issue

Lucky Mphahlele and Mzimkhulu Madlala have been in a gay relationship since their days as student activists. They rent a flat together in Witbank. Lucky is a safety officer in a mine and Mzimkhulu is a sales representative at a local firm. They share all their living costs. Both are diligent workers and have enjoyed excellent relations with their employers until recently. Lucky intends registering Mzimkhulu on his company medical aid and Mzimkhulu intends to get a loan from his company so that they can buy a house together.

Even though both their employers offer housing loans and medical aid schemes, Lucky and Mzimkhulu are not able to fulfil their wishes. Lucky's employer tells him that only spouses and immediate family are allowed to be registered as dependants on his medical aid. Mzimkhulu's employer only gives housing loans to married people. While the company claims that it abides by South Africa's new constitution, which lays down equal rights for all, it cannot help Mzimkhulu with his loan application because there is no legal conjugal bond between him and his partner.

Not only are Lucky and Mzimkhulu frustrated in their demands, but their relationship is given no recognition whatsoever. The rights and status accorded to married South Africans are denied them.

These are examples of the oppression and humiliation which gay and lesbian

by *Mazibuko Jara*

South Africans suffer on a daily basis. This discrimination continues despite the new South African constitution which outlaws unfair discrimination on the grounds of sexual orientation.

This provision in the constitution is a milestone for gay and lesbian communities in South Africa as well as internationally. It was the direct result of the lobbying campaign which was led by the National Coalition for Gay and Lesbian Equality (NCGLE) during the constitutional negotiations process. The support of many other gay and lesbian organisations and other supporters also played an important role in this campaign.

However, this was only the beginning of the battle. Gay and lesbian employees are still discriminated against at the workplace, merely because of their sexual orientation.

Equal Rights Project

To ensure that gay and lesbian South Africans can claim, implement and enjoy their constitutional rights alongside other disadvantaged groups (for example, women and blacks), the NCGLE launched its Equal Rights Project (ERP) in September.

The initial focus of the ERP is employment-related discrimination. Government, employers and trade unions

will be lobbied to support the removal of discriminatory employment policies and practices. Model policies will be developed which can replace current discriminatory practices.

The ERP's campaign has been given impetus by the passing of the new Labour Relations Act (LRA) and the Department of Labour's Green Paper on Employment Equity.

Attitudes

Changing the law is one thing. Changing attitudes is something else altogether. The following quotations, from a trade unionist and the manager of a government parastatal, illustrate the long road ahead. "Official policy regarding sexual orientation has not been developed until recently. The constitution of our union was only recently changed to include non-homophobia as a principle."

"The company offers equal service benefits to all employees irrespective of their sexual orientation. However, we do not extend benefits intended for legal spouses of employees to domestic partners (whether male or female) as no legal conjugal bond exists in such cases."

To assist in changing attitudes, the ERP will be working with workers, trade unions and employers on appropriate educational programmes. The programmes will aim at building awareness, tolerance and action programmes on gay and lesbian issues in the workplace.

The ERP is in the process of consulting employers and trade unions about their policies on sexual orientation. We will initially concentrate on the public service, government parastatals and large companies.

The results of this work will inform future lobbying strategies.

Educational pamphlets will also be produced. A pamphlet on sexual orientation discrimination in the new LRA will soon be available. Monthly educational pamphlets will also be published on issues such as the immigration laws and homosexual partnerships, and a draft Code of Good Employment Practice.

The gay and lesbian community are appealing for support from all relevant social players so that the constitutional promise of equality may become reality. ★

Mazibuko Jara is the co-ordinator of the Equal Rights Project (ERP) at the National Coalition for Gay and Lesbian Equality. For more information contact the ERP at tel (011) 403-3835; fax: (011) 339-7762, email coalinj@aztec.co.za

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The World Bank

beggaring South Africa?

The South African government has announced it is negotiating a R360-million loan from the World Bank. The loan is earmarked for assistance to small and medium enterprises, and is intended to enable them to compete in the international economy.

About-turn

The decision to accept such a loan is a reversal of ANC policy. In 1993 Trevor Manuel - then in charge of the ANC's Economic Planning Desk and now South Africa's Minister of Finance - stated: "We will certainly need foreign aid, but not from the International Monetary Fund (IMF) or the World Bank." The Reconstruction and Development Programme (RDP) document harshly attacks the Bank and promises that there will be no foreign loans for development that do not raise export capacity (so as to avoid a classical Third World debt trap).

Opposition to the IMF and World Bank has not been restricted to the ANC. In October this year COSATU rejected a meeting with IMF Managing Director, Michel Camdessus, on the grounds that such 'photo-opportunity' consultations were pointless. Other social movements - students, civics, health workers and non-governmental organisations (NGOs) - issued public condemnations of the Bank and the IMF.

Business leaders, as well as representatives of the 'old guard' in the civil

The government has announced it is negotiating a loan with the World Bank. The Campaign Against Neo-liberalism warns of the dangers of such a course of action.

service, took a very different view. Tony Norton, then head of the Johannesburg Stock Exchange, said in 1990 that "(the ANC) must talk to people like competent economists from the IMF. If they go to Washington, they'll find all of a sudden that they'll be doing what everyone else is doing, which is privatising and reducing the state's share of the economy".

Confusion

Notwithstanding our earlier resolve, a measure of confusion exists in the liberation movement as to the best approach towards the IMF and World Bank. Thus the argument has been heard that the Bank should not be treated as 'monolithic' - that it can be manipulated, that it is not the same animal as its sister organisation, the IMF.

World Bank officials, who moved into South Africa not long after Nelson Mandela was released from prison, have been quick to take advantage of such ambivalence. With

the terrain of debate moving from 1980s-style boycott to 'setting the terms', as the then National Union of Mineworkers (NUM) leader, Cyril Ramaphosa, put it, Bank economists took the gap, writing soothingly of the need for human capital investment (education and health) and of making South African manufacturing more labour intensive (more jobs in relation to machinery) They also complained about the concentrated corporate ownership of mining, a sentiment sure to strike a chord in the hearts of their progressive audience

After the 1994 elections, the Bank opened an office in Johannesburg. It soon found a surprising route into the new government, in the shape of the RDP Ministry. Bank economists joined several conservative local consultants in developing an infrastructure programme for Minister Jay Naidoo which - in the form it is now being planned for implementation under Constitutional Development Minister, Vali Moosa - will leave the urban poor in worse socio-economic conditions than under apartheid (see pp 15 - 20)

Avoiding the pitfalls?

In an interview with the *Matt and Guardian* newspaper on 18 October 1996 Trade and Industry Minister, Alec Erwin, claimed that "our policies are consciously designed to prevent the possible pitfalls of a World Bank loan and the effects they've sometimes had on other economies". Erwin went on to say that "(The World Bank) influence is negligible.. we've put in place policies designed to prevent the detrimental effects that

some of their projects might actually have .. We often use the World Bank expertise and feel sufficiently experienced not to be threatened."

In reality, the Bank's role in South Africa has already been extremely detrimental. A few examples illustrate this point:

- Two Bank economists and the World Bank economic model were used to draw up the government's macro-economic strategy (GEAR). Just 20 weeks after it was published, the policy's predictions with regards to job creation, interest rates and the strength of the rand in 1996 (three of the strategy's most crucial targets), have proved totally incorrect
- A Bank-designed land redistribution programme, dating back to 1992/93 and endorsed by government in 1994, has yet to get off the ground, mainly because it relies almost entirely on market forces.
- Forceful Bank advice from 1991 to 1994



GATTFY, Canada

Three reasons to avoid the World Bank

The high cost of Bank money

This is a big problem with all foreign loans, given that the rand declines steadily in value against the currencies in which the loans are given. In 1993, London School of Economics researchers released a study showing that when ESKOM borrowed overseas, it ran up twice the interest bill it would have incurred if it had borrowed from inside South Africa.

Why do such a foolish thing, when the loans are used to fund expenses that have to be paid for in rands and when any equipment that has to be bought overseas, such as new turbines, can be financed through the much cheaper import-export banks?

When asked this question, ESKOM's treasurer answered, in essence "the Reserve Bank told us to". The Reserve Bank wants the foreign currency, even at a crippling cost, in order to repay foreign banks and to cover the import bill which is bloated with luxury goods. Both need to be questioned as social priorities.

The existing surplus of money within South Africa

Local financial markets remain extremely liquid. Pension and insurance premiums provide the handful of institutional investors with some R50-billion a year in income. There is no reason not to divert some of these funds from their present self-destructive course in overvalued stock market shares, office buildings and shopping malls, into real economic activity.

The strings attached to foreign loans, which quickly become the hangman's rope

This is already very well documented. Whether structural adjustment loans or project loans, IMF and World Bank "conditionality" have ensured free market discipline wholly inappropriate for South Africa.

In 1990, Manuel Hinds, a senior Bank economist, wrote candidly about what was needed to "integrate an economy into the international markets...the measures should aim at maintaining the real wage low, so that excess profits accrue to capital."

to limit state housing subsidies and to trust commercial banks to make township home loans - instead of the state and community agencies advocated by the RDP - helps explain the present housing delivery fiasco.

It is clear that South African sovereignty in social and economic policy is already under fierce attack. As a result, the RDP - which retains the support of most citizens, who still want to believe the government's oft-repeated commitment to eventual RDP delivery - appears to have fallen victim to both GEAR and Bank policy advice.

A dismal record

In future, can the Bank perform any better to improve "export competitiveness", the

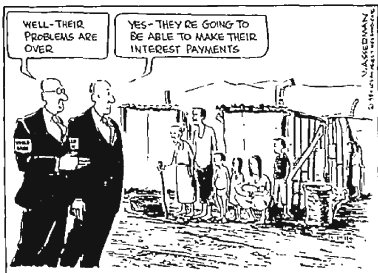
purpose of the proposed R340-million loan? Erwin might have better luck than his colleagues in government in "preventing possible pitfalls", but, as even Bank staff admit, their own track record is extremely poor, given their tendency to generate overoptimistic market studies in order to promote exports at all costs. According to Carlos Lopez, a leading United Nations Development Programme official, "the World Bank figures are always exaggerated to give a rosy picture of whatever it is they are involved in".

The Bank would hardly survive if it had to compete with the private sector. According to its own internal evaluations, 51% of its current African projects are failures - \$20-billion in approved Bank loans to Africa have still not been handed over.

Former Bank Africa director, Kim Jaycox, has conceded that this is due to the damage that the Bank and the IMF have done to state administrative capacity. Only the largesse of Northern taxpayers, whose leaders regularly pay in to the Bank's coffers, and the naivety of Third World borrowers, keep the game in play.

A different future

South Africa could have a potentially different future, if more effective macro-economic management - including relaxing the balance of payments constraint by taxing luxury imported goods, as the RDP suggests - reduced both the need for foreign borrowing and if our vulnerability to 'hot' money inflows was reduced (perhaps



V. K. S. N.
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through lower interest rates and tightened, not liberalised, exchange controls).

Moreover, there is plenty of credit creation and financial liquidity in the South African economy at present, which could be used for development projects.

The tragedy is that government has yet to implement the kinds of RDP financial sector reforms which would free up more resources for productive investment and enhanced competitiveness, as opposed to stock market and real estate speculation, conspicuous consumption and capital flight.

Pressure from international and domestic financial institutions is pulling the South African government far from its electoral mandate. Taken together with GEAR, this tendency could have disastrous social and economic consequences. ★

Members of the Campaign Against Neoliberalism are Stephanie Allais, Brian Ashley, Patrick Bond, Oupa Tchulere and Hassen Lorgat



NEDLAC

courting consensus

Labour Bulletin: What have been the highs and lows of your participation in NEDLAC?

Ketledas: There is no doubt that one of the highs was negotiating the Labour Relations Act (LRA) That was the first major item on the NEDLAC agenda. It was a remarkable achievement from a fairly new institution

At times, however, there have been considerable delays in making progress This is due, in my opinion, to the nature of the NEDLAC constituencies. We have two business organisations within NEDLAC, one of which represents something like 18 or 19 different constituencies One of the factors that contributes to delays is the process of consultation within constituencies

We see the same thing on the side of labour One cannot underestimate the difficulties of trying to find a common mandate between three federations on the one hand, and then also within those federations We must take cognisance of this.

Tony Ehrenreich is the National Union of Metalworkers of South Africa (NUMSA) national sector co-ordinator for the motor Industry. Les Ketledas is a Deputy Director General in the Department of Labour. Jayendra Naidoo is the Director of NEDLAC. Ben van Rensburg is the Director of Economic Policy at the South African Chamber of Business (SACOB).

In its 18 months of existence, NEDLAC has gone through numerous ups and downs.

Deanne Collins asked representatives of labour, government, business and NEDLAC itself to assess the 'NEDLAC experience'.

Ehrenreich: Certainly we'd see the highlight as the LRA In respect of the areas that we haven't done too well in, one issue is government's reluctance, at times, to want to deal with certain issues Here the issue of competition policy and, more specifically, issues related to the macro-economic framework, come to mind

The issue of mandates from within our own ranks has also been a constant source of frustration

Van Rensburg: It just goes to show how perceptions can differ! I think the mere formation of NEDLAC was the highlight. NEDLAC is not a luxury, it's a necessity that we can't do without In business, we really believe that if we want to take this country forward, then we need to manage the economy together



Les Kettleidas.

However, we got off on the wrong footing by starting with the LRA, before we had an overall vision of where we want to take the country and how we want to take it there. Maybe at the time our policy makers didn't realise that our labour market structures and institutions are part and parcel of the overall economy. To proceed it with the LRA before we had the macro-economic strategy on the table was a little off the rails. I'm not saying that it was not necessary to restructure the labour market institutions as we did, but we took the cart before the horse. I'm afraid that we will have to go back to some of these issues again.

Naidoo: NEDLAC has become a very big and extensive process. It's slowly taking root. It's both an institution and a process. In the years to come a lot of institutions we're creating now are going to play an even more useful role. I'm very happy with the state of progress in general.

The IRA was definitely the big high point. The trade and industry policy session, in a different kind of way, was just as significant. The workshops we're doing now on 'the workplace challenge', in the provinces are very important. Even the

completion of the National Economic Forum's (NEF)'s job creation programme, which took R250-million, dispersed it and created an average of 1.4 000 jobs per month, was also a high point.

During the LRA we hit a very low point. We also had a low point in the middle of this year when certain people started to speak quite negatively of the process. There are still areas where, because of poor representation, things fall down. But I think on the whole it's been much more positive than negative.

I want to respond to the question of delays. Actually, there have been very few delays. There have been timetables that have been impossible for the parties to meet. I understand the frustration of government - it's understandable for people whose job it is to deliver to feel frustration when they have to talk about it first. However, it's not the process which is at fault, it's the fact that we haven't yet managed to reach a more substantial consensus on where we are going. If there's a single factor that we should address in order to make NEDLAC work better, it's how we broaden consensus between the different partners.

Labour Bulletin: *NEDLAC is all about reaching consensus. But how do you get stakeholders with such divergent interests and perspectives to reach consensus? Earlier this year, business and labour put out their macro-economic policy documents. Tito Mboweni has remarked that the distance between those two policies is further than the distance from Cape Town to Cairo. Then government brought out GEAR - some would say that the distance between labour and government is even further!*

When you've got these kinds of distances and differences, how do you reach consensus?

Naidoo: The question is what kind of consensus we need. I don't believe we will ever have total consensus. After a hundred years of working together you still find substantial disagreement between labour and business in places like Denmark.

So what do we want? We want consensus which is relevant to the economic challenges we are facing. It must also be politically durable. We're going to build up areas of consensus gradually, from stage to stage. There'll be parts where we disagree and parts where we can agree and then we'll build those parts. Then there are parts where we should not even try and agree because there are certain objective differences between employers and unions. We must adopt a more incremental perspective. I think it's eminently possible, provided we don't distress ourselves by having too high expectations. It's going to take a long time.

Kettleidas: The NEDLAC Act states that NEDLAC is an institution that will try to reach consensus. Yet in the Founding Document we also acknowledged that we may not always reach consensus on all issues. It's set out quite clearly what happens in a case where there is disagreement.

What people must also accept is that we've come to NEDLAC, we haven't come to church where we listen to one person and we don't question that person. This is a collective bargaining institution. The parties will continue to come to the table with different positions, probably stretching between Cape Town and Cairo. But the process of collective bargaining leads us to an outcome that is either acceptable to all parties or acceptable to a certain extent to all parties.

Labour Bulletin: *One has to question whether government is, in fact, committed*



Jayendra Naidoo.

to consensus bargaining at NEDLAC, when it announces that GEAR is not negotiable.

Kettleidas: What we said was that we have to look at what NEDLAC is doing. We've got to distinguish between what it is that we bring to NEDLAC as information, what it is that we bring for consultation, and what it is that we bring for agreement making.

The perception is that every time an issue comes to NEDLAC it's an issue for negotiation. If government brings draft legislation here for line-by-line negotiations then we're going to have a problem. But if we say that what we need to clear within NEDLAC is the policy, or the policy framework, and then legislation gets written from that, then we're talking about something else.

Labour Bulletin: *Is the macro-economic policy document not the kind of framework that should have come to NEDLAC?*

Van Rensburg: It is the ruling party's responsibility to lay down macro-economic

policy That cannot be negotiated It can be negotiated between the parties who form part of the ruling party It's the job of the ANC and its constituency to sort out any differences, that's not for NEDLAC.

Ehrenreich: Labour will not be dictated to about which issues will be brought to NEDLAC for negotiation There are policy issues where we have fundamental differences with government, and we want to engage them around those We will never accept that policy is a prescription and that's the tune that we dance to Everything is up for discussion and everything is up for consensus making

By implication, there are some things you would not want to deal with, but that doesn't mean that those things are necessarily excluded from discussion

The policy framework determines the rest of the discussions To make an example, in the trade and industry chamber we've always asked "Where is the overall industrial development strategy? How does trade liberalisation fit in with the rest of what happens?"

Our concern is that what is taking place in industry is weakening our potential to intervene We are also not sure whether government wants to intervene White goods is a fitting example. Demand for these products has risen by between 10 and 12% yet we're loosing manufacturing capacity and we're importing more and more products. There should have been some additional support for the industry, even if it means getting in an international partner to supply these things, instead of us having to import Or we should put up tariffs so that industries are protected until supply-side measures are in place We can't adopt one element of an industrial development strategy without others to address possible consequences

We want government to join us in adopting

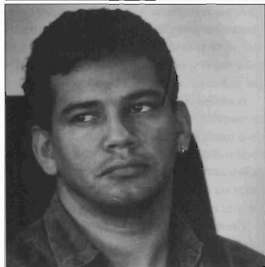
a common vision and then take concrete steps to implement it. But we don't see that. Maybe it's because the World Bank has had more say in drafting our macro-economic strategy than we have. There are going to be lots of tensions if this approach continues

Labour Bulletin: *Negotiations around the Labour Standards Bill seem to have reached deadlock There appears to be a veil of secrecy around those negotiations, presumably because you're trying to reach consensus The parties at NEDLAC represent constituencies Are these constituencies' rights to mandate and report-back not being violated in this instance? If a compromise agreement is reached, won't this be negated if constituencies are not carried along in the process?*

Kettleidas: I don't know where this talk of deadlock is coming from! Bilaterals are being held between the different constituencies It's not outside NEDLAC - there are regular reports from the bilaterals to NEDLAC structures. The size of the NEDLAC chambers makes this essential. You can't negotiate in a forum of 18 people. So, on a piece of legislation like the Employment Standards, a task group or sub-committee is normally set up to conduct the negotiations. This issue has come up time and time again and I think we need to correct the wrong impressions!

Ehrenreich: When it comes to negotiations, there are a number of different options We are not always restricted to formal structures. As far as possible we always try to get mandates.

Natloo: At some stage it would be worth analysing the Employment Standards negotiations as a case study We should have taken the opportunity to do a bit more research, to look at issues before moving



Tony Ehrenreich

into the actual bargaining part. When you haven't got agreement on a broad framework, this is always the more tricky part.

There are a lot of hard points - how many weeks leave, the rate for this or that - that you could really get stuck on. Time became an issue. The deadline was continuously extended and the parties were in extended bargaining mode. There should be more space for thinking and preparing before negotiations.

The other problem is communication and capacity. We never decided to withhold information from constituencies. Labour's capacity and communication constraints were more noticeable and extreme than any other constituency. The Department of Labour is dealing with just those issues that the department brings to the table. The unions are also dealing with issues in the trade and industry chamber, the public finance chamber and the development chamber. Inside of labour, it's possible for a major bottleneck to develop.

Labour Bulletin: The parties to NEDLAC regularly engage in their own lobbying. Business lobbies parliamentarians, the

Brentburn group meets with the President, workers take to the streets. Is NEDLAC really the site where deals are made, or are they, in fact, being made elsewhere?

Naidoo: It's never as exclusive or clear as all that. Discussions do take place in different places. Where legislation is involved, parliament is sovereign. The work that gets done here inputs into that process. So the parties also have to go to Parliament to make their interventions. I don't see this as a problem. It's part of the nature of society that decision-making is spread in different places.

What we are trying to do is to reach a common approach on particular questions. If we succeed we will be able to influence legislation. One should not expect, or even seek, to lock all policy-making in one body.

Van Rensburg: You cannot see NEDLAC as the only place of influence in society - there must be various levels of influence. It's all of our duty to use those other areas as far as we possibly can.

Ehrenreich: When we negotiate, we never exclude the possibility of taking up a campaign. How seriously labour is taken at NEDLAC is always in relation to the threat other parties perceive outside the institution.

There have been lots of areas where labour has not felt very happy about what's happened. At the end of the day we're only going to be taken seriously if the other players can see what we have behind us. Unless we can maintain the capacity to challenge, we're going to be totally ineffective.

Labour Bulletin: The Labour Market Commission (LMC) has put forward the idea of a social accord. This has been roundly stated by business and labour

representatives Is it likely that we will see a social accord in South Africa?

Van Rensburg: If by a social accord you mean something that will determine at what rate prices and wages will increase for the whole country, that's impossible, never mind whether we want it or not.

We must move away from the grand idea of social accords. We are finding our feet in a new South Africa. We're coming from the old South Africa, where there was confrontation - different views on how economic policy should be made and in which direction it should move. You can't expect us - one and a half years down the line - to sit down and suddenly be so one in our vision about the future that we would be able to strike social accords like the Swedish.

We must be very modest when we talk about social accords and we must tackle the issues on which we can reach agreement. These are not necessarily unimportant issues. One very important issue could be training and its counterpart, productivity. But we are not going to agree in NEDLAC that, for example, the growth rate will be 4% and inflation will be 3% and wages will rise by no more than 2.5% and prices not more than 1.5% - that's pie in the sky.

Labour Bulletin: At the time of the commission's report, business sources were quoted as saying that they would never allow decisions over investment to be the prerogative of anyone but business.

Van Rensburg: Of course! When we talk about private investment, who else can take the decision but a businessman making the investment? No, it's impossible! The government can try to influence investment through tax incentive programmes, or other measures, but, unless we change the system and nationalise everything, then business must take these decisions.

Ebrenreich: There's obviously a lot of discussion going on about a social accord. Our view is that government and labour are showing responsibility to South Africa and the different constituencies.

Business is only responsible to themselves. They are only looking after their own interests. We see this attitude acting itself out daily in decisions within industry. Business does not focus on the best interests of South Africa - it focuses on turning over a buck in the short term.

There's got to be a fundamental shift in this kind of approach before one can even talk about an accord. We don't see ourselves being able to get into discussions on social accords at this stage. Once we all see ourselves as 'South Africa Incorporated' - when all of the parties begin working towards one South African vision - maybe our attitude will change.

Naidoo: Discussion on a social accord has often been a bit empty and vacuous - it has allowed many different ideas about what a social accord is, or can be, to go unchallenged. One has the notion of an accord being the binding, 'final solution' where all decisions can be determined at a central point. In reality, no one ever came out with that notion of a social accord. If one looks at accords in other countries, they are usually far more modest and realistic and designed to deal with practical matters.

There are certain areas on which consensus could be reached. These include investment, training and productivity. This is a broad agenda which affects workers' income, their job security, company investment patterns and the regulatory regime that government may put into place. If we focus on the sorts of issues that are politically doable and which are economically sensible, there will be room for accord making.

With the Executive Council of NEDLAC,

which we have every quarter, there is a quarterly opportunity of making some or other kind of accord or an agreement on particular matters. The challenge for us all is to become specific and focused so we don't invite these loud and noisy reactions against the notion of accords.

The notion that business and labour will thereafter hold hands and walk off into the sunset and everybody will be happy ever after, is ridiculous! Let's rather look at issues on which everybody is in agreement and begin to talk about those!

Labour Bulletin: Any final comments?

Kettleidas: If there's an attempt to ignore decisions that are taken at NEDLAC, then there are very few other options open to us. And then the institution itself is going to be threatened. So decisions have got to be taken very carefully.

I think there is a lot of potential in NEDLAC to discuss a number of issues and reach consensus. It's essential that we do build on those areas and take things forward. There is potential in NEDLAC but it's got to be used and it's got to be managed carefully.

Van Rensburg: If we didn't have an institution like NEDLAC, we would have had to seek another mechanism similar to it. We would have had to find something where we could build the economic and social life of the nation. Fortunately we have NEDLAC and we must be very jealous of what we have. In many other countries I have visited, I see social and economic problems. I also see that there's a gap in their make-up which an institution like NEDLAC could have filled. I'm quite proud of the fact that NEDLAC had its origins in civil society – it was just institutionalised by the new government when it came to power. I think it's a reflection of how seriously the



Ben van Rensburg.

ordinary man in the street – whether he is a labourer or a businessman – is about the future of this country.

Ebrenreich: NEDLAC is the institution where we can forge consensus. But we will have to continuously evaluate and assess the functioning of the institution and we should not hesitate to make adjustments where they are necessary in order to make it work.

Naidoo: In the beginning of this interview people were saying "we've got a lot of problems" and at the end they are saying "look, there's no other place we want to be!"

We spent about a year creating this body – and we didn't really appreciate what we were creating. It's like getting a car but you don't know how to drive it. We are only now learning how to make this institution work – all the different little processes and the different variations that are possible. It's a very important place – we've got to continuously adjust the mechanism. We're learning how to use it and it's going to be here for a very long time – of that I'm sure! ★

1996 bargaining round-up

Economic background

The economic environment in 1996 was uncertain. Inflation fell to a low of 5,5% in April, but rose steadily to a 14-month high of 8,4% in September.

The economy continued to grow, mainly due to increased agricultural output. Manufacturing production also increased, although to a lesser extent. However, economic growth appears to have had little impact on formal-sector employment, which continued to fall. The use of non-standard employment, particularly subcontracting, has increased, in line with international trends.

Government released its macro-economic strategy in June. The Growth, Employment and Redistribution (GEAR) document sets a target of 6% sustainable economic growth and the creation of 400 000 jobs by the year 2000. The strategy met with a mixed response. It was generally welcomed by business, although concerns were subsequently raised over the lack of visible implementation. Labour has criticised the strategy, particularly the impact that deficit reduction might have on the provision of basic services for the poor and the focus on wage moderation by workers. Labour and business released their own economic strategy documents earlier in the year.

During 1996 government gave its full endorsement to privatisation. In January government and labour concluded a framework agreement for the restructuring process. More recently COSATU endorsed

Wendy Dobson takes a look at this year's collective bargaining trends.

strategic equity partners for certain state assets. The federation remains adamant that it is government's responsibility to provide basic services such as electricity and rail transportation.

Union-controlled funds, said to total about R20 billion, have been linked with black economic empowerment initiatives, such as the JOHNNIC deal and the sale of SAIC radio stations. A number of unions and federations, have set up investment companies. This has given rise to fears of possible contradictions between union policy and investment policy.

Bargaining trends

Average settlements for 1996, by sector, are listed on the following page.

The average wage increase across all sectors was approximately 10%. Inflation has not exceeded 8,1% and the average for the period was closer to 6,5%. Real wages therefore increased during 1996.

The depreciation of the rand and the subsequent fuel price hikes heightened expectations of an increase in inflation later in the year. This was probably factored into bargaining positions and could explain the

Average Wage Increases in 1996

Retail	12%	
Chemical	11%	
Paper and packaging	10%	
Motor	10%	
Construction	10%	
General manufacturing	9,5%	
Food and beverage	9,5%	
Clothing and textile	9%	
Auto (excl Mercedes Benz)	9% on actuals	11% on minima
Tyre	9% on actuals	11% on minima
Goldmining	5%-10,4%	
Coalmining	8,4%-13%	
Metal	9% for lower	8,5% for higher

Source: *Labour Market Alternatives*, Gavin Brown Collective Bargaining Survey
Andrew Levy and Associates Quarterly Wage Survey

predominantly white technicians at South African Airways (SAA), in support of wage demands, and their subsequent lockout by SAA management is particularly interesting. Such workers have displayed a low propensity to strike in the past and the work-to-rule was the first significant action taken by this kind of union in more than ten years.

Labour relations commentators report that unions have started to

increase in real wages

In the late 1980s wage settlements averaged 18%. The last three years have seen increases around 10%. 1996 is the third year in which real wages have increased. Whether workers are generally better off is debatable as increasing unemployment has placed additional burdens on those who have a job. Decreased consumer spending suggests that, overall, real income levels have not improved.

Wage moderation is a key element of GEAR. The model is predicated on a real wage decrease of 0,5% in 1996. It is clear that this was not achieved.

Industrial action

Acrimonious wage strikes were largely absent from this year's round of collective bargaining. The most notable action was the national strike in the clothing industry by members of the Southern African Clothing and Textile Workers' Union (SACTWU). South African Commercial Catering and Allied Workers' Union (SACCAWU) members were also involved in several wage-related actions, including protests at Edgars and a strike at Sun City.

The industrial action by skilled,

moderate their opening wage demands, which have characteristically been far removed from final settlements. Furthermore, it has been reported that wage negotiations, in many instances, were conducted in an exemplary manner during 1996. It is clear that, at least in the private sector, labour relations are maturing. This bodes well for the successful introduction of the new Labour Relations Act (LRA).

Differentials

Wage differentials have been, and remain, an important issue for labour. There are indications that unions are starting to make gains in addressing the gap between higher-skilled and lower-skilled workers. In a number of benchmark agreements - including auto-manufacturing, metal and engineering, tyre and rubber, and mining - lower-grade workers received bigger percentage increases than workers in the higher grades. However, a number of unions continued to table demands for across-the-board increases. These exacerbate wage gaps.

In a few cases agreements to reduce wage gaps have met with resistance, albeit of a limited nature, by white workers. It remains to be seen if this resistance will

increase over time as wage differentials are further eroded.

Wage differentials between sectors have not been addressed and continue to widen. Workers performing similar tasks, such as cleaners, earn substantially different wages in different sectors. Minimum monthly wages range from R1 800 in auto-manufacturing, to R1 100 in clothing, and R752 in mining.

Addressing wage gaps between sectors will require wage solidarity among workers in different sectors, as well as a greater co-ordination of collective bargaining by union federations.

Bargaining levels

Negotiations and agreements concluded at industry level, in statutory and non-statutory forums, have demonstrated increasing levels of flexibility. Minimum standards and conditions of employment, including wages, have been set at industry level, with improvements on these possible through negotiation at plant level.

Sectoral frameworks on training policy, job-grading and wage models, and productivity-bargaining have also been agreed to at industry level with implementation occurring at enterprise and plant level where details appropriate to enterprise conditions can be incorporated.

Examples of increasing flexibility in bargaining arrangements include the centralised bargaining agreement in the chemical industry, as well as the metal and engineering agreement.

There appears to be a growing recognition among parties in the mining industry of the need for more flexibility in the current bargaining arrangement. Different agreements have been struck for goldmines and collieries, and for individual mining houses.

Centralised bargaining in the auto-manufacturing sector, which only last year

signed a landmark three-year agreement, was weakened by the withdrawal of Mercedes-Benz from the National Bargaining Forum (NBF) and the conclusion of a separate wage agreement between Mercedes and the National Union of Metalworkers of South Africa (NUMSA). Mercedes withdrew from the agreement on the basis that increases should be linked to the CPI and that all negotiations in respect of job security and the future of the company should be negotiated at plant level.

This move towards more flexible centralised bargaining is part of the move in South Africa towards 'regulated flexibility', the advantages of which are extolled by government in GEAR, GEAR and the government-appointed Labour Market Commission (LMC) recommended that greater discretionary powers are granted to government with respect to the extension of bargaining-council agreements to non-parties. It is argued that increased flexibility will lower entry costs for potential employers and employees and encourage formal sector employment creation.

The commission has recommended that the LRA be amended to provide that the Minister of Labour should only extend an agreement to non-parties in a sector if the trade union in the bargaining council represents the majority of workers in the industry. This amendment would reverse an agreement on one of the most contested issues of last year's LRA negotiations.

Non-wage issues

Trade unions have continued to table a shopping-list of non-wage demands during wage negotiations.

A number of collective agreements concluded during 1996 anticipate the introduction of the new Employment Standards statute. Employers have agreed to increased maternity and paternity leave as well as more generous maternity benefits.

In the pharmaceutical sector it was agreed

to reduce hours of work to -43 per week with a further reduction to -40 over the next three years. Parties in the motor industry agreed to increased operating hours in the sector and a more flexible arrangement of working hours. The agreement provides for the introduction of a compressed working week, where employees will work for longer hours each day, but for only four days per week. An additional shift of workers will be employed to work on the remaining three days of the week. This is precisely

the type of arrangement that the draft Employment Standards Bill seeks to promote.

Demands tabled also reflect the continued absence of state-provided goods and services such as housing, health-care, education and training and adequate provision for retirement. These services, often borne by the state in other countries, add significantly to the cost of employment. However, the ability of government to provide such services, particularly to the employed, is uncertain.

A third category of non-wage demands suggests an increasing recognition by unions of the challenges facing companies competing in a global economy. Unions are seeking to engage on matters such as productivity frameworks, work organisation, industry policy, training and grading.

Trade unions have also started to assert rights granted to them by the new LRA, including disclosure of information, paid time-off for shopstewards' training, and agency and closed-shop agreements.

Other typical demands include annual bonuses, transport provision for shift-



SAA workers enjoy a 'braai' during their dispute with the airline.

workers, shift allowances, increased contributions to retirement funds, long-service awards and study leave.

Motor industry

In 1996 parties in the motor industry reached an innovative agreement around the arrangement of working hours. Wage differentials were addressed through a 12% increase to workers on the lower grades and an 8% increase to those on the highest grades. Six months maternity leave at full pay was included as part of the agreement.

Auto manufacturing

The three-year agreement concluded last year provided for wage increases to be pegged to the inflation rate, which was taken as the Consumer Price Index (CPI) in May of each year. The May 1996 CPI was 5.9%, below the parameters defined in the agreement, thus re-opening wages for negotiation. Mediation to settle a dispute over the interpretation of the agreement found that the agreement did not require the union to table inflation-related wage

demands if the CPI moved above or below the agreed parameters. A settlement was reached that provided for an 11% increase on the minimum rates, a 9% increase on actual rates for grades 1 to 4, and an 8% increase on actual rates for grades 5 to 7.

Mercedes-Benz concluded a separate wage agreement with NUMSA which granted workers a 5,9% increase, with further improvements possible at plant level.

Mining

The Chamber of Mines and the National Union of Mineworkers (NUM) settled on increases of between 5% and 10,4% on goldmines and between 8,4% and 13% on collieries. Industrywide standards were set on issues such as training and retirement funds, while issues related to direct costs, such as wages, were accommodated through differentiated settlements for each mining house, and even, in some cases, individual mines. The following was also agreed:

- The removal of discriminatory practices, such as disparities in the provision of retirement, death and funeral benefits.
- Restructuring and, in time, merging of the mineworkers' provident fund and the mineworkers' assurance and benefit scheme.
- Joint development of industrial training programmes, with costs paid by individual employers.
- Increased paternity leave (seven days unpaid).
- Paid leave for NUM representatives participating in tripartite structures.
- By agreement, certain mining houses will pay lump-sum benefits to workers with statutory occupational diseases and injuries.

A separate agreement on a framework for productivity enhancement was concluded between NUM and Anglo American's gold and uranium division.

Retail and hospitality

Several major employers in the retail and hospitality sectors unilaterally implemented wage increases. Negotiations collapsed due to the presence of competing unions, and unions' lack of organisational resources.

There is a history of intra-union rivalry in these sectors and the lack of centralised bargaining means that SACCAWU has to spread its organising capacity rather thinly. The union continues to push for centralised bargaining; however, it has been reported that this campaign has stalled in both sectors.

Public sector

Earlier this year the public service bargaining chamber concluded a three-year agreement which included:

- Improvements in conditions of service as part of a remuneration-adjustment strategy to be facilitated by an improved grading system which will also reduce wage differentials.
 - A minimum salary increase of 7,5% but with adjustments of up to 4 1% possible, as well as an increase in the minimum wage from R1 100 to R1 400 per month.
 - A voluntary severance package.
 - Rightsizing of the public sector.
 - Restructuring of the pension fund.
- In spite of government's commitment to rationalisation, employment levels in the public sector have continued to rise and the use of consultants by government is rife, allegedly draining R1-billion from the fiscus. The public service is central to government's fiscal policy of a reduced budget deficit and a reprioritisation of expenditure away from consumption and towards capital expenditure.

Chemical industry

This industry has been preoccupied with the Chemical Workers' Industrial Union (CWIU)'s campaign for centralised bargaining. An agreement was reached to

establish a bargaining council with seven sectoral chambers which will negotiate wages, and an overarching chamber which will negotiate industry policy and related matters

The pharmaceutical sector agreed on an interim increase of 10% and a minimum wage of R1 600 per month. A wage dispute in the petrochemical sector and the possibility of industrial action in this sector is reported to be threatening the centralised bargaining agreement.

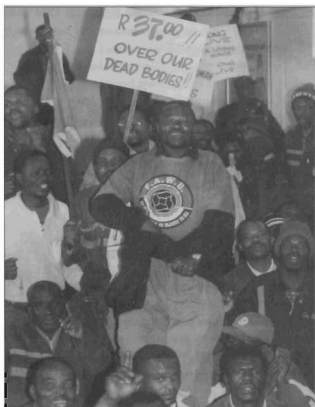
Metal and engineering

An important agreement was concluded in this sector. A second wage schedule incorporating multi-skilling, multi-tasking, a five-grade wage model and job security, which can only be adopted by consensus at enterprise level, was introduced into the main agreement. NUMSA's acceptance that not all employers in the industry would be able to move onto the new schedule gives the agreement a measure of flexibility that some commentators believe renders it more workable than last year's auto-manufacturing agreement.

Other aspects of the agreement include wage increases of 9% and 9,75% on the old schedule rates, severance pay of one week's wages for each year of completed service and the removal from the main agreement of a penalty clause for workers absent from work the day before or after a public holiday. Natal employers did not sign the agreement following the removal of the penalty clause.

Clothing

The first year of national bargaining in the clothing industry (previously bargaining had occurred at regional level) was marked by a national strike in support of a 10% wage increase. The parties settled on 9,5%



FAWU members on strike at Distillers, July 1996

(9% on wages and 0,5% on bonuses)

Looking ahead

The economic environment will again determine, to a large extent, the outcome of next year's collective bargaining. Rising inflation and a slowing down of economic growth seem to indicate that a tough time is ahead for negotiators. Next year, parties will be playing under the rules of the new LRA. The uncertainty that this will create, in conjunction with a more restrained economic climate, suggest that the 1997 collective bargaining round will be more conflictual and disruptive than was the case this year. ★

Wendy Dobson is the co-ordinator of the Labour Market Chamber at the National Economic, Development and Labour Council (NEDLAC)



A user's guide to the new LRA

Which groups of workers are protected by the new Act?

All employees and persons seeking employment are protected by the Act, including domestic workers, farmworkers, teachers and lecturers, public sector workers and the South African Police Services

Who is excluded from the new Act?

Only members of the South African Defence Force, South African Secret Service and the National Intelligence Agency

What organising rights do trade unions have?

- Registered trade unions that are sufficiently representative have the following organising rights
 - ^{1a} Access to the workplace for organising, meetings and balloting.
 - ^{1b} The deduction of trade-union fees from members' wages
- Registered trade unions that have majority representation have the following additional rights.
 - ^{1c} The election of shopstewards.
 - ^{1d} Disclosure of information by the employer
- Through collective agreements, unions can improve on these organisational rights

The new Labour Relations Act (LRA) came into effect on 11 November. Focus on Nedlac outlines the most important provisions of this new law.

What information must the employer disclose to the union?

The employer must disclose all relevant information that enables a shopsteward to perform effectively and enables a union to engage in effective consultation and collective bargaining

What is sufficient representation?

A union that does not have 50%-plus-one membership in a workplace may still be representative. The exact level of membership required by a union to be sufficiently representative will vary from workplace to workplace, and will be determined by agreement between the union and the employer. In the event of a dispute, the following would be considered

- The nature of the workplace.
- The nature of the organisational rights the union wants to exercise.
- The nature of the sector.

- The organisational history of the workplace.

What is the status of a recognition agreement that was negotiated before the implementation of the new Act?

The organisational rights set out in the Act are often included in recognition agreements between unions and employers. Existing recognition agreements will remain in effect when the new Act comes into operation.

How can the union exercise its organisational rights?

The union must notify the employer in writing of the rights that it wants to exercise, attaching a copy of its certificate of registration. The union and employer have 30 days in which to meet and try to conclude an agreement on the ways in which the union can exercise its organisational rights.

What happens if there is no agreement?

The union can refer the dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation and, if this does not work, arbitration. Or the union could choose to strike in support of its demands.

Does the Act impose a duty to bargain on employers?

No, instead the Act gives trade unions various organisational rights which could be used to compel bargaining. However, where an employer refuses to bargain, refuses to recognise the union, or refuses to agree to establish a bargaining council, the matter can be referred to advisory arbitration. An award must have been made before a strike can be taken against the employer's refusal to bargain.

What will happen to industrial councils under the new Act?

Industrial councils will essentially remain the same but will be renamed bargaining

councils.

How can a new bargaining council be established?

A registered trade union and a registered employer organisation can set up a bargaining council for a specific sector and area by agreement. They would need to adopt a constitution that complied with the Act's requirements and obtain registration for the council from the Registrar.

Will agreements be extended to non-parties?

Yes, if the parties that represent the majority of employees in the sector have agreed that the agreement should be extended to non-parties, the council can apply to the Minister of Labour. The minister, within 60 days, must extend the agreement to non-parties that fall within the registered scope of the council by a notice in the Government Gazette. The council agreement must provide for the establishment of an independent board to grant exemptions from the agreement.

What is a statutory council?

Statutory councils are less powerful versions of bargaining councils whose functions include:

- Dispute resolution
- The promotion of education and training schemes
- The establishment and administration of pension, provident, medical aid, sick pay, holiday, unemployment and training schemes or funds for the benefit of parties to the council
- Concluding collective agreements on these matters

Statutory councils will only negotiate wages and conditions of employment by agreement of both parties.



How can a union set up a statutory council?

A trade union (or one or more trade unions acting together) that represents at least 30% of the employees in the industry can apply to the Registrar to establish a statutory council for a specific sector and area. A statutory council can be established without an agreement between a union and an employer organisation. A statutory council can be established without there being any employer organisations in the sector. The Minister of Labour will appoint suitable persons after calling for nominations from interested parties.

Can statutory-council agreements be extended to non-parties?

Yes, on the same basis that bargaining-council agreements can be extended to non-parties. If the statutory council is not sufficiently representative the Minister of Labour can give statutory-council agreements the same status as a wage determination. Statutory councils can become bargaining councils by agreement of the parties.

The new Act gives workers the right to strike. What does this mean in practice?

The new Act gives workers the right to strike provided that unions follow the procedures in the Act. These procedures are far less onerous than those required by the old Act. The Act distinguishes between strikes that are in compliance with the Act - these are protected strikes - and strikes not in compliance with the Act. Workers may not be dismissed for taking part in a protected strike. Strikes that are not in compliance with the Act are no longer illegal and participation in these strikes is not a criminal offence.

What are the procedures that must be followed for a protected strike?

The union (or employee) must refer the dispute to the CCMA for resolution. After 30 days have passed without the dispute being resolved, a certificate will be issued. If an attempt at conciliation had been made and failed within the 30-day period, a certificate will be issued to that effect. The union must give the employer 48 hours written notice of the start of the strike.

Is a strike ballot needed for a protected strike?

The Act says that a union's constitution must require the union to hold a ballot before calling a strike. However, unlike in the past, the failure to hold such a ballot, or the manner in which the ballot was conducted, cannot affect the legality of the strike or the protected status of the strike.

What issues can workers strike over?

- Disputes of interest, like wage increases.
- Demands relating to the exercise of organisational rights.
- The establishment of a bargaining council.
- Unilateral changes to conditions of employment.

When is the right to strike limited?

Workers cannot strike:

- Over disputes of right, like unfair dismissals.
- If they provide an essential service.
- If they are bound by an agreement that prohibits a strike on the issue in dispute.
- If they are bound by an agreement that refers the issue in dispute to arbitration.
- If the issue in dispute may be referred to arbitration or the Labour Court in terms of the Act.

What is an essential service?

An essential service is a service which, if it was interrupted, would endanger the life,



personal safety or health of the whole or any part of the population. The Act also specifically defines the parliamentary services and the police service as essential services

What happens if the union and the employer disagree about whether or not a service is an essential service?

The union (or the employer) could refer the dispute to the essential services committee for a determination. This committee is appointed by the minister after consultation with NEDLAC. It will also investigate if a service is essential.

How are disputes resolved in an essential service?

Workers in an essential service may not strike. Disputes in essential services are referred to the CCMA for an arbitration award.

What is a maintenance service?

A maintenance service is a service which, if interrupted, would have the effect of substantially destroying plant or machinery. Workers in a maintenance service may not strike, although workers employed in other areas of the plant may strike. Employers may not employ replacement labour if part of their operation has been designated as a maintenance service. A union and employer can agree to the designation of a maintenance service, or in the absence of an agreement, the essential services committee can be requested to make a determination.

What are the consequences of an unprocedural strike?

The Labour Court can grant an interdict against a strike that is not in compliance with the Act. Participation in an unprocedural strike could constitute a fair reason for dismissal.

Are stayaways allowed?

Yes, workers are protected from dismissal for participating in a stayaway. The stayaway

must be called by a registered union or federation. The union must give NEDLAC notice of action and the reasons for the stayaway. NEDLAC must then receive 14 days' notice of the intention to proceed with the action.

Can workers take part in sympathy strikes?

Yes, workers can take part in a sympathy strike. For the sympathy strike to be a protected strike, workers must give their employer seven days' notice of the intention to strike.

Can employers lock out workers?

Yes, employers can lock out workers but employers must follow the same procedures that are required for strikes. Workers will not be paid during a lockout.

Can employers use replacement labour during strikes and lockouts?

Yes, replacement labour can be used during a strike and during a lockout. However, it may not be used if the lockout is not in response to a strike.

Is picketing allowed by the new Act?

Yes, a union can authorise its members and supporters of the union to demonstrate peacefully in support of a strike. Pickets can be held in any public place. The employer's permission is, however, needed to picket inside the premises. A union can request the CCMA to attempt to secure a picketing-rules agreement between the parties to a dispute.

How will disputes be resolved under the new Act?

The new Act provides for a new system of dispute resolution that aims to be faster, cheaper and more successful than the old conciliation-board system. This new system includes a new institution,



the CCMA, and a new Labour Court.

What is the CCMA?

The CCMA is a state-funded but independent institution that will provide a range of dispute-resolution services. The CCMA replaces the conciliation-board system. The Act refers most disputes to the CCMA.

Where can I contact the CCMA?

The CCMA has its national office at 20 Anderson Street, Johannesburg. The telephone number is (011) 377-6650. The CCMA also has offices in each province.

How do I refer a dispute to the CCMA?

A dispute can be referred to the CCMA for conciliation by completing a prescribed form, Form 71 (obtainable in the LRA regulations or from the CCMA), and sending the form to the local provincial office of the CCMA. A copy of the form must also be sent to the employer. The CCMA will appoint a commissioner who will attempt to conciliate the dispute within 30 days.

Which issues can the CCMA arbitrate?

Certain disputes are referred for arbitration by the CCMA if they remain unresolved. The CCMA will arbitrate disputes over the following issues:

- Organisational rights
- The interpretation of collective agreements
- Agency and closed shop agreements.
- Interest disputes in essential services.
- Disclosure of information to workplace forums
- Issues for joint decision making with workplace forums
- Unfair dismissals based on misconduct or incapacity.

Does the union have a choice of arbitrator?

No, generally the CCMA will appoint an arbitrator. The union can ask the CCMA to take its preferences into account.

Must disputes always be referred to the CCMA?

No, the CCMA can also accredit bargaining (and statutory) councils as well as private agencies (like IMSSA) to perform certain of the CCMA's dispute-resolution functions.

Parties can also agree to their own dispute-resolution procedures.

What issues will be referred to the new Labour Court?

The following issues will be referred to the new Labour Court:

- Freedom of association.
- Admission of parties to bargaining or statutory councils.
- Strikes not in compliance with the Act.
- Picketing
- Unfair dismissals relating to strikes or closed-shop agreements
- Unfair dismissals based on operational requirements
- Automatically unfair dismissals.

How does the new Labour Court differ from the old Industrial Court?

The new Labour Court has the same status as the Supreme Court.

- The new Labour Court will probably hear fewer cases than the Industrial Court because more disputes will be resolved by the CCMA.
- Labour, through NEDLAC, has made an input into the selection of judges for the Labour Court.
- The new Labour Appeal Court will be the final court of appeal on Labour matters. Labour disputes can no longer be referred to the Appellate Division of the Supreme Court.



When is a dismissal unfair?

Dismissals that are based on the following reasons are automatically unfair

- Taking part in a strike that is in compliance with the Act
- Compelling a worker to accept a demand made in respect of a matter of mutual interest between the employee and employee
- Exercising any right conferred by the Act
- Pregnancy or any reason related to a worker's pregnancy
- Unfair discrimination on the grounds of, *inter alia*, race, gender, ethnicity, sexual orientation, age, disability, language, marital status, colour, and religion.

However, if the dismissal is based on an inherent requirement of a particular job it may be fair

A dismissal must be for a fair reason related to the worker's conduct or capacity, or based on the employer's operational requirements (for example, retrenchment), and must be carried out in a fair procedure

There is a code of good practice on dismissals attached as a schedule to the Act

What about retrenchments?

Retrenchments are no-fault dismissals. The Act places particular obligations on an employer before workers can be retrenched. The employer must disclose all relevant information to the union and inform it as soon as retrenchments become an option. The employer must consult with the union and seek to reach consensus on

- Measures to avoid dismissals
- Measures to minimise dismissals
- Measures to reduce the adverse effects of the dismissals.
- The method of selecting the workers to be retrenched
- Severance pay

What about severance pay?

The Act provides workers with the right to

one week's pay for each year of completed service. However, the union can negotiate with the employer for improvements on this amount.

What happens when there is a change of ownership of the company?

The Act says the contract of employment is transferred to the new employer without interrupting the worker's continuous service

What is a workplace forum and what will it do?

A workplace forum is a participative structure that represents all employees in a workplace except for senior managerial staff. The employer must

- Disclose information about the company's performance and plans to the workplace forum
- Must consult the forum on
 - introducing new technology,
 - changing the organisation of work,
 - education and training;
 - retrenchments;
 - job-grading,
 - exemptions
- Engage in joint decision-making with the forum on
 - disciplinary codes and procedures;
 - affirmative-action plans,
 - rules relating to conduct of employees

How can a union establish a workplace forum?

Workplace forums can be established by agreement between the union and the employer. However, when there is no agreement and where there are more than 100 workers, a majority union can apply to the CCMA to set up the workplace forum. ★



Mine violence

the Myburgh Commission

In July and August this year, a sudden outbreak of violence between Zulu-speaking miners and other sections of the workforce at three Gold Fields mines left 42 workers dead and hundreds more injured.

Minister of Labour, Tito Mboweni, asked the question that was on many minds: Why, in 1996, are people still killing one another because they belong to different ethnic groups?

As mine management and workers battled through endless negotiations to break the cycle of violence, Mboweni proposed an independent commission of enquiry to uncover the causes and put forward proposals to avoid further violence. In his first assignment since his appointment, the Judge President of the new Labour Court, Justice John Myburgh, was chosen to chair the commission.

The Myburgh Commission followed in the wake of numerous other commissions appointed to investigate faction fighting on the mines.

It differed, however, in one important respect: it was to sit for ten days only and to restrict itself to "the immediate steps needed to end the strife and carnage".

But Myburgh was also under pressure to come up with something different - measures that could make a real impact - or, like the commissions that went before it, it would end up relegated to a dusty shelf.

The Myburgh Commission has laid the blame for violence on the mines at the door of the NUM. Management has been let off the hook. Carol Paton reports on the findings of the commission.

Migrant labour

Since the 1970s, violence has been endemic on South Africa's mines and enquiries to investigate its causes have been appointed almost as a matter of course.

As early as 1975, these enquiries identified the migrant labour system as responsible for breeding violence - but accepted its existence in the absence of viable alternatives.

From the start, Judge Myburgh needed little convincing that migrant labour and single-sex hostels, where tens of thousands of men live cheek-by-jowl, create conditions for violence. He described the hostel system "with its overcrowding and lack of privacy" as "a breeding ground for anti-social behaviour".

He also accepted the evidence of experts such as Professor Francis Wilson, who described the hostels as "volatile places

hable to explode at any moment, lit by a spark of anger fuelled by anyone of a dozen possible grievances"

In his final report, Myburgh said. "It would be naive to assume that the violence occurred in a vacuum, divorced from prevailing political, economic and social conditions. Unless the underlying causes of mine violence are addressed, violence on the mines will continue, this report will serve only a limited purpose and it may find its way to the resting ground of earlier reports on mine violence."

The terms of reference of the commission were explicitly to deal with the immediate situation at the three Gold Fields mines and not the broad, underlying problems

As a result, Myburgh proposed that the government extend the commission's terms of reference for another six months to give it the opportunity to take an in depth look at the hostel system and to formulate alternatives

Judging the NUM

With this out of the way, Judge Myburgh turned his attention to the situation at the mines

The most striking aspect of the report was his harsh treatment of the National Union of Mineworkers (NUM). Analysing the events at each mine, mass action by the NUM was identified as the spark which triggered off the cycle of violence.

At East Driefontein, near Carletonville, Myburgh criticised the union for proceeding with an illegal one-day strike to protest against Gold Fields' stance at the Chamber of Mines annual wage negotiations, despite a warning from management that it would lead to tension. A small contingent of Zulu workers, some of them members of the Inkatha Freedom Party (IFP)-aligned United Workers' Union of South Africa (UWUSA), had objected to the stayaway and insisted

that they wanted to work. Violence broke out almost immediately after NUM members returned to the hostel from their protest march on the day of the strike, where they found Zulu workers gathering in the Zulu block

"Management warned the branch committee that existing polarization within the workforce could be exacerbated by further tension on the mine. The branch committee failed to heed the warning," said Judge Myburgh

At neighbouring Leeudoorn mine, the NUM was criticised for provoking Zulu speakers after a group of its members marched on the Zulu block, objecting to the presence of UWUSA in negotiations to set up a Hostel Resident's Committee (HRC) by singing and chanting anti-IFP songs

The background to this event was that NUM had won the demand for a HRC at Chamber of Mines level. They were furious when management invited UWUSA, a union with, at most, a 5% representivity, to the meeting

At Northam, a platinum mine in the Northern Province, violence began after a group of workers left the beerhall chanting that Zulu-speakers should be evicted as they were plotting to kill the leadership of the NUM. The source of this erroneous belief was traced to a rumour begun by the branch chairperson, apparently with the motive of increasing his own personal power

Taking events at all three mines into account, the judge said that the behaviour of the NUM was open to censure at all levels, in particular, because:

- The one-day strike at East Driefontein was illegal and the NUM had not declared a dispute in the wage negotiations
- At Leeudoorn, the union had taken to the streets to resolve the issue around the residents' committee, which was wrong



Single-sex hostels create the conditions for violence.

- ❑ At Northam, the NUM had not taken steps to act against its "maverick leadership" which had exicted people before.
- ❑ At all three mines NUM members had turned on Zulu speaking employees, including Zulu-speaking NUM members. However, the union had not provided the commission with any explanation of its conduct.

"The NUM should be sensitive to what it has done to the Zulu speaking employees, investigate what turned NUM members against the Zulu speaking employees, take responsibility for its members' behaviour, and take positive steps to welcome the Zulu speaking employees back onto the mines," he said.

Gold Fields

Mass action by the NUM has been blamed before for polarising the workforce and

leading to ethnic violence. In fact, as the President of NUM, James Motlatsi, in a speech extensively quoted during the commission, said "The history of faction fights since 1982 has been mainly about issues caused either by strikes or the struggle to maintain and extend the influence of the NUM in the face of hostile management tactics."

What was surprising about the Myburgh report was not that it censured the union but that, in the process, it gave scant attention to the role management had played during the conflict.

Gold Fields has a poor track record in industrial relations. Its relationship with the NUM, said Myburgh, was in need of "major surgery".

Of all the mining houses represented at the Chamber of Mines, it was the last to allow the union access and as a result the NUM achieved recognition on many of its

mines only last year. It was also the last to agree to changes to the job grading system which collapsed the two lowest grades into one and – significantly – remains the only mining house that continues to house employees along ethnic lines.

Judge Myburgh recommended that Gold Fields scrap this practice. However, during the commission ethnic policies were exposed as a cornerstone of the company's philosophy.

In a statement to the commission, Gold Fields Executive Director, Alan Munro, explained that the company's recruitment policy was based on a need to ensure that the mines were not "over-dependent" on labour from any one area and that "no single ethnic group should be allowed to dominate".

This is coupled with the belief that some ethnic groups are better at some jobs than others. For instance, said Munro "It is well accepted in the industry that persons from Lesotho are skilled in shaft sinking activities".

Questioned further on the company's belief in genetic skills, the General Manager of Northam mine, William Eksteen, told the commission that Zulus make good drillers and Shangaans are good mechanics. However, Afrikaners are good at a number of jobs, he said, and the only Indian he had known to work on the mines had been a geologist.

Although the union representatives present in the hearing laughed in disbelief, Eksteen's comments exposed Gold Fields as a company whose industrial relations theories date back to the turn of the century.

UWUSA

It was within this context that management at Leeudoorb mine (and at East Driefontem, although this was not raised at the commission) had insisted on the inclusion

of the minority union, UWUSA, in certain discussions which would normally be the preserve of recognised unions.

In the past, Gold Fields has demanded that the NUM prove its 50%-plus-one representivity before the two parties could even sit down at the negotiating table.

Given the background, it was surprising that Judge Myburgh chose to pay no attention at all to the relationship Gold Fields management has developed with UWUSA. After all, at two mines the conflict took the form not just of non-Zulus versus Zulus but also of NUM versus UWUSA, and at the third (Northam), UWUSA appeared on the scene shortly after the conflict.

This was something that also puzzled Mboweni, who admitted, when he released the commission's report, that he thought management's role had not been sufficiently scrutinised.

In an attempt to fill this gap, Mboweni commented on the issue, advising both unions of their rights and obligations to one another. "It is clear from the report that UWUSA is a minority union in the affected mines and that the NUM is the central majority organisation in the bargaining process.

However, the right to organise is given to all unions and they should operate within the context of labour relations legislation. There should be no assumption that smaller unions are not allowed to exist. At the same time they need to recognise and appreciate that the majority union has rights too, particularly in the bargaining situation."

NUM responds

Reacting to the report, the NUM also raised the problem of the Judge's silence on this issue. The union questioned the kind of organisational rights, if any, that should be accorded to an organisation that represents

a mere 2,5 to 6% of the workforce.

For the NUM, a union which has fought bitter struggles to recruit workers and win recognition, this is a real question. Although the NUM might appear to be unchallengeable, it is facing pockets of opposition, from UWUSA in particular, but also from a new union recently started by disenchanted ex-members at AMPLATS (see "AMPLATS - an avoidable tragedy?" SA Labour Bulletin Vol 20 No 5)

Responsibility

The NUM also raised another serious concern. By holding the union responsible for what its members did in their leisure time, the Judge was imposing obligations on it which do not apply to any other trade union.

"Because management has authority and control over the leisure time of workers residing in the hostel, it is erroneously expected that the NUM has responsibility for the conduct and behaviour of its members during their leisure time. No other union in South Africa is expected to play that role," said General Secretary Kgalema Motlatsi.

By holding the union responsible for events in the hostel, the union said the commission was burdening it with "additional responsibilities that fall within municipalities, local government councils or resident's committees"

Organising

A further implication for the NUM relates to the way that it has traditionally mobilised and organised its members. The Judge made it clear that the union's disregard for proper processes would land it in hot water in the future. This means



NUM President, James Motlatsi, gave evidence before the commission

union organisers and branch executives will have to take much more care in planning their activities, he said. This, says Motlatsi, was something he welcomed as it would provide the union with the opportunity to educate its members.

Alternatives

The extension of the commission's terms of reference to seriously look into alternatives to the hostel system, is the big picture that the NUM has set its sights on.

The success with which Judge Myburgh carries out this task - and the responses from the industry and the government - will be the real test as to whether or not his report joins the others on a dusty shelf. ★

Carol Paton is a journalist with the Sunday Times

Restructuring

the other side of the rainbow



Proponents of the introduction of new management styles and methods of work organisation stress the benefits of these new systems to companies. They also suggest that workers will benefit.

For many workers, however, restructuring means retrenchment and a trend towards more flexible forms of labour such as subcontracting.

In September 1996 the Industrial Relations Research Unit and the Centre for Comparative Labour Studies at Warwick University in the United Kingdom (UK) hosted a conference on "The globalisation of production and the regulation of labour". This article looks at four issues regarding restructuring and worker responses to these, which were dealt with at the conference.

Production and patriarchy

Research done by Barrientos and Perrons shows the negative effects of flexible forms of labour in the fruit production and distribution industry. Their study shows the effects of the globalisation of this industry on British and Chilean women workers.

Advanced technology, efficient transport systems and a concentrated and centralised retail industry ensure that people in the UK can eat fresh fruit during the entire year. Production and retail systems depend on 'just in time' delivery of the fruit. If the fruit is not picked and sold during a specific period it may decay and thus lose all its value.

All too often, workplace restructuring undermines job security and working conditions.

Tanya Rosenthal reports on innovative attempts to engage companies on these issues.

Pressure

The pressure on workers behind the 'fresh apple' is intense. Workers have to pick and pack the fruit at exactly the right moment and within the allotted time to maximise throughput and sales before the commodity perishes. Distributors and retail workers have to ensure the fruit is placed on the shelves as soon as it arrives.

The use of flexible labour has increased dramatically at both ends of the chain. In the case of fruit production, seasonality and tight export schedules determine labour flexibility. There is intense employment for three/four months a year, and piece rates and contract labour gangs are becoming prevalent. At the retailing end there has been a dramatic increase in the use of flexible labour, in part to meet the increase in labour demand caused by the extended operating hours, but more specifically to reduce costs and to schedule the workforce more closely to the level and fluctuations in sales.



The effects of globalisation on women workers are particularly severe.

Female labour

In both production and retailing the majority of employees are female. The effects for those dependent on these jobs are:

- The increasingly employer driven nature of flexibility makes it extremely difficult to organise child care or even a second job
- Flexible working, combined with low rates of pay means that wages, even for workers working relatively long hours, rarely cover full living costs. There is an implicit assumption that these workers

have other sources of income, including from other household members, on which to depend. This assumption is sufficient to depress wages for all.

- The payment of low wages presupposes dependency and yet dependency perpetuates a domestic division of labour which limits and constrains women's potential for involvement in paid work. Nevertheless, the receipt of money earned outside the home can increase women's status within the household, raise self esteem and lead to a form of empowerment (if she has control over the money she earns). It is thus a contradictory process in which patriarchal structures persist. The form of gender inequality may change but gender inequality remains

Computer-based Taylorism

In many industries production technologies and management practices have become increasingly global as managers

share information on 'international best practice' to achieve productivity improvements. While this is not new, improvements in telecommunications has increased the flow of information.

However, as Lund and Wright's research shows, attempts to improve productivity and adopt 'international best practice' may not also entail increased worker involvement: "Indeed where new technologies provide employers with the opportunity for productivity increases based upon a much closer control over the labour process, there appears no reason why

management might not adopt a more traditional authoritarian or 'low trust' approach in which employee obedience is demanded and non-compliance punished."

Warehousing

Their research on the grocery warehouse industry provides a good example of this.

Worldwide, grocery warehousing companies have embraced computer-based systems of performance-monitoring as a means of maximising labour application and minimising labour cost. Management, using a combination of traditional work measurement techniques (time study) and computerisation, can generate 'standard' times for each individual job assignment of each individual worker throughout the day. Time to do any task is strictly monitored by a computer and is backed by enforcement provisions such as disciplinary codes or wage incentive schemes.

Effects

Studies in the United States and Australia have shown that the effects of increased monitoring on workers include:

- a dramatic increase in work effort and a reduction in employee control over work pace;
- reduced workplace morale and increased physiological and psychological work stress;
- the increased likelihood of accidents and lifting injuries;
- discrimination against older and female workers in favour of younger, physically fit males;
- increased disciplining of workers.

Response

Worker response has varied. In the US the International Brotherhood of Teamsters (the major union covering the industry) has adopted a variety of responses. Some branches decided to wait and see, while

others decided to challenge the systems through private arbitration. The Teamsters later developed a more successful rearguard action of defending individual workers whom the company disciplined for failing to reach the compulsory performance standards.

More recently the union has adopted a strategy of greater regulation of engineered work standards. It has hired its own industrial engineers to assist local union branches to audit standards set by the company. The union is also training stewards and business agents (ie organisers) to monitor standards. Lastly, it is attempting to control the worst excesses of these systems through collective bargaining.

Moderate unions in the majority of Australian states have accepted management's right to use systems of performance monitoring. In these cases, unions have signed enterprise agreements ratifying the new engineered work standards, but often in combination with across-the-board pay rises and wage incentive schemes.

By contrast, the more militant Storemen and Packers Union in New South Wales has adopted a policy of strenuous opposition and active resistance to the introduction of standards. This has involved a series of major and violent disputes. The state Minister for Industrial Relations, in response, convened an inquiry into the implications of engineered standards for the health, safety and welfare of employees. The union, backed by other labour bodies, aims to use state intervention to delay and possibly limit the form and extent of the engineered standards system.

While unions may be grappling with new forms of employment and increased monitoring and stress by companies, they are also finding innovative ways of critically engaging companies taking the 'high route' to productivity enhancement.

Worker-based bench marking

Management has used bench marking extensively in its drive to achieve world class levels of performance. Management measures throughput, productivity, work in progress, set up times, space utilisation, direct/indirect employee ratios etc. But the majority of bench marking studies have little to say about working conditions or the tradeoffs between productivity improvements and conditions of working life.

Supporters of lean production suggest that under the new system of work organisation, workers will be asked to work smarter, will have more control over their working conditions and will become problem solvers.

Research by Lewchuk and Robertson raises questions about the tradeoffs between work reorganisation and quality of working life under lean production. They report on a project organised by the Canadian Auto Workers Union, in which 1 670 workers in 16 companies participated.

Companies were categorised as lean companies, companies changing to lean production, traditional companies, and exploitative companies. Companies characterised as lean companies had the following characteristics: the just-in time system was well developed; the responsibilities of direct production workers had been blurred as they were allocated inspection and material handling tasks, and the *kanban* system was in place. The other companies could be described as being modelled on Fordist lines.

Disempowered

A key claim of those promoting lean production is that workers are empowered and that work becomes more rewarding. The survey tells a different story – workers at the lean companies were most likely to report that they could not change the things

that they did not like about their jobs.

Workers reported that they had lost some control over their own time and found it much more difficult to get time off for unscheduled absences such as a sick child. They also found it difficult to go to the bathroom, because they had to find somebody to replace them.

Workers described their work load as excessive – it was either too fast, too heavy, having to be done in too little time, or with too few people.

High work loads, inability to improve working conditions and the loss of control over personal time all translated into a high level of job dissatisfaction at lean plants.

The only area where the researchers found any support for the proposition put forward by supporters of lean production was in the area of time needed to train someone to one's job – in the lean production plants it would take longer to train someone.

Besides challenging myths about the benefits of lean production to workers, the project is an innovative challenge to the notion of bench marking. The union knew that it could not do away with management bench marking, so it set its own benchmarks to judge performance of the company. This not only provided solid proof of their claims, but also involved shop stewards and workers in assessing the new production systems from a union perspective.

Participation

In September 1995 the European Union (EU) passed the European Union Works Council Directive. This requires all companies employing over 1 000 people, or with more than 150 in two or more member states of the EU, to establish consultative works councils by September 1996.

Nick Parsons studied a French company and a British company that both supply energy (gas) to the domestic and

commercial market. Both companies had also already set up participatory and consultative structures. In the French case, works councils existed and in the British case a joint consultative committee existed. Both structures gave consultation rights to the unions in the companies, but they gave no decision-making rights.

The trade unions used different strategies regarding these consultative systems and got quite different results.

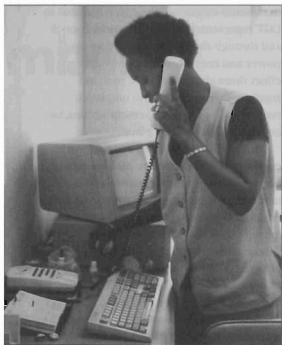
Co-operation

In the British case the trade union concentrated on looking after the economic welfare of workers. It accepted management control over strategic policy-making as long as it did not adversely affect this.

Management, on the other hand, was concerned to implement change with as little disruption as possible. It therefore aimed to involve the union in the process as far as the implementation of change was concerned. Thus there was an accepted frontier of control with the trade union consulting on some issues which remained managerial prerogative, while in other areas it could bargain with management. In effect the union could not exercise influence over restructuring, but it could influence, through its bargaining functions, the redundancy and transfer allowances paid to employees affected.

Both sides saw co-operation as more cost-effective than conflict, which could entail a loss of profits for management and a further loss of jobs for the union. There was mutual acceptance of the legitimacy of each party's functions.

The advantage for management was a smooth implementation of change, while the union was pleased to retain at least some influence over the implementation of



Computers are being used to monitor performance.

the decision as far as allowances are concerned.

Conflict

The case of the French company is very different. The CGT was the dominant union. Its ultimate objective is social transformation through changing the balance of power in the wider society, and it therefore sees management as the agent of exploitative capital.

The union saw organisational change as a shift towards private sector-style management that would decrease staffing levels and working conditions in the company.

With no common ground for compromise, management aimed to marginalise the union and not to seek compromise or consensus over organisational changes. It was able to do this due to the weak labour market position of the union's membership and electoral base.

the limited extent of the power available to CGT representatives on the works council and through the mobilisation of its own power and control over information. In effect these structures were used in a legalistic manner, to inform employee representatives of management actions, but no real discussion took place

The CGT attempted to use the works councils, not to influence management, but as a source of information about management plans and as a platform from which to voice their opposition to management in order to convince workers that it was the only union effectively defending employee interests in the face of management plans for the company

The union concentrated on convincing workers that management's plans were detrimental to the interests of the workforce and that the collaboration of other trade unions with those plans meant that only the CGT could defend their interests. At the same time, marginalisation from decision-making meant that allies outside of the workforce were sought in order to try to prevent their implementation.

Despite their legal underpinnings, the works councils are therefore marginalised as an arena for consultation and the trade unions are marginalised as far as their input into company decision-making is concerned. Conflictual industrial relations is acceptable to both sides. Management is able to push through its plans for the company while marginalising union opposition

The CGT, on the other hand, avoids any charges of incorporation, maintains a distinct political voice in the workplace and builds membership. This strategy has proved to be electorally successful and enables it to claim to be representative of the workforce when seeking external allies

One cannot assess the amount of influence unions will have in participatory forums, or the dynamics of the forums, by only examining the structure of the forums. What is important to assess is the way actors view the structures – their strategies and mobilisation of power.

Implications

The four case studies have significant implications for South Africa. The first is that those studying restructuring should not focus attention on companies pursuing the 'high road', but should also examine contradictory trends – new forms of employment and a more brutal form of Taylorism. Gender sensitivity should be an important element of any such study, as globalisation may exploit and reinforce existing gender divisions.

Companies taking a 'high road' to productivity improvement can be assessed in a manner that offers numerous benefits to unions. Benchmarking may be one possible way of linking performance more concretely to working conditions and working life. It also offers the opportunity of building research capacity and building organisation by involving workers and shop stewards in assessing company restructuring.

The final case study points to the different ways unions have used participatory structures. The debate regarding participation may be expanded from 'incorporation or not', to why and how unions could use participatory structures to their own organisational benefit.

The case studies provide a different and innovative perspective on restructuring. The challenge for South African unionists is to assess international experience in the light of their own situation ★

Tanya Rosenthal works at the Sociology of Work Unit (SWOP) at Wits University

The September scenarios

The scenarios are stories about the future. They are not stories about COSATU's strategies. They are stories about the forces and factors outside COSATU, beyond COSATU's control.

Each story is designed to highlight critical challenges we may face in the future, and provoke debate about the strategic responses which COSATU could choose. There are other stories that could be told about the future, but we believe these highlight the most important issues for COSATU.

The stories are not a finished product. They are only completed by the discussions of those who read or listen to them. After reading each story, readers should ask themselves, "What should COSATU do if it finds itself in this scenario?"

The three scenarios are called *The Desert and the Promised Land*, *Skorokoro* and *Pap, vleis and graty*.

The Desert and the Promised Land

In this scenario there is no economic development, no RDP delivery, and a high level of class conflict. South Africa finds itself in the desert instead of the promised land of the RDP. Could socialism provide the way out of the desert and towards the promised land?

In 1996 the ANC government announces its new macro-economic policy. In the following few years the economy stagnates.

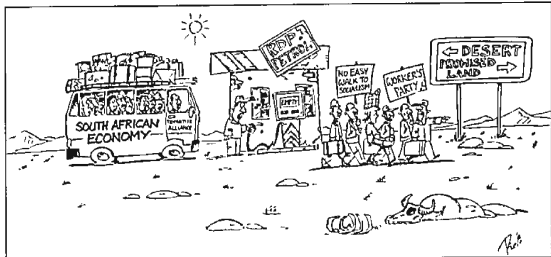
The September Commission has drawn up three scenarios to explore the challenges facing labour and to provoke discussion in COSATU about labour's future.

There is very little RDP delivery as the government focuses on reducing state expenditure. There are retrenchments across the economy. Only the informal sector seems to be growing.

There is growing conflict between employers and unions in collective bargaining and at NEDLAC. In 1998 the employers table a demand that labour agree to wage restraint and industrial peace. Labour rejects this. Employers stage a walkout. Government closes NEDLAC down.

Centralised bargaining collapses as employers pull out of bargaining councils. Although workers are militant, unions tend to lose strikes because of the poor economic situation.

The ANC moves further to the right and signs an austerity package with the International Monetary Fund (IMF). There are massive demonstrations against the worsening conditions of the masses. Placards are seen asking, "Where is the RDP?"



Where is the promised land?" and "We the masses are in the desert - where is our Moses?"

Powerful organisations of the unemployed, the youth and the communities emerge. The government detains a number of leaders. Government leaders promise to look into the people's legitimate grievances, but warn against false prophets who mislead the people. The SACP splits, with half its leadership remaining in the ANC, and the others joining an alliance of Left organisations for building a workers' party.

Should COSATU remain in alliance with the ANC and campaign for it in elections, or should it ally itself with the new workers' party and the growing popular alliance against ANC government policies? This is the major question being debated in the federation as it prepares for its congress in September 2003.

Threats to COSATU:

- ❑ COSATU could lose the gains it made in the years before and after 1990
- ❑ COSATU could become weaker as it becomes more difficult to win strikes and improve wages and conditions because of the deteriorating economy.
- ❑ COSATU could become narrowly

focused on militant wage-bargaining and lose sight of broader working class issues

Opportunities for COSATU:

- ❑ COSATU could become stronger by drawing on its militant tradition to organise the resistance of workers.
- ❑ COSATU could broaden its perspective to take up living conditions and political issues as well as wages.
- ❑ COSATU could play a central role in forging a new popular alliance, and in building a new socialist movement in opposition to government.

Skorokoro

In this scenario there is some economic growth and modest delivery. The main features are, on the one hand, increasing social fragmentation and conflict, and on the other hand, the rapid self-empowerment of black business and the black middleclass. South Africa is a *skorokoro* zigzagging from problem to problem.

By 1999 the growth in the Growth Domestic Product (GDP) has been 4% per year, 300 000 houses have been built and 400 000 new jobs have been created. However, unemployment is still at 30%. Despite these problems, there has been a

rapid emergence of black business in these years, and the expansion of a black middle-class. Newspapers are filled with reports of new millionaires, new corporate deals and high salaries of government officials and consultants.

Ethnicity, racism, provincialism and regionalism become very powerful as a result of lack of delivery and conflict over resources. This makes it even more difficult to deliver. Patronage and corruption become the order of the day in government and in civil society.

Trade unions face ongoing problems like the 'five madoda' at Rustenberg Platinum, like the Turning Wheel, like violence on the mines. There is increasing competition between affiliates for members.

Union activists continue seeking greener pastures elsewhere. Provincial governments in KwaZulu-Natal and the Eastern Cape establish Export Processing Zones (EPZs) to attract foreign investment. The government stops extending bargaining council agreements to non-parties.

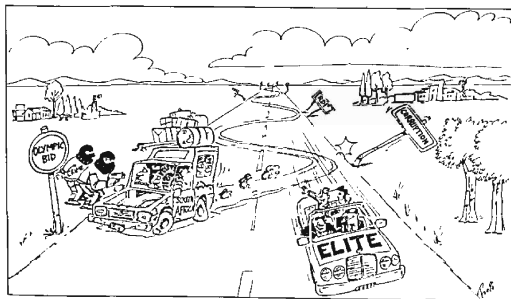
Organisations have clear racial identities

- the NP is coloured and white, the ANC and COSATU are African. The NP succeeds in organising 'responsible' coloured unions in the Western Cape and undermining the Southern African Clothing and Textile Workers Union (SACTWU) and the South African Municipal Workers Union (SAMWU) in that region.

On the ground there is a lack of co-operation or violent conflict in communities and on the shop floor. The rainbow nation does not exist. In 1998 it is announced that Cape Town has failed in its bid to host the Olympic Games.

The ANC zigzags from policy to policy. It announces privatisation, but backs down when workers take mass action. It announces a crackdown on corruption and crime, but takes no firm steps. It proposes a new tax on the wealthy, but changes its mind when they protest that this will discourage foreign investors. It regularly announces new measures to transform the public service, but keeps changing its policies under pressure from various constituencies.

There are repeated calls by business, other political parties and the press for the



Tripartite Alliance to end. While many leaders in the ANC think this would be a good idea, the dominant view is that breaking the Alliance would undermine support for the ANC and worsen the divisions in society.

In their secretariat report to the COSATU congress at the end of 2003, the Federation's leadership states that there is a social crisis in South Africa: "The government lacks a vision of where we are going. There is no leadership in civil society. We are rapidly becoming a *skorokoro* society, and we face the danger of becoming a *skorokoro* union movement as well."

Threats to COSATU:

- COSATU could be weakened by the many divisions and conflicts in society
- The culture of self-enrichment and the growth of a black middle class could undermine the unions' culture of solidarity
- COSATU could become a reactive trade union movement, responding to initiatives of others but unable to take initiatives of its own
- The ANC could move further to the right

Opportunities for COSATU:

- COSATU could develop strategies for unifying workers and overcoming divisions in the workplace.
- COSATU could win wide public support by developing policies for more effective delivery by the public service, and for exposing mismanagement and corruption
- COSATU could provide leadership to society and the ANC by putting forward a vision based on clear economic and social policies

Pap, vleis and gravy

In this scenario there is massive economic growth and development. Jobs are created and the RDP delivers. There is *pap 'n vleis*

for most people. The unions are involved in deal-making, joint decision making and co-determination at all levels of society. But are they getting caught in the gravy?

From 1996 on, productivity agreements are signed in many sectors. In 1998, after 18 months of negotiation, a breakthrough social accord is negotiated at NEDLAC.

Over the next six years there is tremendous growth in all sectors. All kinds of small and medium companies flourish. There is an increase in sub-contracting, part-time and temporary work.

This means that there is a wide range of new jobs and new workers: part-time, casual, seasonal and sub-contracted workers, hotel and restaurant workers, clerical, service and financial workers; public sector workers; skilled workers, scientists and technicians; and people working in music, film and advertising studios.

There are big differences in wages and conditions of all these different workers. Many women are employed in low-paid and vulnerable sectors - for example, seasonal workers in the tourist industry. Millions of people are still unemployed and many work in the informal sector.

Companies are under tremendous competitive pressures. Managers put pressure on workers and their unions to assist in improving productivity and quality, and to work harder, faster and smarter. There is also continual pressure for wage moderation in the private and the public sectors.

After 2002 there seems to be some decline in investment and growth figures, and government calls for new negotiations around wage moderation, flexibility and industrial peace. After lengthy meetings of the Tripartite Alliance behind closed doors, and further tough negotiations at NEDLAC, Labour agrees on wage moderation in exchange for greater investment by business and government in



training. The following week, the Minister of Finance and the president of COSATU are prominent in the grandstands, cheering the *amabokke-bokke* to victory against the All Blacks.

At the same time, a new militant federation emerges. Although it is still small, it attacks the national agreement struck at NEDLAC as a sellout. Unions should fight for higher wages for their members, not get involved in solving management's problems, it argues. This federation also argues against unions getting involved in politics or political alliances.

Informal sector organisations, such as the Hawkers and Vendors Organisation, apply to affiliate to COSATU. New unions and professional associations appear among the more skilled and professional workers. They do not affiliate to COSATU, saying that it does not offer them anything.

Over the years RDP delivery increases. Millions of houses are built, but there are still huge shack settlements.

Despite tremendous progress, the successes of the new South Africa seem

shaky. There are questions over the political direction of the ANC government, and over the prospects for continued economic growth. Will there still be *pap 'n riefs* for most people? Who will get the gravy? What about those who have still not benefited from growth or the RDP?

"We need to encourage open debate about our role and future direction. There is no sign of such debate in our structures or among our members," says the General Secretary of COSATU in his/her address to the Federation's congress in 2003.

Threats to COSATU:

- ❑ COSATU may be unable to develop the strategies for organising the many new kinds of workers and workplaces created by economic growth, and so lose out to other unions.
- ❑ Involvement in so many forums of joint decision-making could co-opt and weaken COSATU, making it dependent on the state.
- ❑ COSATU may lack the expertise, information and capacity to enter into

such complex negotiations and participation.

- Agreements on productivity and wage moderation may alienate the members from the leadership, making COSATU vulnerable to competition from more militant unions
- COSATU may become a Trade Union Council of South Africa (TUCSA) of the 1990s - complacent, with no clear strategies, and with no vision of socialism.

Opportunities for COSATU:

- COSATU could increase its membership both in traditional sectors and in new sectors, and build big strong organisation.
- COSATU could make use of its access to tripartite institutions and state resources to build its organisational capacity.

- COSATU could democratise the workplace, extend worker participation in economic decision-making, and influence society at all levels
- COSATU could make significant advances, over the medium term, for workers in terms of job opportunities, wages, working conditions, training and careers, the improvement of the social wage, etc.
- COSATU could develop a programme of achieving socialism through reforms which democratise institutions and extend social regulation of the economy.

Below is a summary, in table form, of the key uncertainties identified by the Commission, and how they vary between the three scenarios

Summary of key aspects of the three scenarios

Uncertainty	The Desert & The Promised Land	Skorokoro	Pap, viets and gravy
Economic development	stagnation	modest growth	massive growth
Vision of ANC	conservative	zigzagging	social democratic
Labour market	job loss, unemployment	two tier	job growth, wide range of jobs and workplaces
Social values	class struggle	social fragmentation and ethnicity	a people's rainbow nation
Employers	weak and aggressive	strong culture of enrichment	strong, innovative, committed to partnership
Workers	losing jobs but militant	divided by ethnicity and conditions	many jobs, but different skills, conditions and wages
Socialism	revolution or election of worker's party	not clear	democratisation and reform

Illustrations by Rico of Rapid Phase Group.

The dispute revolution



INDEPENDENT MEDIATION SERVICE OF SOUTH AFRICA

Mediation Notes

As South Africa creeps into the new global economic order and attempts to reach world class standards, relations between labour and management will be catapulted into a new dimension. The nature of disputes will change dramatically, and dispute resolution must become proactive and creative in order to respond effectively to the challenges brought on by this inevitable transition.

South African industries are structurally affected by a legacy of high tariff protection, extreme under-development of its human resource potential and Fordist production techniques. These factors are combined in a labour market that is characterised by intense adversarialism, high unemployment and low productivity, yet our economy has to survive in the white-hot competitive global arena.

Rapid change through restructuring of industries and new relations between labour and capital are required if South African industries hope to stay in the race. The high levels of conflict and lack of co-operation are major stumbling blocks. To some extent new relations are already emerging, encouraged by processes in NEDLAC. But social partnerships forged between industry and unions to address the challenges of globalisation, new work organisation and technological development are still struggling to emerge.

Resolving conflict

The new Labour Relations Act (LRA) attempts to encourage co-operation and

by *Tanya Venter, IMSSA*
researcher

industrial peace by providing workers with organisational rights, enforcing expeditious dispute resolution through conciliation, arbitration and workplace forums. Conflict itself will not be eliminated, rather the nature of it will change. The profile of conflict will change towards disputes around industrial restructuring, work organisation, grading and training and other world class issues.

Disputes related to world class issues tend to be difficult to identify because of a lack of understanding of these issues by the parties and the intervenor. The opportunity to use these issues creatively to resolve interest disputes is therefore lost. A joint strategic process approach would be useful in avoiding conflict.

When the signs of world class conflict arise during wage disputes, the onus should be on the intervenors to recognise them as such and advise the parties on a way forward to address these issues. This advice could include the suggestion to do content training on world class issues and follow an appropriate facilitation process which leads to an agreement and which includes appropriate dispute resolution mechanisms. But, firstly, intervenors themselves will need to develop further skills and knowledge to effectively deal with world class issues and

expedite the resolution of disputes

Integrated approach

Present dispute resolution processes may prove inadequate to address world class issue disputes. Although facilitation may be the most appropriate conflict management mechanism, adversarialism and high levels of conflict over these issues may necessitate the integration of mediation techniques, problem solving and even training into the facilitation process. Dual facilitation is also an option, where one facilitator concentrates on process, and the other on content such as organisational development, as this will lead to a more holistic outlook appropriate to the new dimensions

Intervenor will need to take on multiple roles, and integrate different fields including dispute resolution, strategic planning and organisational development - and become facilitator, mediator and informer on world class issues in one. Creating new techniques and sharing information between intervenors and experts in the field of world class issues will also ensure that dispute resolvers respond effectively to the dispute resolution.

Disputes

Outlined below is a list of dispute areas arising from the move to world class standards, and where South African industry and world leaders in industry are in relation to addressing these issues.

Dispute areas from world class issues	South African Industry	International leaders
New technology	Unions: can lead to retrenchments or leads to 'jobless growth.' Management: necessary in order to become competitive.	There is a continuous introduction of new technology.
Change management	Unions and management have not addressed the need for more effective and inclusive techniques.	Change management is evident at all management levels.
Job grading	Disputes around job grading are increasingly common and often linked to wage issues	Broad banding has been implemented, and job grading does not necessarily cause disputes.
Restructuring of production / services	These measures are usually inappropriate models that are superficially implemented. Disputes are commonly around consultation	Restructuring of production is dynamic and consultation is obligatory.
Flexibility of the workforce	Unions: undermines workers security and unity Management: Is a necessity to meet the needs of customers and keep costs down.	The workforce is multi-skilled and uses contract workers, and particularly outsourcing to be flexible.

Dispute areas from world class issues	South African industry	International leaders
Skilling of the workforce	This dispute is often linked to wage disputes Unions: want skill-based pay Management: want to pay for the work the employee does.	No disputes as workforces are highly skilled.
Outsourcing	Disputes are often around consultation Outsourcing is not common in South Africa yet. Unions: feel that outsourcing undermines the move to a multi-skilled workforce, and undermines worker unity. Management: feel it is necessary to increase flexibility and reduce costs.	Outsourcing is very common, and is consulted at all levels.
Alternative remuneration	Discussions around bonuses etc are increasingly part of wage negotiations Unions: bonuses undermine unity Management: bonuses are effective incentives Alternative remuneration remains an area of contention.	Employee participation. Legislated in the new LRA as workplace forums and is very conflictual Ad hoc disputes occur
Team work	It is becoming more common, but implementation is usually superficial and ineffective. Is potentially a major conflictual area – not only between unions and management, but between workers and teams.	Team work is effective and used mainly for project work. Can lead to conflict within teams and competition between teams.
Globalisation	Some companies have looked at other countries in southern Africa Globalisation on a big scale is not a dispute area yet.	Globalisation is a major international development, and is increasingly more extensive It is a conflictual area.



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Socio-economic policy

NUMSA sets new guidelines



ECONOMIC
ALTERNATIVES

NUMSA's platform on socio-economic policy, which was adopted at the union's recent National Congress, contains a blueprint for a universal social welfare system, as well as proposals on trade and industrial policy

Background

The union's General Secretary, Enoch Godongwana, explains the context in which the Congress resolution was taken:

After the elections, and having adopted the Reconstruction and Development Programme (RDP), we saw immense confusion as to how the RDP was to be implemented. Business, labour and government shared in this confusion, but business was first to recover. They managed to occupy the space. In this they were assisted by the problems we were experiencing as a country, such as the currency crisis. Government and labour had to respond to that.

At the same time, the unions were being accused of seeking only to protect the narrow interests of their members, and abandoning the poor and the unemployed."

He points out that, while many of labour's criticisms of both business' "Growth for All" strategy and GEAR were sound, they failed to provide detailed alternative proposals to these documents. The NUMSA resolution attempts to remedy these shortcomings.

The National Union of Metalworkers of South Africa (NUMSA) has drawn up detailed alternative proposals to government's macro-economic framework. Deanne Collins examines the proposals.

Principles

The preamble to the resolution sets out the principles on which NUMSA's policy is based. These are that:

- The South African economy must be dramatically restructured to meet the demands of international integration and the eradication of inequality.
- The 'pain' caused by this restructuring must be borne not only by workers, but by all members of society.
- The union remains committed to the principles outlined in the RDP.
- While these objectives will only be realised if the economy grows, growth is dependant on government intervention and investment in the economy.
- South Africa cannot rely on private sector investment, international market forces and the reduction of government expenditure to create the kind of growth that will generate jobs.

- In addition to an interventionist trade and industry policy, a safety net of universal welfare must be implemented.

Social welfare

Central to the policy are detailed proposals for a universal social welfare system for South Africa. The union is at pains to point out that such a system should not be a "collection of Band-Aids to patch over inequalities or dislocation caused by economic restructuring", but is "a minimum condition of any macro-economic strategy." It goes on to say that "minimum social rights ...are the minimum expectations of a democratic society."

Living wage

The 'living wage' has been a key union demand for many years. Of late, labour has begun to argue for a 'social wage', which includes not only wages, but also services such as medical care and transport provision.

In line with its concern to represent the interests of all in need in South Africa, NUMSA argues that "the traditional South African understanding of the social wage is politically dangerous...it accepts that basic services can be 'marketised' and that access is linked to the ability to pay." In other words, the social wage is only accessible to those in formal employment.

For this reason, the union argues that the state, or some other agency, rather than employers, must provide basic services.

NUMSA believes that the following are minimum requirements for a universal social welfare system:

Health care

Primary health care (which concentrates on 'wellness' rather than illness) is favoured over curative medicine. It is acknowledged that this will require a considerable restructuring of the health care system and

that local government will be a key player in such a system. The resolution calls for government to take immediate steps to nationalise both health care institutions and funding. As part of this programme, medical aid schemes should be brought under a single national insurance system.

Retirement funds

The majority of workers in formal employment now have some form of pension or provident fund. NUMSA's concern is to ensure that informal sector workers and the unemployed are also provided for in their old age.

The union proposes that the state old age pension should remain in place, but should operate parallel with a "universal retirement income system." Pension and provident funds should be extended to all wage earners, regardless of industry sector or income. This would reduce the number of people dependant on state assistance. Furthermore, existing private funds should be rationalised to provide for a small number of large funds. These would be industry based, and would be jointly controlled by unions and employers in each industry.

The extension of pension benefits to all workers could have substantial economic spinoffs. Massive savings would stimulate investment. Trade union control of these investments could ensure that they are used to the benefit of society as a whole, though Godongwana cautions that fund members' interests must be protected. He questions whether current union investment strategies, some of which involve pension and provident fund monies, are sound. For him, the hallmark of union investment should be that it explores different forms of ownership in our society.

NUMSA is also calling for urgent discussion on retirement benefits in the public service. It argues that these benefits

should be brought in line with "the expectations of the majority"

Public transport

The union is arguing for public transport to be part of any universal social welfare system, as "the demography created by apartheid has meant that the majority of the population is severely disadvantaged in its access to transport services". Trade and industry policy should be used to move resources from private to public transport

Considering that a large number of NUMSA members work in the automobile manufacturing industry, is the union not shooting itself in the foot by adopting this standpoint?

The revolution is careful to add that "we are not arguing that we should shut down or reduce existing vehicle production". Instead, it envisages "two transport systems rather than one". It is confident that South Africans will buy more private vehicles over the next few decades, and acknowledges that it is important for employment and wealth creation to have a productive auto industry. However, for the majority of South Africans, private vehicle ownership will remain a dream for some time to come, and they will continue to rely on an outdated and dangerous public transport system.

Housing and land

NUMSA believes that housing and land could be the engine for economic growth. The union supports the establishment of a National Housing Corporation to undertake



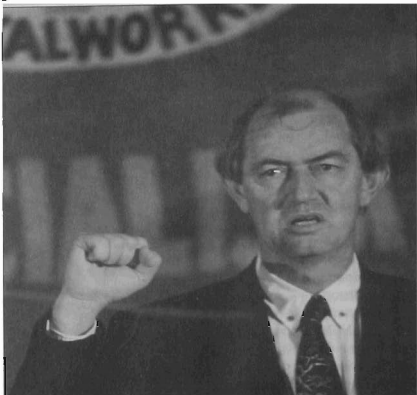
a massive housing construction programme. It intends to launch a campaign to "compel the state to address the needs of the lower paid and unemployed sectors of the working class".

The state should

- Provide free land to those who can afford to build their own houses
- Increase subsidies on a non-racial basis to all citizens for housing, including rented accommodation
- Protect the rights of people to remain on and develop land where they currently reside.
- Declare a moratorium on land occupation
- Ensure control by stakeholders of housing policy Structures, on which

government, labour, financial institutions and civic organisations are represented, must be set up at local, provincial and government level

- Take responsibility for housing delivery
- Restructure local authorities to ensure that they are able to deliver
- Redistribute agricultural land and invest in agricultural skills and training
This will increase the agricultural sector's contribution to economic growth



Who pays?

The social welfare proposals have major cost implications. With financial restraint the key concept underlying GEAR, it is unlikely that government will be willing (or able?) to find the necessary resources. If the recommendations of the recent Lund Commission on child benefit payments are anything to go by, government will be cutting back on such benefits. Business has also made it very clear that it will resist any attempt to make it responsible for social wage costs. One of the stumbling blocks in the current negotiations on the Employment Standards Bill is who will be responsible for paying women workers who take maternity leave.

Confronted with this question, Godongwana responds that "society must pay. Obviously the manner in which society pays is through the taxation system. What we are looking at is a progressive taxation system"

Policies being pursued by the Trade and Industry Ministry, headed by Alec Erwin, came under fire at the Congress.

While he is careful to add that the union has not worked out formulae, he is clear that there must be 'unequal' payment - the rich must pay more than the poor. NUMSA is calling for a thorough, ongoing review of the taxation system. The union believes that the system should be based on the following principles:

- Progressive taxation
- Efficient tax collection
- Effective exemption for the unemployed and pensioners
- Zero rating for basic commodities
- Pension and provident funds should be exempt from taxation at retirement
- Effective fringe benefit, luxury goods and capital gains taxes
- The issue of informal sector incomes and taxation must be addressed.

The union has given notice that, should

there be no serious attempt to address tax inequalities, it will call for a major campaign of all civil society bodies and the Tripartite Alliance on tax

Trade and industry policy

Recognising that "it is in the area of trade and industry policy that there is a direct connection between 'big picture' economic issues and the employment conditions and security of our members and their communities", the resolution also sets out a framework for trade and industry. Features of this framework are

- The rejection of the free market in favour of an interventionist approach which would "employ taxation sticks and incentive carrots to encourage industries to invest in education and training."
- Moving industry policy away from the bias towards commodity production to a strategy for the development of more high value-added products
- Linking South Africa's economy to the southern African region

Tariff policy

The resolution notes that it is impossible to apply policies uniformly to all sectors. Tripartite discussions, the various "cluster" studies which have been done, and the effect of tariff reductions should be used to develop a broad "architecture" of long term industry policy

Supply-side measures

Issues such as the supply of skilled labour and the cost of raw materials are critical long term determinants of the economy's overall productivity. The resolution notes that the critical actor on the supply side is the government, as it determines the supply of most factors, from money itself to the cost of materials or transport.

Productivity

One of the central issues facing NUMSA is the union's attitude towards productivity improvement. Members are confronted with proposals from employers, but there are no clear union guidelines as to how to negotiate such issues. Godongwana says that the union is making progress in drawing up concrete proposals.

Privatisation

The document reiterates NUMSA's opposition to privatisation as "the single answer to the problem of state assets." In line with COSATU's recent policy statement, it states that

- The priority is to identify and defend those state assets which are critical for the delivery of basic services to the poor
- If such services are already in state hands, they should be defended. If not, they should be nationalised
- It is possible for strategic withdrawal on areas which are not critical for basic delivery. Where state assets are sold, the money raised should be used to create a social welfare net

Engaging government

NUMSA's proposals are a clear challenge to the prescriptions of the GEAR document. Government has given notice, on countless occasions, that it is not prepared to negotiate the fundamentals of GEAR. The union has given notice of its determination to fight for its demands. But will government be open to changing its position?

Godongwana believes that discussions with government, which are ongoing, will bear fruit. He quotes from a letter received from a government department, which compliments COSATU on points it has raised in relation to GEAR and promises that a position of "common understanding" can be reached.

He maintains that those who are outside of the negotiations do not see how much

progress is being made. Only time will tell whether or not this is an over-optimistic view of the state of play

A progressive view?

The proposals are also likely to draw criticism from left-wing critics, who may see them as a slide away from the socialist principles which have always been close to the union's heart. Such misgivings were, indeed, clearly felt by some congress delegates themselves. An amendment to the economic policy resolution from the union's Wits Central West region reads "Our ideological vision of a socialist society and the creation of a socialist state must underpin our economic policies."

Godongwana stresses that "What is progressive must be contextualised... in an environment where these things are not an issue for debate, it might well be

that to argue for a universal social welfare system is not progressive. But in our current environment it is a fundamentally progressive demand.. Criticism will come from the Left, they will say it's not socialist. What the Left forgets is the reality on the ground. We must also understand the balance of forces. I am saying that if we define the conditions in which we operate, then our policy is a Left agenda."

Conference

NUMSA is planning to hold a national conference to discuss the finer details of its socio-economic platform. The conference will focus on fiscal policy, debt and its impact on growth, the taxation system, as well as monetary policy, which were not discussed in the congress. The union will also be raising its proposals within COSATU. ★

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The workplace challenge

By Gideon Skhosana, General Manager, Productivity Awareness

The NPI, through the Trade and Industry Chamber of NEDLAC has initiated a process to encourage the national stakeholders to participate in a consultative dialogue. The purpose is to consider and potentially reach agreement on a set of arrangements and measures that would positively contribute to the promotion of improved performance, growth and higher levels of national employment across all industrial sectors in the economy.

Many companies in South Africa are now required to address the problem of how they must respond, within a relatively short period of time, to increase pressures of foreign competition for domestic and international markets as a result of the new conditions created by South Africa's reintegration into the global economy.

In the absence of an acceptable framework, either at company, industry or national level, many initiatives for responding to these competitive pressures, particularly those aimed at radical cost-cutting measures, have led to conflict and antagonism between the industrial parties, directly contributing to a partial or complete breakdown in industrial relations.

Perspectives

An important element of this process has been the different perspectives and interpretations by employers and unions of certain key aspects of industry transformation, namely

- The means by which productivity and service-delivery performance can be achieved and implemented at workplace level
- The objectives and commitments of the industrial parties to the related (and

critical) labour-market issues of training, employment security, work organisation and work flexibility

- The role of the state in supporting the process of workplace change

The chasm which has emerged between the main industrial parties in the understanding of the problems, the means to address them and the commitments to certain objectives in how these problems are to be addressed, forms a major impediment to implementing and achieving meaningful improvements in industry performance and, accordingly, calls for a proper dialogue between the social partners.

Workshops

The NPI and NEDLAC propose that this dialogue is conducted, initially, through a series of regional workshops that involves the participation of representatives of the major stakeholders who are party to the NEDLAC process.

Over a relatively short period of time, and with the agreement of these stakeholders, a more intensive nationally co-ordinated programme of training is proposed.

The purpose is to transfer skills and knowledge to targeted groups and individuals who will be able to drive the process of change at the workplace level and therefore give some meaningful expression to the term "a globally competitive nation."

Objectives

The NPI and NEDLAC envisage that the workshop objectives will be

- To sensitise key roleplayers in the economy to the productivity and competitive problems of the various sectors

- To begin to develop a common language and understanding of the key concepts involved in sector analysis and strategic development (including productivity and competitiveness)
- To alert roleplayers to the measures available to improve the competitive position and productivity performance of sectors and firms
- To enable the key role players to hear from each other their interpretation and analysis of the problems and the potential solutions to these
- To discuss and determine issues of consensus between the social partners on
 - Supply-side interventions for the region
 - Competitive capability delivery processes for each of the broad sectors within the region
- To assess information awareness about national and provincial government initiatives concerning supply-side measures
- To enable and mandate tripartite regional structures to plan for further phases in the sectoral workshop facility process

Programme

The programme for the regional workshops will cover:

- Background to the NPI/NEDLAC sectoral workshop facility process
 - purpose and objectives of the workshops
 - design of the project
 - commitment of the stakeholders
- The provincial vision of a world competitive region: goals, strategy and planning for the future
 - economic development policy and strategy
 - economic development programme and intervention measures
 - new programmes to support development of industry
 - new investment incentives
 - training incentives
 - new infrastructure development
 - employment creation targets, planning and programmes
- A national strategy for improving South Africa's trade and industry performance
 - government initiatives
 - sectoral cluster development initiatives
 - developments in tariffs and trade negotiations and agreements
 - benchmarking against international competitors
 - information and advisory services to promote competitiveness
- The regional economy in a national industrial context
 - job creation
 - capital investment
 - rates and taxes
 - health, education and housing
 - size of the regional economy
 - structure and size of each sector
 - provincial government initiatives
 - inter-sectoral linkages
- Business' and labour's approach to productivity, growth and industrial development
- Productivity and firm competitiveness
 - international experience
 - South Africa's overall productivity performance
 - requirements for successful competition
- World-class manufacturing strategies
 - the sector-value chain
 - world-class strategic focus
 - world-class manufacturing
 - best operating practice
- World-class service delivery
- Plant-level institutional measures to facilitate implementation
 - the new industrial relations paradigm
 - aligning new provisions of the LRA to the world-class competitive process
 - consultative processes and structures and plant/organisational level
 - skills formation and training
 - trade union training
 - workplace change agreements

The Zapatistas

a challenge to neo-liberalism

After only two and a-half years of open activity, the Zapatistas' ability to bring together over 3 000 people from all over the globe was a remarkable achievement. This army of Mayan peasants showed the world that, by making use of modern technology such as the Internet, they could bridge the gap between the superexploited rural backwaters of the South and the urban centres of the North.

The gathering brought together a wide range of activists from Europe, North America, South America and, to a lesser extent, Asia and Africa. The objective was to, firstly, share experiences about the ravages of neo-liberalism, and, secondly, to expose to the international community the brutal conditions of the indigenous people of Mexico in particular, and the Americas in general, and their determination to fight back.

International of hope

Earlier this year, the Zapatistas announced through the Internet that they wanted to host an intercontinental gathering "Against Neo-liberalism and For Humanity". The invitation called on people around the world to organise gatherings in their various continents, and discuss the impact of neo-liberalism and ways to struggle against it. It went on "During the last years, the power of money has presented a new mask over its criminal face. Disregarding borders, with no importance given to race or colour, the

In July the Zapatista Army of National Liberation (EZLN) hosted an intercontinental gathering in the mountains of Mexico to mobilise opposition to neo-liberalism. Devan Pillay attended the conference, and found that this guerilla movement offers new hope for the Left.

power of money humiliates dignities, insults honesties and assassinates hopes. Re-named as 'neo-liberalism', the historic crime in the concentration of privileges . democratises misery and hopelessness"

Against this, the Zapatistas offered the "international of hope", as a corrective to the Thatcherite "there is no alternative". They urged the Left to spring out of its collective misery, and seek new alternatives that reject "conformity and defeat".

The call mobilised a substantial response from Europe and South America, and these continents came together to discuss five aspects of neo-liberalism - economic, political, social, cultural and indigenous peoples - in preparation for the



Background

The area now known as Mexico was originally occupied by the Iroquoia, Teotihuacan, Mayan and Aztec peoples, who had an extensive and complex civilisation. By the time of the Spanish conquest in 1521, the Aztec Empire was the size of modern Italy. Through a process of christianisation and hispanisation, the Spanish tried to destroy the pre-existing civilisations, and build a 'New Spain' on its ashes. By 1800

Intercontinental Gathering in Chiapas from 27 July to 3 August Unfortunately, Asia and Africa had minimal representation.

Participants from Europe and North America belonged to a wide range of organisations, from anarchists to troiskysts to Non-government Organisations (NGO) activists of various shades of Left opinion. The Latin Americans had more trade unionists amongst them. Celebrities included Danielle Mitterand, Regis Debray and Eduardo Galeano.

In the end the content of the discussions was not as important as the mere act of bringing together thousands of people to witness the organisational skills of the Zapatistas, the extent of their support amongst the people of Chiapas, and their determination to resist the injustices of the New World Order. With the army patrolling on the outskirts, the Zapatistas managed to build conference centres in five different parts of the wide expanse of Chiapas mountains, complete with electricity installed by electricity workers in their spare time.

They also relied on extensive logistical support from urban intellectuals and students, who were obviously inspired by this new movement that suddenly emerged on the scene.

Mexico, which at that time included the whole of the south-western United States (US), was one of the richest countries in the world.

In 1810 a struggle for independence was waged, led by *criollos* (Mexicans of Spanish descent), but with substantial participation by *mestizos* or 'mixed' people, and the indigenous people. This finally resulted in the formation of an unstable republic in 1821.

After decades of musical chairs amongst the power elite, with strong US involvement, socialist-oriented groups rallied around Francisco Madero to achieve the 1910 Mexican Revolution. Madero, however, was assassinated by US forces, leading to a peasants' revolt under the leadership of Emiliano Zapata and Pancho Villa. The gains of the revolution were enshrined in the 1917 constitution. However, factionalism amongst the leadership led to their death, and by 1929 the revolution became institutionalised.

The National Revolutionary Party, later known as the Institutional Revolutionary Party (PRI), was formed. It has ruled Mexico ever since, gradually abandoning the socialist principles of the revolution to the point where today it is a champion of free market neo-liberalism.

Turn to the Right

The PRI took a sharp turn to the Right after the discovery of oil in the late 1970s, leading to stronger ties with the US. Under the influence of the International Monetary Fund (IMF), the PRI began dismantling its state-led industrialisation policies in favour of the market. During the 1990s privatisation of state assets proceeded with great rapidity, as US capital moved in to recolonise the economy.

Zapatistas

The North Atlantic Free Trade Agreement (NAFTA), which was designed to bind Mexico's economy with that of the US and Canada, was hailed by the urban elite as the great step into the first world. This was not how the rural poor saw it. When the agreement came into effect on 1 January 1994, the indigenous people of Chiapas split the party. With their Zapatista army – named after Zapata – they made international headlines by seizing five towns in Chiapas, and holding the governor hostage. Their dramatic appearance on the world's TV screens, wearing their now-customary ski masks, took everyone by surprise, including the battle-weary Left in urban Mexico.

The Zapatistas had spent the previous ten years organising themselves in the mountains of Chiapas. Urban activists like Sub Comandante Marcos joined with indigenous people to address the extreme conditions under which the people lived.

Conditions

Chiapas is the most isolated region of Mexico, with the largest concentration of indigenous people. The agrarian reforms of the 1930s did not penetrate deeply into this region, with the result that landlords and their gunslingers ruled with impunity. Chiapas has the lowest literacy rate; one third of all homes have no electricity, and almost half have no running water.

Basic facts about Mexico

Population (by the year 2000)	
Mexico	99m
Mexico City	15m
Urban population	73%
Gross National Product (GNP) per capita	\$3 470

However, the region is rich in gas and oil reserves, and this has led to the expulsion of peasants, as the oil companies moved in to exploit these reserves. The drop in tariffs for agricultural produce has also had a devastating impact on the indigenous people, who suddenly found that their meagre source of income had dried up.

The 1994 uprising met with severe repression, but was followed by peace talks. The government was keen to maintain Mexico's new image as a modern democracy. This, however, did not prevent them from periodically unleashing the army onto the indigenous people.

Demands

Nevertheless, the Zapatistas used this opportunity to popularise their demands, which contained 34 points. These included

- electoral reform (Mexico is well-known for electoral fraud);
- new elected municipal government (they have always been appointed);
- representation of ethnic groups in Congress and state government (given the almost complete marginalisation of indigenous people);
- native language instruction in schools (as a corrective to enforced hispanisation);
- improved health and education;
- a land tenure system.

The government eventually decided to accept half of these demands. After

consulting with the indigenous communities, the Zapatistas rejected these concessions, but agreed to observe the ceasefire, while talks continued.

Elections

1994 was election year in Mexico, and the PRI had nominated Luis Donaldo Colosio as its candidate to succeed president Carlos Salinas. Colosio, however, was assassinated in mysterious circumstances, and Ernesto Zedillo took his place.

Although the elections were unlikely to be completely free and fair, the Zapatistas undertook not to disrupt them, and in August Zedillo became the new president. The Zapatistas and the centre left Democratic Revolution Party (PRD) - made up of former PRI members, communists and smaller groups - accused the government of electoral fraud but nothing came of this. Nevertheless, the PRI received less than 50% of the vote.

Zedillo used a carrot and stick approach in its dealings with the Zapatistas, and after a period of renewed repression, resumed talks in 1995. In late 1995 the Zapatistas held a referendum amongst their supporters, and it was decided to suspend the armed struggle, but to continue to mobilise support for their demands, both within Mexico and internationally.

A unique movement

The uniqueness of the Zapatista movement lies in its refusal to be bound by Cold War rhetoric and Left orthodoxy, its tactical flexibility, its dedication to the cause of the indigenous people, and its use of modern technology to link localised struggles to the global struggle against neo-liberalism.

Although some of the Zapatista leaders had Maoist leanings in the 1970s, their outlook, according to John Ross (author of *Rebellion from the Roots: Indian Uprisings in Chiapas*), is shaped primarily by the

conditions and experiences of the indigenous people in Chiapas. They have observed the failures of socialist experiments and armed revolutionary movements around them, and have vowed not to repeat them. They are unashamedly eclectic, borrowing a little from here and there, but always guided by local conditions.

The Zapatistas' growth was nourished by the decision of the International Coffee Organisation's decision to float the price of coffee - a major crop of the indigenous people - on the international market in 1990, causing a price crash. This was compounded by a government ban on timber-cutting in Chiapas, making the economic survival of the indigenous people precarious.

In addition, then-president Salinas, who first championed neo-liberal reforms in Mexico, revised the agrarian reform programme first initiated by Zapata, but which was never fully implemented in Chiapas. This ended land redistribution to the poor, and encouraged the sale and privatisation of communal land. The final straw was the impending introduction of NAFTA, which amongst other things threatened to take the Mayan people out of the Mexican corn market.

Neo-liberalism

The Mexican government's drift to neo-liberalism, while it boosted the economy and significantly expanded the incomes of the urban elite, was a disaster for the rural poor, the bulk of whom were indigenous people.

For the Zapatistas, the fight to improve the lot of the indigenous people of Chiapas was inextricably bound with global struggle against neo-liberalism. This implies the unity of all oppressed indigenous people, as well as an international alliance of all victims of neo-liberalism.

One of the chief means of



Pc: E. B. / A. P. / A. P.

Members of Zapatista at the conference.

communication with the outside world from the mountains of Chiapas is the Internet. Throughout this and other means, the Zapatistas have issued numerous communiqués that kept the Mexican public and the world informed of the progress of their struggle.

War of position

The conference was but one of many that the Zapatistas have organised in order to mobilise support for their cause. They have held gatherings of indigenous people, and with various sectors of Mexican society, as part of their unique 'war of position' strategy against the Mexican state.

As opposed to the traditional guerrilla strategy of seizure of power through armed insurrection, the Zapatistas have maintained their armed capacity, but will resort to arms only in self-defence. Indeed, when the Mexican army once threatened to strike, they preferred to retreat into the mountains

than engage in a gun battle. Violence, in other words, is only to be used as a last resort, and then only in a minimalist sense. At the centre of the strategy is the mobilisation of civil society in pursuit of the complete democratisation of Mexico. They are not necessarily interested in achieving state power themselves, although in recent weeks there has been talk of entering elections for tactical purposes.

Talks with the Mexican state, while achieving little in themselves, have opened up space for mobilisation in other spheres. The talks have now been suspended, but the strategy of forging alliances with as many groups in civil society as possible, continues. A Zapatista Front has been formed to facilitate this. While it has yet to prove its effectiveness, the idea is to co-ordinate the many localised formations to advance democratisation.

While reaching out to the rest of Mexican society and the world, the Zapatistas have

insisted, however, that their main focus of activity will remain the indigenous people of Chiapas. All too often poverty-stricken peasants have been used to bring leaders of liberation movements to power, only to be forgotten afterwards. The Zapatistas are determined to avoid this.

Challenge

The Zapatistas' war of position has been challenged recently by the Popular Revolutionary Army (EPR). Well-armed and better financed, the EPR emerged last June in Guerrero state as a conventional guerrilla army using armed resistance as the focal point of its activities. They have since spread to other states in Mexico, raiding 11 towns and rattling the Zedillo government. Their aim is the establishment of a socialist state in Mexico. The Zapatistas initially suspected that this army was the creation of the Mexican state, but once they were satisfied that this was a genuine liberation movement, they were quick to make this public. However, they warned that any armed group not deeply rooted amongst the people they claim to be fighting on behalf of will repeat the mistakes of others.

The Mexican state has been pursuing limited reforms of the political system, and this has opened up space for further mobilisation.

The Zapatistas have shown themselves sufficiently flexible to exploit whatever tactical options open up for them, including participating in state elections. However, it is unlikely that they will make the electoral system the focus of their activity. They are



more likely to want to continue to mobilise support throughout civil society and internationally.

The Zapatistas are planning another intercontinental gathering next year. This time it will be in Europe, where they hope to focus the world's attention more firmly on the ravages of neo-liberalism, and to inspire activists to organise creative resistance strategies in their various countries. Their message, as before, will be "to all who, with no matter to colours, or borders, make of hope a weapon and shield" ★

Devan Pillay is currently director of the Social Policy Programme, University of Durham-Westville

Swaziland

delaying the revolution

Swaziland is experiencing the pain of transition to a modern democracy. In July this year King Mswati III announced moves towards democratic reform, including the appointment of Sibusiso Dlamini as the new prime minister. Labour mass action, which had paralysed Swaziland earlier in the year, as well as pressure from the country's southern African neighbours, were key factors in precipitating this process.

Emerging after a secret meeting with southern African heads of state in Pretoria, Mswati pledged to embark on reforms to satisfy the political aspirations of the people of Swaziland. Despite this commitment, what the king has shown thus far is a determination to consolidate his regime's repressive apparatus and to crush the trade unions and the democratic movement.

"Reform" has been restricted to the appointment of the new premier, the establishment of the Swazi National Council and the setting up of a Constitutional Review Committee which includes the president of the banned opposition movement (PUDEMO) and an official of the Swaziland Federation of Trade Unions (SFTU). The members of the latter are, however, serving in their capacity as ordinary citizens and not as representatives of organised political interests, which are not recognised in Swaziland.

Out of all these events the appointment of the new premier attracted the most attention,

Kuseni Dlamini questions whether recent "reforms" in Swaziland will take the country any closer to democracy:

as it was seen as key to driving the process of democratisation. However, Dlamini has adopted a more hard line attitude than expected. He has issued a strong warning that the 1973 Proclamation is the supreme law of the land. As Minister of Police he has allowed the police and the armed forces to disrupt peaceful demonstrations.

Over the last five years the Swazi government has embarked on a non-stop process of setting up hand-picked commissions to give the impression that reforms are underway. What the people of Swaziland want is an irreversible and all-inclusive process of democratic transformation with an agreed time frame and negotiated terms of reference. What Mswati has done thus far amounts to a ploy to delay the democratic revolution and perpetuate the status quo.

Delaying the revolution

Tom Dlamini, a member of the Swaziland Democratic Alliance (SDA) and a veteran trade unionist, says Mswati's so-called reforms are nothing but "a ploy to delay the

democratic revolution". The unions and PUDEMO have set preconditions designed to 'level the political playing field' before they will participate in any reform process. One of these is the unbanning of political parties and the lifting of the draconian Proclamation of 1973. The SDA, to which the SFTU, PUDEMO and other progressive organisations belong, has vowed to boycott Mswati's constitutional reform exercise. A programme of mass defiance and action which involves rallies throughout the country has been adopted by the SDA.

Business breaks the silence

Historically Swaziland has been the ideal place to do business. Most workplaces were not unionised and, where trade unions existed, they were weak. Unions were branded as 'unSwazi'. With the changes taking place in the country, the business community has started to take stock of its position. Government can no longer be trusted to deliver and ensure a stable climate to do business.

The business community has repeatedly expressed concern about the deteriorating political situation. A business source suggested that "a speedy move towards real and full democracy in Swaziland is the only basis on which the problems confronting that country can be resolved." A member of the Swaziland Chamber of Commerce said that business is concerned by the government's approach to the reform process. Business has paid the price through lost production and damage to property. Furthermore, government's promise to compensate businesses for losses incurred as a result of the strikes never materialised.

George Potgieter, a Swazi millionaire and former Member of Parliament, argues that there can never be democracy in Swaziland without political freedom. "I believe it's only through political parties that you can bring about an accountable government," he says.

Implications

Numerous behind the scenes meetings between members of the Federation of Swaziland Employers (FSE), PUDEMO and SFTU have taken place. FSE and SFTU insiders see the closer relationship between employers and workers as a departure from the adversarial and conflictual industrial relations which have characterised Swazi workplaces. Instead, a more co-operative and productive labour relationship, based on mutual respect between the social partners, is being built.

The labour movement has, however, not yet defined the form, content and nature of the relationship it desires with employers. Moreover, some affiliates of SFTU especially those in agriculture and forestry, still need to be convinced about the merits of co-operating with the bosses. Relations at factory-floor level are still very adversarial at most workplaces in Swaziland.

International pressure

The international community has also expressed concern at the situation in Swaziland. A diplomatic source based in Mbabane says that the "international democratic community is concerned about the deteriorating political situation in Swaziland which was for many years regarded as a haven of peace in Africa." He argued that the king should allow the will of the people to prevail "before the country is plunged into a turbulent and destructive civil war."

The spectre of civil war is not exaggerated: at a Red Cross seminar in Mbabane recently a PUDEMO spokesperson said "The Red Cross must prepare for a looming violent conflict between the regime and the progressive forces." He called on the organisation to be impartial and perform its duties in a non-partisan way. This followed allegations that the Red Cross in Swaziland was siding with the government. It was alleged that it refused to help



PE ETHEM-JHANE CDB

SFTU delegation meets Tripartate Alliance – February 1996

PUDEMO members who were assaulted by the armed forces and the police at a rally in Lavumisa

Struggle as usual

At its annual general congress held in September, the SFTU resolved to continue mobilising and rallying workers around the struggle for democracy

SFTU secretary general, Jan Sithole, said that no genuine reform process can take place in a climate of repression and intimidation. He urged affiliate unions to prepare for a tough struggle and be ready to pay sacrifices to bring about a democratic dispensation in Swaziland.

On 5 October the SFTU and SDA organised a massive rally in Manzini, the industrial capital. This was in defiance of a government announcement on the national radio banning the rally in terms of the 1973 Proclamation. Police Commissioner, Edgar Hillary, warned the nation that "those who will defy the order will face the wrath of the law". Notwithstanding these threats, workers attended the rally in huge numbers.

Looking ahead

The Swaziland regime's 'reform' process seems to be nothing other than an attempt to reformulate policies and laws which are not only unworkable but also anachronistic. It is designed to undermine the labour-led demands for far-reaching political change.

The democratic way forward is for the old draconian measures and practices to give way to a new system that allows basic human rights and fundamental freedoms such as freedom of association, assembly and speech as well as full trade union rights for workers.

The current reform process in Swaziland has failed to create the necessary conditions for change. State repression continues. There is no scope for organised formations to participate in reform. The terms, substance and pace of the process are dictated by the regime. Achieving a democratic dispensation in Swaziland will require much more than cosmetic tinkering with a totalitarian system. ★

Kusent Dlamini read sociology at the Universities of Natal and OXFORD, where he was a Rhodes Scholar

Global solidarity

Speech by Cardoso, International Secretary of CNM, Brazilian Metalworkers Union, to NUMSA's fifth National Congress, 25-29 September 1996.

"It is with great emotion that I greet all the NUMSA delegates on behalf of the Brazilian metalworkers.

We come from a country that is very similar to yours. In Rio de Janeiro 80% of the population of the shanty towns are black. In Brazil we don't have race apartheid, but we have social apartheid.

Brazil is a very big country. Our population is 160 million, of whom 75 million are economically active.

35 million workers are in the underground economy. They have no job contract. 20% of our population is illiterate.

Globalisation

While in South Africa, I had an opportunity to visit the Samcor plant. Talking with our brothers at Samcor it is clear that the policies here are the same that capital is implementing across the world. We are experiencing the globalisation phenomenon. Capital and the marketplace have no border lines, no frontiers.

One of the worst things about globalisation is that it proposes to leave the solution of the problems of humankind to the market place. As workers, we have to transform verbal solidarity into action.

In Brazil we see globalisation and neo-

liberal policies deepening social apartheid. The ship-building industry is a good example. Of the 40 000 workers working in this industry ten years ago, we now have only 7 000. Changes in work organisation and the lack of investment in productive sectors have resulted in 7 million unemployed.

Globalisation and neo-liberalism go hand in hand with the withdrawal of the state from its social role in providing services such as



Delegates to NUMSA's National Congress.

health, education and housing. At the moment they are trying to privatise the health and education sectors, whereas before we had free health care and education.

Who will give health care to millions of workers who are unemployed in Brazil? Who will take care of the health needs of the millions living in shanty towns? Who will take care of the children who live in the streets? Certainly it's not capital and the market, which created these problems.

Alternatives

Taking a stand against the restructuring that is going on because of globalisation is not enough. We don't want to just oppose. We want to build alternative proposals to the neo-liberal agenda.

CUT, which is the federation to which our union is affiliated, has taken the following resolutions:

- The state should improve its support for the people of Brazil. We don't want speculative capital, we want investment in the productive sector. The state must intervene in housing and take care of health and education.
- The state must put an end to child labour. We have thousands of children working in mining and sweat shops.
- Working hours must be reduced from 44 hours and there should be no overtime. This would lead to more jobs for the unemployed.
- We are also against the government policy of high interest rates. These only bring in speculative capital, or 'hot' money. Government must reduce interest rates so we can have real investment.
- We are demanding a land reform policy where government lends money to small farmers so they can become productive. Brazil is a very big country. It has a lot of land but this land is in the hands of a few

landowners. These big landowners are speculators. They are not interested in production. They have evicted thousands of rural peasants from the land.

What we are demanding is not just collective bargaining. We don't just want to bargain with capital. We want a labour movement that is linked to the people. We want to improve the lives of the majority of our people. That is the role of CUT and the Metalworkers Federation.

Internationalism

We understand that, as Brazilian workers, we cannot take on the forces of globalisation alone. We are looking beyond the frontiers of Brazil. We are working together with Argentine and other neighbouring countries and trying to build a movement in Latin America. We are also trying to strengthen ties with European countries through the International Metalworkers Federation. This makes it possible for us to make contact with brothers and sisters in other parts of the world.

At the metalworkers congress in Brazil last year, we approved a resolution to increase our ties and solidarity with African countries.

I was very excited by the speeches I heard at this Congress from the President of NUMSA, and the General Secretary of COSATU. These speeches taught me two lessons.

The first is that the possibility of changing and improving things is in the hands of workers.

The other lesson that I learnt here is that only a free people can build a free country. NUMSA has played a very important role in defeating racism and building a new South Africa. In Brazil, we fully support your struggle. Those who gave solidarity during apartheid will also give support to the free and democratic South Africa.

Aluta Continua! ★

At home in the union

I was born in Alexandra township. I started school in Alexandra in 1953. My mother never worked, she always was a house wife. My father worked for a group of lawyers, he's on pension now.

My mother is late, my father is still alive. In the 1950s, when there were actions and marches, my parents used to join them. My mother was involved in the women's march and the anti-pass law demonstrations in 1955.

In the 1950s the ANC had its own schools in places like Alexandra and Sophiatown. Our parents took us out of the government schools and put us in the ANC schools. I attended for a short time, but the schools were there for only a few months before the police came and crushed them.

In 1959, when I was twelve, we were forcibly removed from Alexandra to Diepkloof in Soweto. I continued my schooling in Diepkloof until Standard 8. I then went to a technical college and trained as a plumber. I qualified in 1970 and started working for the Johannesburg City Council in the Department of Housing.

A 'homeland' artisan

Although I was trained, tested and had a certificate, I could not work as a plumber in the white areas. Instead, I was classified as a 'black building worker.' On my certificate it said that I could only work in a white area if supervised by a white man. Yet, those who

Petros Mashisi, President of the South African Municipal Workers Union (SAMWU) talks to Matthew Ginsburg and William Matlala.

were supervising me didn't have any qualifications or papers to show that they were artisans. My certificate said I could only practice my trade in the homelands. So I was an artisan in the homeland, but not in the white areas.

In 1977, all of the black artisans in my department were told that we could not work anymore in white areas, even with a white supervisor. There were white and coloured unions that were pressuring the employer to get rid of us. Some people left to look for other jobs, but some of us refused to go. We organised ourselves and went to the Federation of South African Trade Unions (FOSATU) Workers' Project, a structure for workers in industries where there was no union.

Organising

On the first day I started organising in my depot, somebody told the employer that I was giving people forms to join the union. I was called in and he asked me, 'Do you

know what you are doing is illegal' He then told me that I was a good plumber and that he didn't want to lose me.

So, I asked him, 'Are you not a member of the union?' He said 'I am a member of the union.' So, I said, 'How can it be illegal for me when it is legal for you to join the union?' He said, 'I am just warning you. You know that it is illegal. I don't make the laws.' I said, 'I know that it is illegal but I am going to continue. You are firing us now, telling us we must go and look for some other job, and it is legal. We feel that what you are doing is illegal.'

We ran a campaign, using the media to put the Council under pressure. Eventually, they requested us to elect a committee to negotiate with them. They said they could transfer us into other departments because the situation differed from department to department. It was good for us to be transferred because it helped our organising drive.

I was transferred to the Water Department and within six months we managed to organise the whole of the department. The Water Department management then went to the Housing Department to complain that we 'terrorists' were messing up their department.

In mid-1978 we were transferred from the Workers Project into the Transport and General Workers Union (TGWU). Around this time, more people began to join. That same year I was elected as a shopsteward. In 1979, I was elected the regional chairperson of the municipal sector of TGWU. I was also an NEC delegate, representing the Wit's region.

We remained members of TGWU until the launch of COSATU. When COSATU was formed we began merger talks to form



SAMWU Talks went on until November 1987, when SAMWU was launched. I was elected President at that Congress. I've been President ever since.

Meetings and work

There is full release time for shopstewards but I've always gone to work when there are no meetings. I don't support the idea of full-time shopstewards because once you become a full-time shopsteward you become divorced from your own constituency. You also become a 'special person' and it is difficult to go back to work if you lose your position.

SAMWU wanted me to go to Parliament, but I didn't want to go because I am comfortable in the unions. The community in Diepkloof wanted me to be a Councillor, which I also refused. Management also wanted me to be a director of the RDP. I refused.

Fighting for our rights

The main change in the sector in the past ten years is that there is now a national union for municipal workers. The conditions that workers were working under before were very bad. There were no salary negotiations, the councillors used to decide how much they would give us and nobody could complain. In Johannesburg, for example, for the 13th check we used to get 20c and a drum of home-made beer.

In places not far from Johannesburg, places like Kinross, workers were still earning R180 per month when we were organising in the late 1980s. By having a bargaining forum, we have now managed to bring them on a par with other local authorities.

In the past there were no disciplinary procedures. We used to have overalls that had labels on the back with the name of the local authority and your personnel number.

If you were seen moving around the streets, regardless of what you were doing, you were dismissed without any hearing. Sometimes in the morning, when the foreman would come in, he would say, 'I hate you and I want to fire you,' and you were fired.

Those things have changed. We now have conditions of service and clear disciplinary procedures. Workers can now be defended, something that never happened before.

Privatisation

Our position as SAMWU, although watered down by the COSATU position, is that we are still fully opposed to privatisation.

The new scenario, according to COSATU, is that sectors should weigh up whether a service is needed. We feel that within our own sector, the services provided by municipal government are fully needed by the community and the community needs to control those services.

However, the government wants to privatise water – the most profitable service in local government.

This relates to the issue of globalisation because one company, Lyonnaise des Eaux, is taking over water services throughout the world. Everywhere they have privatised, the local government has lost control over the service. We also feel that the IMF has a hand in this campaign. The IMF doesn't fund governments to build infrastructure, only to privatise.

You also find that the civic organisations are pushing for privatisation because the leadership believe they are going to become directors of the private company. It's a very difficult problem to deal with because the union loses support from the community and management becomes adamant because they have support to privatise.

Role model

One person who inspired me during my early days as a trade unionist was Lydia Kompe, who used to be our organiser, and is now in Parliament.

She was a very disciplined old lady. She used to pressurise shopstewards who were undisciplined and even go to speak to their families. I think that she also influenced people like Jay Naidoo because she was very disciplined and hard-working, unlike most of the organisers now.

I'm a father with three kids, aged 25, 18 and nine. I'm not sure if they'll follow in their father's footsteps.

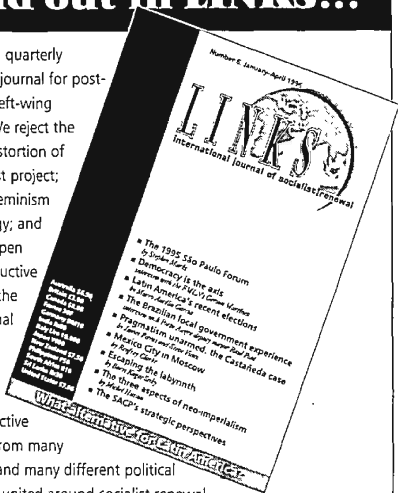
You see, most of us did not join trade unions because we liked trade unions, we joined the trade unions because of the way we were treated. The reason why COSATU unions are militant is because of the way workers have been treated. ★

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