

South African

# LABOUR BULLETIN

January 1991 Volume 15 Number 5

Industrial  
Councils  
Namibian unions  
Workers' Charter Congress



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Special  
report:  
*Organising  
in the Ciskei*

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# **South African Labour Bulletin**

(Published by Umanyano Publications c.c. 89/00595/23)

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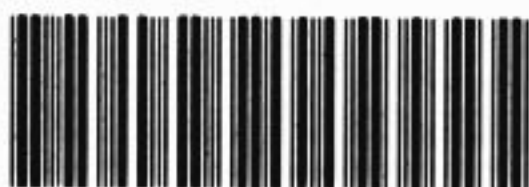
Published since April 1974

**Front cover:**

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TJ079217

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South African  
**LABOUR  
 BULLETIN**

Volume 15 Number 5 January 1991

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## South African Labour Bulletin Publication Guidelines

The *South African Labour Bulletin* is a journal which supports the democratic labour movement in South Africa. It is a forum for analysing, debating and recording the aims and activities of this movement. To this end, it requires contributors to the Bulletin to conform to the following publication guidelines:

1 Constructive criticism of unions or federations is welcome. However, articles with unwarranted attacks or of a sectarian nature which have a divisive effect on the labour movement will not be published.

2 Contributions to the *Bulletin* must not exceed the following lengths:

- ◇ *analytical articles and debates* 10 000 words
- ◇ *reviews, documents, reports* 5 000 words
- ◇ *briefs* 500 words
- ◇ *letters* 500 words

3 *Articles* should be submitted in a final and correct form and in duplicate. Some articles may be refereed where necessary; all articles may be edited by the *Bulletin*. In the event of the editors deciding that other than minor editing changes are required, the article

will be referred back to the author.

4 *Briefs* cover topical events and developments of concern to the democratic labour movement. They would usually appear under *Labour Action* or *Broadly Speaking*

5 *Reviews, reports and documents* are intended:

- ◇ to make important statements and information from the labour movement more widely available;
- ◇ for reviewing new literature or other material of relevance to labour;
- ◇ to make more in-depth reports and research available to readers.

6 Contributions should be written in clear, understandable language.

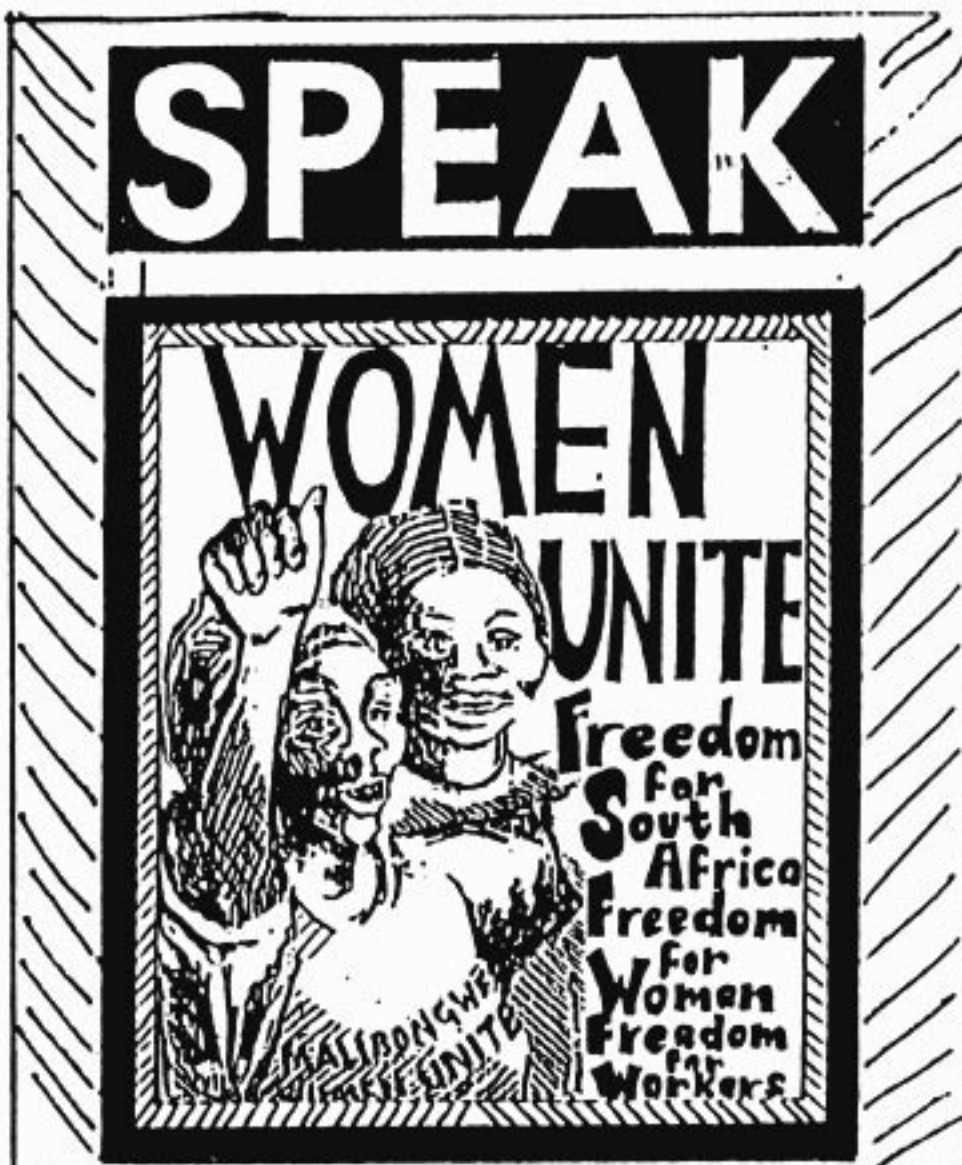
7 Contributions to the *Bulletin* must be typed and, where applicable, include proper footnoting and references.

8 Except in the case of public documents, all material submitted will be treated in confidence.

9 The editors reserve the right to recommend to the author of any material that it be placed under another category to that under which it was submitted.

**For more details, please contact the editor.**

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# Editorial Notes

## Ciskei's new labour deal

The focus of this issue of *Labour Bulletin* is on labour developments in the Ciskei. There has been a rapid development of organisation, accompanied by new, liberal labour legislation. Similar developments are taking place in many of the bantustans, prefiguring the seemingly inevitable reincorporation of these areas into a united democratic South Africa. When that happens, a new democratic government will face difficult problems of integrating these underdeveloped and poverty stricken areas, not only into the politics, but also into the economy of the country as a whole.

## Workers charter conference

The unbanning of the ANC and other political organisations this year brought an unexpected period in which mass struggle has floundered and political direction has been lacking. In this edition Devan Pillay reports on COSATU's workers charter conference. The decisions taken there, particularly the decision to campaign actively for a constituent assembly, may help to give new direction to mass struggle. Since the ANC's consultative conference in December also saw a renewed emphasis on political strategy and mass struggle, the new year may see exciting progress on the political front.

## Bulletin staff changes

*Labour Bulletin* writer Devan Pillay leaves us at the beginning of this year to become editor of *Work in Progress*. We congratulate Devan on his new job - *WIP*'s gain is our loss! During his year with us Devan made a valuable contribution, not only in the pages of the *Bulletin*, but also in the running of the office.

Readers will remember particularly his coverage of the SA Communist Party. He will be sorely missed.

We also bid farewell to Lumkile Mondli, our long-suffering administrator/distribution person. We thank him for the major contribution he made during his two years with us and wish him luck with his studies. We welcome administrator Marie-Helene Bonin and distribution person Siphwe Kambule.

## Durban editorial board

Two long-standing editors are leaving the Durban committee. Charles Meth has been with *Labour Bulletin* since the late 1970s, and was intimately involved with its production. Unfortunately his current research on the post-apartheid economy takes him away from the everyday subject-matter of the *Bulletin*, and he has decided to resign.

Blade Ndzimande has been with the *Bulletin* since the mid-1980s. He has moved to Pietermaritzburg, where his time will be divided between directing the Education Policy Unit of the University of Natal, and working for the African National Congress on whose Midlands executive he is now serving.

We would like to thank Charles and Blade for their contributions, and wish them success in their new endeavours.

We would also like to welcome three new members on the Durban board: Ashwin Desai, who was previously on the Eastern Cape board, and is currently working in the Sociology Department of UDW. Also Imran Valodia, who is currently working for the Trade Union Research Project, and Thembeka Gwagwa who is the co-ordinator of the Industrial Health Unit, and is also on the Education Committee of NEHAWU. ☆

# Letters to the Bulletin

## Reply to von Holdt

### Dear Comrades

I found your special issue (vol 15, no 4) most comprehensive in its coverage of centralised bargaining. However, I would like to respond to your political arguments on the subject.

Every socialist wants a united working class in South Africa. But it is sad to note how the Mercedes Benz strikers are depicted in your publication as rebels against the unity of their class. von Holdt, for example, implies that the strikers were an 'elite' wanting to subordinate broader working class interests for immediate benefits. [Ibid p34]

What is at issue here is not just unity for unity's sake, rather it is the manner and purpose of achieving unity that concerns us. von Holdt offers a perspective on the means of achieving unity, thus: 'If the interests of the working class are paramount in society, then workers may be prepared to make sacrifices in wage demands and other benefits as part of a national development strategy.' [Ibid]

Surely, von Holdt is not assuming here a working class in power. In the context, therefore, reference to the interests of the working class being paramount in society is meaningless. Thus, to suggest workers make sacrifices in wage demands etc as part of a national development strategy is insensitive to the fact that wage demands are a most basic and even modest exercise of individual or collective will that workers have under capitalism. Viewed in this way von Holdt's perspective on the means is wrong.

And what is the purpose of working class unity? I assume that von Holdt would grant socialism: but socialism from above, through social

consensus between labour and capital - and gradual change, pushing back the frontier of control on the factory floor challenging 'the right of capitalists to own, control and manage'. [Ibid p44] In piecemeal change do von Holdt's means and purpose coalesce, lacking in the essential ingredients: working class self activity and socialism from below.

Socialism from below will only be won by a confident and united working class. But workers cannot gain confidence without engaging in struggles over basic demands, learning in victory and defeat. All accounts suggest that the Mercedes Benz strikers were demonstrating that confidence in struggle. They felt their strength being sapped by NBF. Indeed, one striker is quoted to have said: 'workers felt they had no real power at the NBF'. [Ibid p16] One is not arguing a case against national bargaining: it is taken as an essential strategy of struggle. But one is concerned that strategic thinking does not undermine the bedrock of class struggle - workers' confidence and militancy.

Ultimately, workers' confidence and militancy must be integrated into a broader strategy of working class self emancipation. But the working class will not be liberated by sacrificing basic demands in favour of a vaguely conceived 'national development strategy'. As Tony Cliff of the International Socialists and others have argued, the working class will only be liberated by developing a genuinely revolutionary class party - a party with its feelers at the pulse of the class, consistently supporting and understanding even the least of worker struggles.

**Comrade Joe Kelly**  
A Workers' Organisation for Socialist Action (WOSA) member



## Von Holdt responds to Kelly

Unfortunately Cde Kelly has not read my article carefully. I deliberately did not write that the Mercedes strikers were an 'elite' subordinating the broader interests of the working class (I did write that they could become part of a labour aristocracy *in a democratic SA*). On the contrary, I examined their complaints and grievances, and discussed ways of accommodating sectional and factory interests within a structure of national bargaining. Cde Kelly wants to support the 'militancy' and 'confidence' of the strikers *and* support centralised bargaining, but he offers no thoughts on how to develop centralised bargaining so that it accommodates different conditions in different factories and companies, and builds militant class consciousness. It is difficult to know what he wants.

On the question of national development and socialism: I do indeed assume a working class in power, but perhaps not in the simple fashion Cde Kelly would want. A South Africa in transition to democracy will see ongoing struggles between different social forces. The outcome could be a consolidation of capitalism or a movement towards socialism. The working class may have sufficient power to put in place a national development strategy which will meet some of the needs of the working class as well as lay the foundation for a transition to socialism. If this is so, or-

ganised workers may be prepared to tailor their immediate demands to the development strategy because it would be in their interests. This could mean some workers limiting their demands for higher wages.

My article gives Cde Kelly no grounds for assuming that I believe socialism will come through 'social consensus between labour and capital'. Capitalists will never concede their 'right to own, control and manage' through consensus. Rather than consensus, I advocate a *challenge* based on 'penetrating analysis and well-organised struggles' (p 44). I believe that such an approach is more likely to be successful than what appears to be Cde Kelly's unthinking celebration of any and all kinds of militancy.

**Karl von Holdt**

## International links: Nepalese trade unionists ask for the Bulletin

### The Editor

We came to know about your publication through the *International Labour Reports*.

The General Federation of Nepalese Trade Unions (GEFONT). is a common umbrella of nine different major trade unions in Nepal, which have the long history of struggle. We are the largest federation in terms of membership and influence in Nepal.

We are keenly interested to

have your publication with us, and are also interested in building up sound international solidarity through your magazine.

Due to 30 years of repression by the fascist autocratic system of Nepal, we Nepalese trade unionists were unknown to the outside world. And because we have had no chance to openly organise, we have been in a poor financial position.

You friends are kindly requested to help us by sending us your publication, and publishing information about our federation. We assume you may understand our inability to send the subscription fares.

In high expectation and solidarity, with warm regards.  
Yours

**B Rimal**  
General Secretary  
GEFONT

## General Federation of Nepalese Trade Unions

### Introduction

General Federation of Nepalese Trade Unions (GEFONT) is a national umbrella organization consisting of different workers' unions which are dedicated for the rights, welfare and dignity of the workers as a whole. This is a general platform of labour which is progressive in character.

### Unions in Nepal

The All Nepal Trade Union Congress (ANTUC), established in 1950 was the first trade union in Nepal. This

## LETTERS

Union was no more existed after 1960, when the dictatorial Panchayat system was forcefully imposed and unions along with the political parties were declared ban.

After 19 years of continuous repression in 1979, the historical people's movement brought up more than half a dozen trade unions. However, because of lack of enough co-ordination and understanding among trade unions of different sections, the formation of a national front couldn't be realized in reality.

In order to overcome such problems an initiation with the noble idea was undertaken on 20th July, 1989, on the occasion of 100th anniversary of MAY 1st MOVEMENT, and which ultimately brought up the General Federation of Nepalese Trade Unions (GEFONT).

### Objectives

- Co-ordinate and unite the individual unions under the umbrella of GEFONT and effectively launch movement for the professional and political rights and build up solidarity in action,
- Expose and publicise the facts of social humiliation and suppression that workers in Nepal are facing in their everyday life,
- Undertake action oriented research and surveys on different issues related to the workers,
- Launch workers' struggle against feudal-capitalistic exploitation,
- Struggle for the workers' right of participation in every socio-political activities, and for the building

of just society with complete freedom under the constitution,

- Struggle for the protection, promotion and progress of sovereignty and independant economy and culture of the nation, and stand for the workers internationalism,
- Extend relation with workers of the worldover, help and support their movements, and collect worldwide supports for the struggles of Nepalese workers against socio-political repression as well,
- Struggle and contribute to the movement against international imperialism and all forms of reactionism sponsored by it.

### Basic principles

GEFONT believes

- That people and nation are the supreme source of power,
- that the sovereignty lies on people,
- that the prosperity of a nation is fully possible only when enemies of people, e.g. feudalism, imperialism, hegemonism and bureaucratic capitalism are abolished,
- that only the people of Nepal have a political responsibility to eliminate autocracy and establishing democracy in Nepal,
- that the revolutionary solidarity among people of all suppressed stratas and exploited professions is a key force of workers' unions,
- that exercise of all means

of peaceful movement such as dialogue, pressures and strikes can solve the workers' problems. Depending on the role played by the employers, the resistance movement can safeguard the dignity, unity and rights of the worker as a whole.

### Composition of the GEFONT

- Nepal Independent Workers' Union (NIWU)
- Nepal Independant Hotel Workers' Union (NIHWU)
- Trekking Workers' Association of Nepal (TWAN)
- Independent Transport Workers' Association of Nepal (ITWAN)
- Valley Garment Workers' Union - Kathmandu (VGWU)
- Independent Press Workers' Union of Nepal (IPWUN)
- Independent Garbage Cleaners' Union of Nepal (IGCUN)
- Nepal Independent Carpet-lone Workers' Union (NICLWU)
- Tea Plantation Workers' Union of Nepal (TPWUN)

### Organizational structure

National Congress  
Central Committee  
Board of Directors\ Executive Committee

### Contact address:

GEFONT  
P.O. Box 160,  
District Post Office  
Patan Gate, Lalitpur  
Nepal ☆

## DEVAN PILLAY looks at some of the developments in labour during November and December 1990.

### A TUCSA revival?

Are we likely to see the re-emergence of a 'moderate', 'apolitical' trade union centre, with a membership of over 3 million? If Freddie Swartz, general secretary of the Transvaal Leather & Allied Trades Industrial Union (TLATIU), is to be believed, the dominance of COSATU is under real threat. COSATU and NACTU combined represent around 1,5 million paid-up members.

But the situation is more complicated for the independents.

Firstly, the *potential membership* of the proposed new federation is considerably less than the 3,5 million figure Swartz apparently arrived at from scanning a trade union directory. If the **total unionised workforce** is only around 2,5 million then, says the Labour Research Service (*Bargaining Monitor* No 43) COSATU and NACTU represent around 58% of the total unionised workforce. The combined membership of the 176 unaffiliated unions is only 1 041 920 - that is, an average membership of 5 920 members per union! Most of these unions apparently have memberships of a few hundred each.

Swartz, who is also the secretary of the steering committee of the proposed federation, admitted to the *Labour Bulletin* that he has also begun to wonder about his initial figure of 3,5 million.

Of the 176 unions TLATIU sent

letters to, inviting them to a November conference of unaffiliated unions, only 53 turned up. Then 8 of the more organised black independents, part of the 28-member United Front of Independent Unions (UFITUSA), walked out in protest at the attempt to form a rival to COSATU and NACTU (and for regarding COSATU as the 'enemy'). One of the unions remaining behind at the conference was the Inkatha-aligned UWUSA, which claims 270 000 members. The *Financial Times* (29/11/90) comments: "there is no evidence that UWUSA has anything near as many paid-up members".

In addition, the white-dominated Confederation of Mining & Building Unions (CMBU) (representing about 150 000 blue-collar workers in 8 unions) and Federation of Salaried Staff (FEDSAL) (representing 250 000 white collar employees in 14 affiliates), have indicated that they want to form their own federation of 400 000 members.

The remaining 45 unions at the conference formed a steering committee to draft a constitution, and hope to launch themselves as the Federation of Independent Trade Unions by next March. Swartz claimed after the conference that the 45 unions represented 750 000 workers. But, he told *Labour Bulletin*, this figure includes UWUSA's imaginative 270 000, and FEDSAL/CMBU's 400 000. If these are excluded, then Swartz is left with less than 80 000 to play with.

Secondly, while another federation could be a troublesome rival to COSATU and NACTU, its influence will be severely constrained by its predominantly ex-TUCSA, white and coloured complexion. Seven of the 11 steering committee members are ex-TUCSA, the most notable besides Swartz being Norman Daniels (ex-TWIU, now of the Trawler and Line Fishermen's Union) and Dulcie Hartwell (National Union of Distributive and Allied Workers). Other members include Evelyn Seloro (Textile Workers Union, recently expelled from NACTU), Martin Deysel (SA Typographical Union), Glen McGill (Johannesburg Municipal Combined Employees' Union), Audrey Rose (Radio, Television, Electronic and Allied Workers Union), Philip Masia (Municipal, State, Farm and Allied Workers' Union), Mabindisa (Bloemfontein Municipal Union), Ted Fraser (Jewellery & Goldsmith Union) and Mani Du Toit (Building Workers' Union).

Swartz admits that the TUCSA image represents white domination, closeness to government, tameness and a bureaucratic style. Given that Masia is the only credible African unionist on the committee, Swartz's insistence that the pitfalls of TUCSA will be avoided is highly suspect. TUCSA dissolved in 1986 mainly because its 'moderation' had no appeal to the majority of black workers - it served to *entrench*, rather than confront, the injustices experienced by



low-paid black workers. Swartz's confident prediction, therefore, that NACTU affiliates will join his new outfit because 'workers are fed up with boycotts and strikes', seems highly fanciful.

Thirdly, most of the independents are largely unknown to each other. They *represent different interests*, and are usually preoccupied with the narrow interests of their own membership and industry. There does not seem to have been any consultation at a broader level with the unions' leadership and membership. In the view of *Finance Week*, "to get consensus from such a loose and varied grouping of unions will be remarkable".

Despite all these obstacles, it is very possible that something will emerge out of the independents in the near future. Their white and coloured complexion need not be an issue with a higher income constituency that feels threatened by the militancy of black workers. If the CMBU and FEDSAL unions affiliate, it could represent a significant force in a future South Africa, as a valuable ally of capital against a new government's attempts to alleviate the conditions of lower paid black

workers - which will inevitably have direct implications for the privileges of the higher paid (mainly but not exclusively white).

Docility under a capitalist government could very easily turn into a militancy against a socialist-oriented government. While the signs are that, at the most, a small and relatively feeble grouping may emerge in the near future, in the long term anything can happen.

But Swartz has since retreated somewhat from his initial anti-COSATU stance. He told *Labour Bulletin* that describing COSATU as "the enemy" was a "bad choice of words". "We are not looking at forming a rival to COSATU", he said, conceding that "COSATU has done some brilliant things for workers". He said he shared the ultimate objective of COSATU and NACTU to "forge the unity of all workers in the country", although he could not tell how far down the road that was. ❖

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## United action in crisis-hit transport sector

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The transport industry is facing such a severe crisis that forces which have traditionally been opposed to each other, are now coming together. The three main black transport unions, COSATU's Transport & General Workers' Union (TGWU) and South African Railway & Harbour Workers' Union (SARHWU), and NACTU's Transport & Allied Workers' Union

(TAWU), planned joint mass marches in many major centres in December, to demand decent bus subsidies and an end to privatisation and deregulation.

These demands have the support of the employers' body, the SA Bus Operators Association (SABOA), who are directly affected by the massive cuts in state subsidies. Up to 1 000 buses may have to be taken out of circulation next year because of the cuts.

### **Crisis in the bus industry**

The TGWU claims that its call for the nationalisation of the bus transport industry has support from some members of SABOA, although SABOA's Jackie Walters feels that private ownership is still the solution, but with decent state subsidies, and state co-operation with bus companies about the running of the services. He says that the unions and the bosses are conducting a "dual strategy", where SABOA puts pressure on the government through its contact with the Dept of Transport, and the unions engage in mass action on the street. Bus owners indicated that they would not penalise their workers for participating in the 1 December marches.

Marches did not take place in Johannesburg and Vereeniging because permission was not granted (although the Pretoria march, which also did not have permission, went ahead, with some arrests). The marches in Ladysmith, Newcastle, Pietermaritzburg and

Port Elizabeth had an "incredible turnout", says the TGWU, with "encouraging" support from the community, the ANC and SACP. The three unions presented the following demands to the Minister of Transport:

- ⇒ increased and continuous subsidisation of the bus industry;
- ⇒ subsidies for school-children regardless of race;
- ⇒ full subsidy for all pensioners;
- ⇒ full state responsibility for passenger transport;
- ⇒ an end to privatisation and deregulation

The three unions also resolved to approach their federations, COSATU and NACTU, to convene a conference of all trade union leaders as a matter of urgency, to address the problem of the withdrawal of subsidies from all basic services and needs, including milk, bread and education. TAWU general secretary Meshack Ramela appealed to "all concerned people to put pressure on the government to increase the subsidies".

### **White railway workers take action**

Meanwhile, 500 semi-skilled and skilled white workers went on a 24-hour stoppage at Transnet's telecommunications and signal department in Natal at the end of November. (Depots on the Reef were also hit by co-ordinated work stoppages earlier this year). Members of the predominantly white 15 000-strong Artisan Staff Association

(ASA), the workers demanded market-related salaries.

The increased militancy of lower-paid white workers has opened up more space for SARHWU to organise them. In Port Elizabeth the entire white workforce at a Transnet depot joined the union, and advances have been made in Bloemfontein, and DF Malan airport. SARHWU, says organiser Johan Beaurain, is targeting shunters, who face dangerous working conditions, and train drivers.

Many of the lowest-paid white workers do not earn much more than their black colleagues, and the potential for cross-colour solidarity has increased recently. White workers usually face intense intimidation from management, fellow white workers and their communities if they join black unions. Black workers at the PE depot threatened a work stoppage if their white colleagues were victimised for joining the union.

### **Retrenchments at Transnet**

Another predominantly white union, the Transnet Union of South Africa (TUSA), has expressed great concern about expected retrenchments at Transnet, as a result of rationalisation since SATS was 'commercialised' earlier this year. The union's Phillip Straus is reported to have said that workers were being sacrificed for company profits. Between 40 000 and 60 000 jobs are at risk, unions feel.

COSATU's National Unemployed Workers

## LABOUR ACTION

Co-ordinating Committee (NUWCC) has an agreement with Transnet that new workers will be recruited through it. It is part of the strike settlement made with SARHWU earlier this year. But the NUWCC is concerned that, with daily retrenchments, "the bosses could fuel tension between retrenched workers and those being recruited" through the NUWCC.

Dan Phiri, president of NACTU's Black Trade Union (BLATU), which also organises at Transnet, said that, in a meeting with Transnet, the union was told that there would be no massive job cuts. Management has opted for long-term training, and workers were offered early retirement and voluntary redundancy packages.

### Prospects for unity improve

Prospects for unity between TGWU, TAWU and SARHWU seem better than ever before. TAWU's Ramela told *Labour Bulletin* that "we are heading towards" the formation of one giant transport union, although there were still large obstacles to overcome. The major obstacle seems to be the political alignment of the TGWU and SARHWU. Nevertheless, Ramela believes that the united front activity has at least brought the unions together at leadership level, and this must continue. He revealed that prospects for unity have also increased between TAWU and the two other transport affiliates of NACTU, BLATU and the Transport and

Omnibus Workers Union.

There are no signs as yet of an easing of tension between BLATU and its main rival, SARHWU. According to *New Nation* (26/10/90), SARHWU, with 40 000 members, has become the largest union in Transnet, while the eight-year old BLATU has lost more than half its members in recent years.

But BLATU now has a new leadership, and is likely to benefit from its recent affiliation to NACTU. If NACTU and COSATU edge closer towards a common understanding, then a revamped BLATU's relationship with SARHWU, or with a new transport union, might very well improve. ♦

### Significant victory for Zebediela workers

Workers at the state-owned Zebediela citrus estate near Pietersburg scored a significant victory when management finally agreed to negotiate with their union, the NACTU affiliated National Union of Farmworkers (NUF). Management also agreed to reinstate all permanent workers who were dismissed as a result of a 15-week strike, without loss of benefits (including full bonus and leave pay), full pay for December and an immediate increase of R30 a month.

According to NACTU general secretary Cunningham Ngcukana, an agreement was signed on 7 December, committing both parties to enter

into wage negotiations by 23 January 1991, and reaching agreement by 23 February. Proposals from each side should be accepted by 15 January. The conditions of seasonal workers will also be addressed, and there will be no discrimination against them, he said.

The workers were organised by NUF over two years ago, but the union has all



along been refused recognition by management. The estate is owned by the SA Development Trust Corporation (STK), which has members of both the Dept of Development Aid and the Lebowa government on its board. FW De Klerk is a trustee of the Development Trust.

Workers, according to the union, earn as low as R120 a month (management said that the lowest salary was R156,86 a month for workers on probation). NUF has been demanding a minimum wage of R500 a month, and an immediate monthly increase of R200. Since a strike earlier this year, the company has provided services such as a creche, sewing school and subsidised clinic for the workers.

The second strike began in

August. The central demands remained recognition, and a wage increase. It was met with mass dismissals, and evictions from the estate. The evictions were overturned by a court order. Eleven weeks through the strike, management agreed to talk to the union, but continued to refuse to unconditionally reinstate the workers, and to grant the wage increase. However, by that stage management was beginning to feel the pinch. NACTU had gathered international support for the striking workers, and was threatening national action.

A month later management agreed to negotiate wages with NUF. "This is a very significant victory," says Ngcukana, "as it opens a lot of doors for farm-workers." ❖

## Nampak strike ends in defeat - but workers make some gains

The 8-week long national strike at Nampak (see *Labour Bulletin* Vol 15 No 4) finally ended on 19 November with a settlement that was highly unfavourable to the workers. However, the union, Printing, Paper, Wood and Allied Workers' Union (PPWAWU), believes that the workers made gains in terms of organisation and experience.

The central demand of the strike was over centralised bargaining, which Nampak's parent company, Barlow Rand, has taken a firm stand



PPWAWU members on strike against Nampak and Barlow-Rand

Photo: William Matlala/COSATU

against. The union demanded a company investigation into electronic bugging, and the unconditional reinstatement of all striking workers.

The union won the reinstatement of most of the dismissed workers, but the strikers had to forfeit half their annual bonus. Some workers face retrenchment. The workers lost over R10 million in wages, with no concession on their wage demands. Perhaps the greatest blow was the nine-month moratorium on discussing centralised bargaining with management. In terms of the bugging demand, Nampak was only prepared to agree to "a joint accord between COSATU, PPWAWU and Nampak stating their abhorrence of 'bugging' as a practice in industrial relations", and committing themselves to ensuring that such practices are outlawed in Nampak.

The union's position is that, while the strike is over, "our

struggle is not over". A pamphlet issued after the strike states that the union did make some gains. A spirit of unity and strength was built in what was the biggest national strike in the industry; the workers themselves built the strike, and "not the union office or lawyers"; and the strike built solidarity links with workers in other unions.

The union also believes that "our strike was important politically". At a time when the debate on the economy is being dominated by capital, the union feels that the strike kept "the voice of workers alive". This vital point, PPWAWU national organiser Rob Rees feels, did not penetrate deep enough into the consciousness of the union's allies. Solidarity action from COSATU, while the most sustained and widespread in its history, was insufficient to shift the balance of power in a struggle the Nampak workers could not win on their own. ☆

# Red Eye

## People on the move - or, Who's infiltrating who?

In 1989, left-wing circles were abuzz with the scandal that radical academic Duncan Innes had resolutely entered the world of 'revolutionary' practice by setting up a consultancy to advice capitalists on labour relations. This was a serious embarrassment to those who enjoyed his left-wing criticisms of the Freedom Charter.

In the good old days of FOSATU and UDF we all knew what was what. FOSATU (to whose education programmes Duncan contributed) stood for independent working class struggle and socialism.

The FOSATU leadership criticised the nationalism of SACTU and the ANC and the stalinism of the SACP.

Now Taffy Adler, a dedicated former FOSATU unionist hardened in the class-struggle, is changing jobs in the New Year - to settle in at the big-business-sponsored Urban Foundation!

All of this is very confusing to those of us who grew up with the 'workerist-populist debate'. Gossips are waiting with bated breath to see whether Duncan will join WOSA, or whether Taffy will join the SACP. More serious students of politics are asking - who's infiltrating who? ❖

?????



## Things do, as they say, change..

Of course, former 'workerists' have gone in many different directions. Alec Erwin, reputed to have been one of FOSATU's key ideologues in the old days, is now a respected member of the ANC. Remember when he wrote in Labour Bulletin in 1986 'liberation politics' and 'transformation politics' were incompatible?

And, looking through the October 1984 issue of the now-defunct Cape Town-based journal *Social Review*, RED EYE came across two unsigned articles. One is titled *Internal colonialism - a faded concept?* and criticises the SACP's Colonialism-of-a-Special-Type thesis. We have reason to believe the article was co-authored by our current and populist Labour Bulletin editor - who since at least 1987 has been writing articles supporting this 'faded concept'!

The other article, which intervened in the heated debate at the time over whether to call for a 'national convention' or a 'constituent assembly', is even more embarrassing. The writer attacked opponents of a national convention, labelling them "ultra-left" or "sincere democrats [who



have]...allowed themselves to be confused by the ultra-left position". But that is not all. He went on to say: "the call for a constituent assembly...means nothing to our people."

The anonymous author of this article was - wait for it! - Jeremy Cronin, a prominent activist who is now on the SACP central committee!

But let us not dwell on the past. After all, Joseph Stalin was once destined for priesthood! ❖

### Althusser a Hindu?

**A** sad ending to a period of hope and rejuvenation. Louis Althusser, French philosopher and major Marxist theoretician, finally died in November, a decade after he killed his wife, and was declared mentally unstable.

Like another great New Left Marxist whose life ended tragically, Nicos Poulantzas, Althusser played a central role in rescuing Marxism from the stultification of Soviet orthodoxy during the late '60s and '70s. South African Marxism benefited enormously from a renewed emphasis on the creative, non-dogmatic impulse inherent in

Marxism-as-a-tool-and-guide, as opposed to Marxism-as-a-religion.

Althusser argued that Marxism is a 'science' - indeed, much of his intellectual endeavours were devoted to establishing the 'scientific'

status of Marxism. Althusser was also extraordinarily difficult to read. RED EYE remembers the tale of two political prisoners in the early eighties. The older one was a serious student of Althusser, the other a relative newcomer to the world of Marxist dialectics. As part of his prison literary diet, the newcomer had been reading ancient Hindu philosophy, written in flowery language, and steeped in imagery. It was very easy to read. He recounted what he had learnt to his older comrade - something about the interplay between the abstract and the concrete. His comrade responded: "But that is exactly what Althusser says - and it's taken me two years to understand it!"

RED EYE is tempted to say something about Eurocentrism. If there was less Western arrogance (Marxist and non-Marxist), and a greater willingness to interact with and understand other beliefs and cultures, then maybe we could avoid expending valuable energy reinventing the wheel.

Or was Althusser in fact a closet Hindu? ❖

### Who has the cash?

**A**t a NUMSA workshop recently, a prominent captain of industry told the delegates that he agreed fully with efforts to involve workers in decision-making. A skeptical delegate wanted to know

whether that included decisions about investments. "Well, no," the good industrialist replied. "There are limits. Collective decision-making is not very effective. In the end someone has to decide."

"Who makes the decision, then?" the worker persisted.

"Well, usually it's the one who has the cash," answered the boss.

Is this what they mean when they say, 'The buck stops here?'

### Democracy hurts, OK?

**B**rigadier OJ Gqozo, military ruler of Ciskei, is a very frank man. In a recent speech he had this to say about democracy:

"The previous government, everytime you asked for something they made damn sure that you did not get it the way you wanted it. If you wanted to work, they would not let you. If you didn't want to work they gave you promotion. Our government, if you want to work we give you work. If you don't want to work we kick you out. If you want to *toyi-toyi* we let you *toyi-toyi*. If you want to be serious we let you. You know, we are so democratic it hurts. We have just told the clerks, if you want to join NEHAWU, you leave."

Democracy does sound painful, doesn't it? ☆

Labour Bulletin special report

# *Organising*



*Ciskei, September 1990: Dimbaza workers celebrate their new power*

*Photo: Morice/Labour Bulletin*

## *in the Ciskei*

Workers celebrated the overthrow of Ciskei dictator Lennox Sebe with a stayaway. Since then trade unions have made rapid progress. One reason is that unionists and activists in the Dimbaza Workers Council were organising the factories long before the coup, as *Labour Bulletin* found out when we visited Ciskei in September. KARL VON HOLDT reports.

When we visited Dimbaza one Sunday in September last year it was a buzz of organisational activity: union meetings, ANC meetings, COSAS meetings. In a battered classroom workers and SACTWU officials were discussing strategies for fighting to improve the conditions in their Taiwanese-owned plant. Across Dimbaza in a small church, workers from a local furniture factory were telling their organiser from PPWAWU that they wanted to strike on Monday for recognition. Nearby in another small church - a tin shack in fact - shopstewards from several factories organised by CWIU were discussing problems and how to solve them.

### A changing Dimbaza

This Dimbaza - where ANC flags fly, and comrades walk the streets in T-shirts of every political and mass organisation - is a different world from the Ciskei of dictator Lennox Sebe, ousted in the military coup of 4 March this year. Under Sebe's ruthless reign trade unions were banned, mass protest was smashed with beatings and shootings, and activists were detained and tortured.

Sebe was widely hated. At the SACTWU meeting one worker, a tall, middle-aged,



A new Dimbaza - residents joining their ANC branch

Photo: Morice/Labour Bulletin

dynamic woman, who spoke with great anger, asked if we were from TV. "We want Sebe to see us and what we are doing without him," she said. We explained that we were not from TV. "I want you to do something," she said. "Go and tell him in Pretoria, where he is hiding - tell him that you have seen us, and that we are making great progress without him. Tell him that," she said, with enormous contempt, and to the delight of the other workers.

But this Dimbaza is even more different to the Dimbaza of the 1970s, when it became a symbol of apartheid's rural 'resettlement camps'. Hundreds of thousands of black families were

evicted from farms or shipped out of cities and towns to these barren rural areas without jobs in the ethnic 'homelands'. Dimbaza became a symbolic rallying point for human rights organisations and churches trying to expose the 'resettlement' programme. The film *Last Grave at Dimbaza* made at the time had a great impact.

Dimbaza and other resettlement areas at that time conjured up an image of an uprooted and crushed people, passive victims of apartheid policies. Under Sebe there was resistance, but that was centred on Mdantsane, the vast working class township outside the city of East London. Now, in Dimbaza as in

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the rest of Ciskei, organisations are mushrooming, taking advantage of the space opened up by Ciskei's new military ruler, Brigadier Gqozo.



*Brigadier Oupa Gqozo, Ciskei's new leader*

*Photo: Morice/Labour Bulletin*

### Organising underground

But as we spoke to unionists over a period of two weeks it became clear that even under the tyranny of Sebe, workers and residents had been organising and resisting. We learnt about a clandestine organisation, the Dimbaza Workers Council (DWC), that had operated underground in Dimbaza during the rule of Sebe. The DWC had been initiated by another underground organisation, the Dimbaza Residents Association - some said in 1985, others said in 1989. Its aim was to try and organise the factories in the area. We also learnt that COSATU affiliates had managed to organise several companies

in Sebe's time.

Dimbaza is the biggest of Ciskei's two main industrial growth points (the other is Fort Jackson, next to Mdantsane).

It has 103 manufacturing companies, out of a total of 207 for Ciskei as a whole. These range in size from small workshops to a several large plants employing 400 or more workers. This industrial development provided the base for workers and unions to begin organising in the mid-1980s.

### Good for the bosses...

It was a difficult job. Many of the employers had been attracted to the Ciskei precisely because there was no union organisation. A glossy brochure put out by the Ciskei People's Development Bank in 1989 stated baldly that, "One of the biggest advantages in Ciskei is that trade unions are not welcome and as such have no representation within the borders of Ciskei. So too are there no minimum wage laws, or any other restrictive barriers. The true market of free enterprise governs all such issues."

This spirit - or rather market - of free enterprise was enticing to many companies. As examples, East London unionists told us about bitter struggles with two companies that were trying to take advantage of Ciskei's attractions. Darmag, a plastic components manufacturer, physically relocated two of its three East London plants

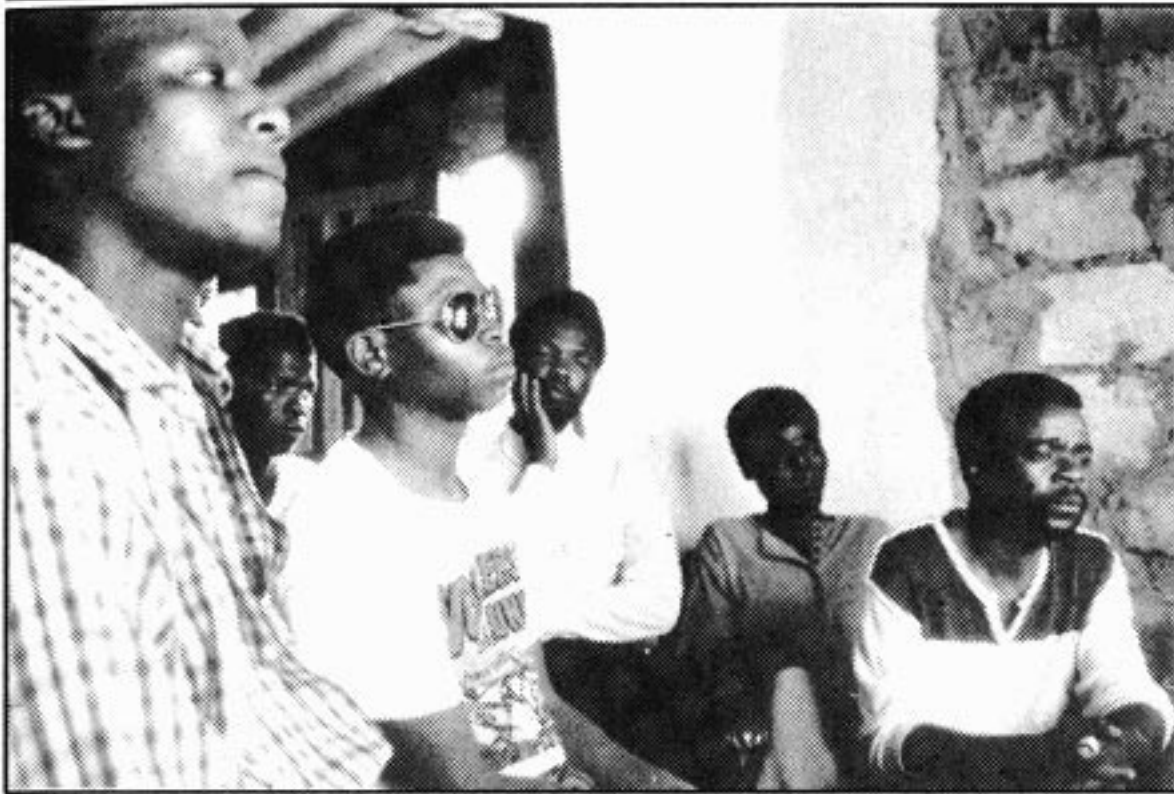
to Fort Jackson and used this to avoid recognising Chemical Workers Industrial Union (CWIU). According to Patrick Ntsangane, CWIU branch secretary, the company said it could not meet with CWIU as it was now in another country. "It challenged us to come and organise the majority, knowing unions were banned in Ciskei."

Da Gama Textiles tried a more imaginative approach. Their Cyril Lord plant is close to the border of Ciskei, and they actually applied to the state for the Ciskei boundary to be re-drawn to include their factory! This is how serious they were about avoiding the determined organising efforts of SA Clothing and Textile Workers Union (SACTWU - at that time ACTWUSA).

### ... bad for the workers

What was good for the bosses was bad for the workers. Many companies were paying wages in 1989/90 between 45c and 65c per hour - an outrageous R30 per week! Workers were often employed with no employment contracts, and the law gave them no bargaining rights. As one group of workers told us: "The bosses had the final word about money and hours of work. They decided by themselves on increases, and there was no fixed time for annual leave."

Workers from the Taiwanese-owned Comfy Shoes told us, "Employment started again every day - there was



*Workers remember the harsh times under Sebe*

*Photo: Morice/Labour Bulletin*

no contract, no stamp in your ID. There was no safety, no sick leave, no maternity benefits. There was no chance to form a committee - it was clock in, clock out, go home. If you got R50 fortnightly, half went to the government. There was R10 for the army, R10 development tax, and R5 for CNIP (Sebe's political party). From the remaining R25 you had to pay rent, water, send your kids to school and feed and clothe them."

Sebe had adopted a '10-point plan for a better way of life'. While the 'plan' is totally uninteresting, workers do remember one clause with special bitterness - it promises 'the provision of a meal a day for every Ciskeian'. Workers remember bosses quoting it as evidence that they should only be paid enough wages to buy one meal a day!

Workers faced a harsh management and vicious police. Trade unionists and some industrialists say the

Taiwanese employers were the worst. The workers from Comfy Shoes said that if they complained management told them, "Your president never told me about that - he only told me I will get people who will do what I want." Workers said, "We could not make demands. Some people knew about unions, but they had no chance. There were no union rights, you could not speak. If you did, the bosses called the police. There are many people who lack an eye, or who are crippled because of police action."

## **Unions, committees, strikes**

**W**orkers from several different companies told us about dismissals, stoppages and detentions as they struggled for basic rights in the workplace. One of the more suc-

cessful stories was told by Martin Zingelo, shopsteward at Unathi Timber Products. Zingelo is also chairperson of the Paper, Printing, Wood and Allied Workers Union (PPWAWU) local in Dimbaza.

### **Unathi Timber**

Zingelo came to Dimbaza in 1987, after being retrenched from an engineering company in Johannesburg. While working there he had become familiar with trade unions, as well as with "underground structures" during the Emergency. "So when I arrived here I asked whether there were underground structures. Comrades told me about the touching points. You would go to the touching point, and find a message about the venue for the meeting. That's how I joined the Dimbaza Workers Council."

Zingelo then started trying to organise fellow-workers. At some stage they made contact with PPWAWU in East London. "Only one guy knew the union, he moved underground, telling the people what's going on about the union." Out of a workforce of about 370, some 180 joined the union and filled in joining forms. The union officials gave advice, and "then we went to the people with suggestions." Management was "exploiting, dismissing people. We told people, 'Look how management acts.' We convinced them."

Then in July 1989 workers downed tools over a dismissal. Management dis-

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missed everyone. The entire workforce sat down outside the factory, demanding the chance to elect a committee. Eventually management accepted this, agreed to recognise the committee, and reinstated the workers.

According to Zingelo, management was unaware of union involvement. "When they gave our committee a constitution, they stated that they did not want a union." Zingelo believes management was prepared to negotiate because of production: "We did not strike when there were no orders and work was scarce. It is only good to strike when work is under pressure." The committee negotiated over grievances such as provision of kettles, overalls, sick leave and job grades.

The committee also won a wage increase. The minimum wage was 60c per hour. Management offered a 10c increase, but finally agreed to the workers' demand for 20c.

### Consol Plastics

PPWAWU was not able to provide much direct support at Unathi. But in several Dimbaza factories which were owned by bigger SA companies, unions had more leverage. One of the more



*Zingelo at union meeting: clandestine organisation comes into the open*

*Photo: Morice/Labour Bulletin*

successful was CWIU at Consol Plastics. Organisation at Consol started when a former NUM member began trying to organise workers, and

found one of his colleagues doing the same thing. They went to East London in search of a union, and were directed to CWIU. Armed

with advice and joining forms, they went back to organise among the 130 workers at Consol.

When CWIU demanded recognition the company promised to recognise the union if Sebe undertook not to harass the company for doing this. Of course such an undertaking was not forthcoming. During 1989 the union stepped up its campaign. Workers were preparing to elect their own committee independent of the liaison committee in the plant, when they became aware that fresh elections for the liaison committee were also being prepared. They decided to take over the liaison committee instead.

"From then on there were negotiations," says CWIU branch secretary Patrick Ntsangane. "I would go down to Dimbaza to consult with workers before they met management. If they had problems they would phone our office. The company knew they were members of the union, the only thing was they refused to deal with officials."

CWIU then demanded that the head office of Consol extend all agreements to cover the Ciskei plant. Ciskei shopstewards attended the Consol national shopstewards council in September, and the meeting decided to prepare for solidarity action. According to Ntsangane, "the coup came just as we were poised for national industrial action to back the demand. The company

started discussing recognition with us the next week."

### **Some successes, some failures**

At Van Leer NUMSA used similar tactics to win full union recognition (see box on following page). At Southern Combing despite solidarity workers only won informal recognition for their committee, as at Consol and Unathi (same box). They also suffered a mass dismissal.

Thus workers at several Dimbaza companies waged struggles and won partial victories. It was easier to win recognition - whether formal or informal - in companies already covered by union agreements outside of Ciskei. These also seem to be the companies where COSATU affiliates became more actively involved. Many of the worker activists in these companies were also involved in the Dimbaza Workers Council (DWC).

Victories won ranged from full union recognition as at Van Leer (and Frame in Fort Jackson), to negotiation with workers committees. At Consol and Southern Combing management knew the union had members and was advising the committee. At Unathi it seems management was unaware that workers had joined the union.

Workers in other factories were less successful. In some, such as the Taiwanese-owned Comfy Shoes, organisation was virtually impossible. In others activists

from DWC, and in some cases from former SA Allied Workers Union (SAAWU) structures based in King Williams Town, struggled to establish some kind of organisational base. "SAAWU had an office in King Williams Town. They conscientised people and became quite influential," said one worker.

### **Dimbaza Foundries**

For example, SAAWU tried to organise Dimbaza Foundries in 1988. The company produces castings for quarries and mines, and employs about 400 workers. A committee was elected. When a worker was dismissed the committee members asked management why the committee was not consulted. "I do not have to consult anyone," was the answer.

Workers in that department immediately downed tools. The police arrived and evicted the strikers. Then the whole factory stopped work. Management threatened to dismiss everyone, and workers decided to retreat. Fifty-four lost their jobs.

In 1989 SAAWU and NUMSA merged. But according to Peter Martins, a Dimbaza Foundry worker who was chair of the DWC, it was "very bad" at that time. There was no recognition of the union, and no independent worker structure. Although workers had sent off their joining forms they had no contact with NUMSA. They contacted progressive lawyers to help

## Organising at Van Leer, Southern Combing

### Van Leer

At Van Leer in Dimbaza, workers joined the National Union of Metalworkers of SA (NUMSA) in 1988. NUMSA is also organised at nine other Van Leer plants outside Ciskei. Workers struck over a dismissal, and then in 1989 shopstewards attended a national Van Leer shopsteward council. This paved the way for solidarity action.

When Ciskei workers downed tools demanding recognition, other plants were also stopped by solidarity action. After six days shopstewards flew to Johannesburg to meet Van Leer directors, and the strike was settled with recognition. The Ciskei workers also won a company commitment for a three year programme to reach wage parity with other Van Leer factories.

### Southern Combing

Southern Combing, a big woolwashing company in Dimbaza employing about 400 workers, experienced three strikes as workers fought for their rights. Workers started organising in 1984, but made no headway. Then there was a wage strike in 1987. Workers were dismissed, and evicted by the police. When workers met in one of their houses, the police surrounded it and detained them. Eventually, however, most workers were reinstated.

In 1988 workers approached ACTWUSA in East London, and started signing up. Southern Combing is owned by Gubb and Ings, which also owns a company in Uitenhage. Through the union, shopstewards at the two companies made contact: "The Uitenhage workers wanted to be kept informed of all issues."

The next time there was a strike at

Southern Combing, this time over a racist insult, the Uitenhage workers took solidarity action. Again management called the police who evicted workers and virtually occupied the factory. According to workers, the Uitenhage company put pressure on management to dismiss the racist foreman, which they did.

Workers elected a committee in the plant, which was recognised by management. According to SACTWU (formerly ACTWUSA) organiser Goodman Rala, management knew the committee was linked to SACTWU, but refused to communicate with the union, stating that "unions are not allowed in the Ciskei". The committee, however, continued to get advice from the union.

Then in 1989 there was a third strike, over wage demands. Again the police intervened. They mocked workers about their "tradition of calling Uitenhage", and banned all gatherings of more than five people. The Uitenhage workers held solidarity demonstrations, but stopped after a lockout. Meanwhile the Ciskei management dismissed and selectively re-employed the strikers. Some 130 workers lost their jobs.

Scabs were screened by the police. Management gave indoctrination classes and showed videos about how bad it was to strike or overthrow the government. The dismissed workers sent a delegation to Sebe to ask for their jobs, but he told them that "there is a big snake hatching eggs at Schornville", the area in King Williams Town where some unions have their offices.

ACTWUSA had more success at the big Frame plant in Fort Jackson, which employs about 1 000 workers. The union was able to win negotiating rights, as it had organised the rest of the giant Frame Group, but management "feared deducting stop-orders, and shopstewards were frequently detained," according to regional secretary Jabu Gwala. ♦



with a court case for the dismissed workers, but the case was lost.

Dimbaza Foundries is in fact owned by the British multinational Lonrho, which has several companies in South Africa. But workers only became aware of that link late in 1989, and it was never used to struggle for bargaining rights.

## The Dimbaza Workers Council

In some factories the DWC had links with workers committees or with COSATU affiliates; in other more repressive companies, such as Comfy Shoes, it would be represented by one or two activists. We encountered different stories of when the DWC started. Peter Martins of Dimbaza Foundries, former chair of the DWC and then chair of King Williams Town COSATU local during 1989 and 1990, said the Council was started in 1989. Zingelo of Unathi Timber Products said it already existed in 1987 when he arrived in Dimbaza. He said it was built by three factories - Southern Combing, Van Leer and one other.

Eric Mkengo, a worker at Comfy Shoes, said the Council was formed in 1985. All the workers said it was initiated by the Dimbaza

Residents Association (DRA) because "it could see that the workers were oppressed and they were not clear". According to Mkengo the DRA itself was formed by former Robben Island prisoners and others before Ciskeian 'independence' in 1980.

Mkengo said each company had one representative on the DWC. "If you were clear you would then go to the next factory, find one worker and explain to him. He would then go and organise another factory." If there was a dispute such as assault or dismissal in a factory, the DWC would then send two delegates from outside the plant to speak to management. Sometimes they were successful in resolving disputes, at other times management refused to listen. "The task of the DWC was to teach people how to act in the factories, not just to strike. It was to give direction, and also show workers what sector they belonged to."

During 1989 the work of the DWC seemed to accelerate. In mid-89 they had representatives from seven factories, according to Martins; by the end of the year there were 50-60. By this stage many of the delegates seem to have been elected from factories, rather than coming as individual activists. This growth seems to correspond to a growing sense throughout the territory that Sebe's days were numbered. The Council met on

Tuesdays and Fridays.

"People came out of work, went to the touching points, and then went to the venue." The DWC organised parties where organisation could be discussed.

An "interim COSATU local" was established in King Williams Town in 1989, largely on the initiative of the Dimbaza workers. When Martins was elected chair of this he stood down as chair of the DWC. The local met on Wednesdays, and was attended by some of the workers from Dimbaza 30km away.

Martins says: "The aim of the DWC was to organise for COSATU. We collected information on wages and treatment in the factories. We reported to COSATU, and to the National Association of Democratic Lawyers. They provided assistance for legal cases. We organised workers into sectors, for example NUMSA. We knew COSATU had resolved to organise the homelands, but it would take a long time. Workers needed to take steps. We reported to the King local, and to affiliates of COSATU in King Williams Town and East London." The DWC was financed by a fee of 50c per member.

The DWC intended building up pressure of organisation and publicity to compel the Ciskei regime to recognise trade unions. "Our aim was to mobilise and organise a general strike if possible."

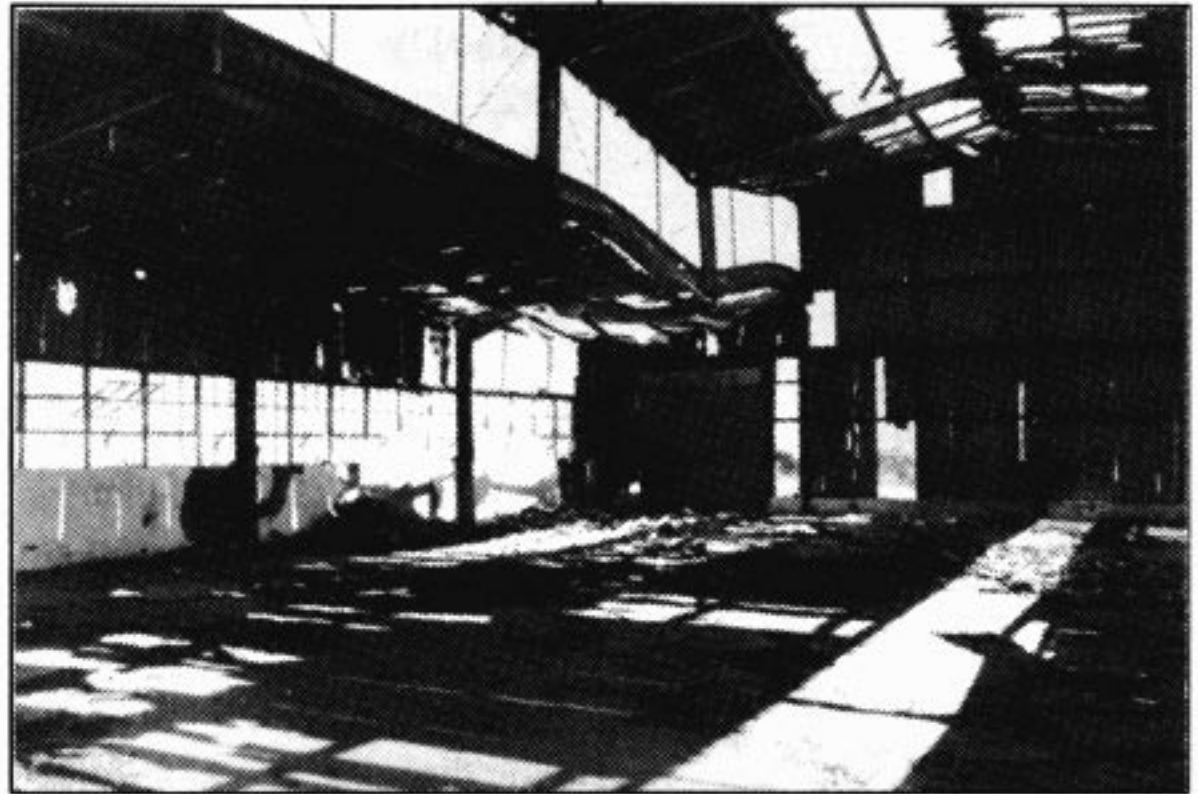
## After the coup - the Workers Council emerges

In late February 1990 President-for-life Sebe left Ciskei to visit Hong Kong. The leaders of the Ciskei army took the opportunity to stage a coup. There had been increasing dissatisfaction within the army and the civil service with Sebe's stupid, corrupt and arbitrary rule. The unbanning of the ANC and the release of Mandela had an impact in all bantustans, both on the people and on state structures. Indeed, the South African government probably had a hand in encouraging the coup. Many industrialists were also anxious to see a more efficient and less blatantly corrupt and repressive government.

Throughout 1989 there had been escalating resistance in the countryside, once a base of some sort for the Sebe regime. Peasants were burning their Ciskei National Independence Party cards, which they had been forced to produce when applying for any state licence or social service. Resistance was mounting in the urban areas too. In fact, progressive organisations were planning an anti-Ciskei march in Sebe's surreal capital, Bisho, for 5 March. But the coup got there first.

When the coup was an-

nounced on 4 March, a Sunday, the streets filled with celebrating people. In Mdantsane the celebration turned to rioting as mobs burnt and looted the businesses of Sebe's supporters. Rioting spread to the industrial area of Fort Jackson, where a number of factories were looted and burnt down.



Fort Jackson factory: burnt out after the coup

Photo: Morice/Labour Bulletin

### Stayaway, committees, stoppages

In Dimbaza the DWC and other structures immediately surfaced. "We had no problems here with burning factories," said Zingelo. "We had discipline through the DWC and other structures." Martins says they organised patrols in the industrial areas, to protect the factories. This account is echoed by the story of the Triad workers in Fort Jackson (see p. 33).

On the Monday there was a widespread celebratory stayaway in Ciskei. Comfy Shoes workers told us: "People were very excited. We told the bosses that we

can't work, we have to celebrate and organise the people. A giant has fallen." There was a rally in the Dimbaza stadium. The next day several employers, especially the Taiwanese, locked workers out.

There was a flurry of organising in the new conditions after the coup. "The DWC

took over after the coup," the Comfy Shoes workers told us. "We never waited for Gqozo to tell us. We elected committees in every company. There were go slows, strikes, sleep-ins, and employers were forced to recognise us."

Zingelo says: "Gqozo talked as if he recognised unions. We went straight to the employers with our demands. Most companies did not have committees. It was the DWC which organised them, not the unions." Comfy shopsteward Mkengo says: "We explained to workers about trade unions, and organised workers commit-

tees. We told employers that we had representatives in the DWC, and they recognised the DWC because it had authority. They knew it could bring peace." For the same reason employers "appealed to Gqozo to allow trade unions in, to stop the strikes and go slows."

### Industrialists meet the DWC

An extraordinary meeting then took place. A group of industrialists under the auspices of the Ciskei Chamber of Industries met with the DWC at the Dimbaza Hotel. A committee of eight employers and eight workers was formed, to help resolve the rash of disputes hitting the factories. Peter Martins had the impression that this group of employers were "co-operative, they did not have a negative attitude."

The first meeting of the committee could not make much progress because none of the industrialists who were actually involved in disputes were present. At the next meeting some did come, and disputes were discussed at length. Eventually the meeting was postponed.

These three meetings had taken place over a couple of months. Meanwhile COSATU affiliates had become increasingly active, and it was decided that the DWC should be phased out, as the unions were handling disputes directly. A fourth meeting was therefore never called.

Although these meetings seem to have been fairly in-

conclusive, worker activists recall them with pride. They were a clear recognition by the employers that workers had to be recognised as they wielded real power in production.

Not all industrialists supported this initiative. Eddie Anderson, a Dimbaza industrialist, told *Labour Bulletin* that the DWC was a "militant type of operation" and that he advised industrialists to have nothing to do with it. But others, such as the president of the Chamber of Industries, Ray Brentnall, had been lobbying the Ciskei government for some years to allow basic worker and union rights. While he seems to have been a key figure in the talks, he refused to comment on them as one should "let sleeping dogs lie."



## COSATU moves into the Ciskei

COSATU affiliates became increasingly active after the coup. After the Labour Decree was promulgated (see p. 29) the DWC decided to phase it-

self out as COSATU could do its work. The DWC finally dissolved in September.

There seems to have been a degree of tension between the DWC and some COSATU affiliates. Two union organisers who had been active in Dimbaza before the coup had had no contact with the DWC, even though it turned out that some of their members were active in it. They believed the DWC only came into existence after the coup.

One official said that COSATU affiliates suspected that the DWC was trying to organise a separate federation for Ciskei, in opposition to COSATU. Apparently there were similar suspicions that the Umtata Workers Council was proposing just such an approach for Transkei. He said that when his union discovered that some members were involved in the DWC it decided it was not a problem, unless the DWC tried to interfere in the union's work. The official said there was no formal relationship between the DWC and COSATU. An official from another union said that while there was no contact, there was also no conflict between the two, as the DWC was trying to fill the vacuum until COSATU could organise.

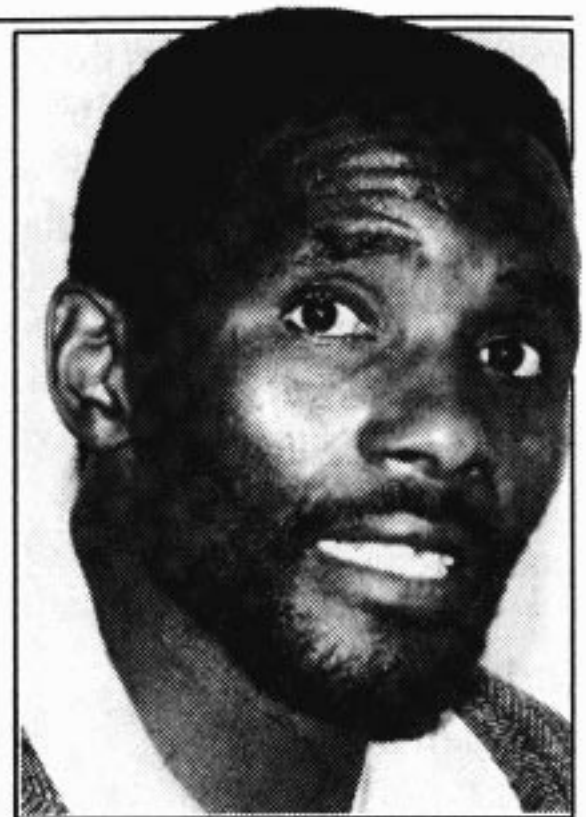
Martins stresses - as do other DWC activists - that the intention of the DWC was never to compete with COSATU, but to organise workers into COSATU's sectors.

Some of the tensions may



**COSATU local meeting in King Williams Town**

*Photo: Morice/Labour Bulletin*



**Thembinkosi Mkalipi,  
COSATU regional chair**

*Photo: Morice/Labour Bulletin*

have sprung from older tensions between SAAWU and COSATU affiliates. There were several SAAWU activists operating out of King Williams Town, which is much closer to Dimbaza than East London, where most COSATU affiliates are based. It is clear that some residual tensions remain. Some former SAAWU activists complain that their factories have not been adequately serviced, while COSATU unionists say that they often do not know that a factory has been organised in their name when it is organised by community structures.

It is difficult and probably unnecessary to unravel these differences. Several points are clear. The DWC was not a SAAWU structure. There was considerable overlap between DWC structures and activists and COSATU structures and activists. There seem to have been no cases of conflict between the two. The organisation established by the DWC both before and after

the coup laid the foundations for COSATU's rapid growth. And the DWC enjoyed substantial credibility among workers and to some extent industrialists in Dimbaza.

### **COSATU meets the military government**

Meetings took place at other levels too. The wave of industrial action after the coup alarmed the military government and industrialists. "They convened a meeting with us," says COSATU regional chairperson Thembinkosi Mkalipi, "and asked us to normalise the situation and give them a breathing space. We said the employers and government must allow us to operate normally before we can 'normalise' any situation that we feel needs normalising."

The result was a series of meetings which eventually produced the Labour Decree, promulgated on 1 July. This is in many ways a fairly progressive law, incorporating many aspects of the COSATU-

NACTU-SACCOLA accord on the Labour Relations Act. However, COSATU had several objections, both with the content of the Decree and with the way it was drawn up (see p. 29).

Even after promulgation of the Decree unions ran into resistance from employers and obstructions from the Department of Manpower.

Mkalipi told us in September that unions found themselves in a difficult position. "You would try to register, but there were delays. The Department of Manpower would demand the original of the union's certificate of registration, but that is lodged with Manpower in Pretoria.

Meanwhile workers were waiting, they were impatient. You must deal with the company, but the company says it cannot meet you because you are not registered. You go to the Department, and it refers you to Pretoria again. We believe these actions are

purposefully designed to frustrate the trade union movement.

"The fact of the matter is that we are very strong on the ground in Ciskei, and a relationship should exist on that basis. Registration is not a precondition for establishing a relationship."

### Recognition in Dimbaza

Meanwhile, on the ground, workers and union officials were establishing themselves in the factories. CWIU met with Consol immediately after the coup and started negotiating agreement. Substantial progress was made by May, but the union and the company were still ironing out differences in November. In the meantime, the two parties had negotiated an agreement on conditions and wages, which took the Consol minimum from R1,05 to R1,80. Management also agreed that the Ciskei plant would join the national bargaining forum, where CWIU bargains with the Consol Plastics division, in 1991.

SACTWU negotiated a recognition agreement at Southern Combing in July, using the same agreement as they have with Gubb and Ings in Uitenhage. A wage agreement was finalised at the end of August. Workers won a 32c increase backdated to July, with an additional 26c from January, which will take the minimum hourly rate to R2.40 per hour. The agreement also covered bonuses, maternity leave and shift allowances.

Zingelo and his fellow shopstewards at Unathi Timber introduced PPWAWU to management in June, and rapidly signed an agreement.

NUMSA won recognition at Dimbaza Foundry and entered into wage negotiations. Negotiations deadlocked on the union demand for a R1,50 across-the-board increase, which would have taken the minimum to R2,50 per hour. The company offer was 50c, plus 10c in April 1991. In an effort to break the deadlock towards the end of November the company instituted the first legal lock-out in Ciskei. Management told the union that overtime bans and go-slows over the previous two months made it useless to run the factory.

However, after three days the company settled at 50c backdated to 1 October and 50c from the date of the agreement - a 100% wage increase on the minimum rate! Agreement was also reached on shift allowances and overtime rates.

### Protracted struggles

Many newly-organised factories had not yet entered negotiations over recognition in September. CWIU and others are understaffed and overstretched, and have a number of factories waiting for negotiations over basic union rights. In September PPWAWU had workers in four factories waiting for letters from the union to management requesting recognition.

At one meeting we attended, workers from a furniture factory were expecting the letter to arrive on Monday. They were impatient to take action against their employer: "Is there not some kind of action we can take, anything, even for only two minutes, to show the letter comes from us?" they asked the organiser. The organiser explained that action could only be taken if the employer did not respond to the letter within the stipulated time limit.

"Can we not do something, like damage the boxes?" they asked. They expressed a deep anger after so many years of oppression without voice. This was not surprising - they were earning around R25 per week starting wage! They eventually agreed on a lunchtime demonstration, and further action if the employer did not respond.

On the other side of Dimbaza some one hundred Comfy Shoes workers were meeting in a school classroom. Mostly women workers, they described their conditions: a 9 hour working day, no maternity, sick or leave pay, a shocking 55c per hour. Union officials suggested that they tackle the smaller issues first, to build a foundation for taking up the wage issue early in 1991. The workers agreed on this approach. But one woman stood up to speak very forcefully: "I have a fear. There is nothing said here that they will accept. Even stop-orders

are not acceptable. My colleagues will support what I am saying. The bosses are closed people, they will accept nothing."

A man then spoke in response: "I don't believe we can come to a stop now. The union has come into the factory. We have come onto the road of struggle. We must go straight now and not turn around. We will force them!" There was a chorus of Vivas! from glad faces and shining eyes. Despite the fears and doubts, they would fight on.

By December SACTWU organiser Goodman Rala reported that the union had won full union rights at Comfy, with shopstewards elected and fully functioning. Stop-order deductions were to begin in January, as well as negotiations for a recognition agreement. He says the relationship with management is improving: "They did not seem to understand trade unionism, but it seems they are taking good advice now."

There are still employers who are resisting unions. Triad in Fort Jackson, for example, dismissed striking NUMSA members and introduced a sweetheart union (see p. 33).

The smaller workshops can also be difficult to organise. CWIU branch secretary Patrick Ntsangane told us about a small chemical company in Dimbaza, Romber Pharmaceuticals. After a series of strikes, police interventions and delays in signing recognition, the company reduced the workforce to less than 20

workers. According to the Labour Decree (since changed) this automatically made it a 'small business' with no union rights!

NEHAWU faces the most serious problem of all the unions (see p. 30). The Labour Decree excludes the public sector from union rights, and there is a deep hostility towards the union from the military government. COSATU is, however, committed to winning the right for this sector to organise.

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## **Assessing progress since the coup**

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The labour movement has developed extremely fast over the ten months since the coup. Industrial relations in Ciskei is rapidly catching up with the rest of South Africa. These developments have taken place at three levels.

Firstly, labour law in the Ciskei was non-existent and unions were banned. Now Ciskei's labour law enshrines basic union rights and in several respects is more advanced than South Africa's. Despite problems and inadequacies, the Labour Decree emerged out of consultations, negotiations and struggles between the military government, employers and COSATU.

Secondly, the unions have grown dramatically in membership and number of comp-

anies organised and recognised (see box). The unions are close to organising about half of Ciskei's 24 000 industrial workers, with progress in the commercial and catering sector too. Inroads in the public sector have also been made, despite the ban on unions in this sector.

Thirdly, the unions have made qualitative gains. They have won bargaining rights in many companies, and workers are able to assert their interests on the shopfloor. The unilateral power of management is being rolled back. Minimum wages in some companies have doubled. National standards and centralised bargaining are beginning to have an impact, especially in factories which are owned by bigger South African companies. Thus Van Leer workers will have parity with the rest of Van Leer by 1991-2. Consol will be party to Consol Plastic national negotiations in 1991.

An even more interesting move towards regulation of Ciskeian industry is being made by NUMSA. The union is pushing to establish a centralised bargaining forum for the metal and engineering industry in Ciskei (NUMSA is also pushing for an industrial council in Transkei). This is seen as an interim measure, pending re-incorporation of Ciskei into South Africa; when that happens the bargaining forum would merge with the metal and engineering industrial council of South Africa. NUMSA regional secretary

Enoch Godongwana says most employers are responding favourably. For example, the recent substantive agreement reached at Dimbaza Foundries makes provision for the company to come into the forum when it is established. A meeting between NUMSA and metal and engineering employers is planned for January.

### **Tough struggles ahead**

These developments show that Ciskei is rapidly becoming integrated into the wider South African industrial relations scene. But Ciskeian industry is starting from a very low base. There is a history of arbitrary dismissals, poverty wages, lack of basic employment contracts, long overtime, dangerous conditions, and lack of benefits such as sick leave and maternity leave. There is likely to be a series of tough struggles ahead as unions consolidate their organisational base, fight for a living wage and better conditions, and challenge the authority of management.

The demands of organised workers will confront Gqozo with a new set of problems. Ciskei's workers will want to bring their wages closer to what is paid in the rest of South Africa. With the days of a cheap and repressed labour force disappearing, many industrialists will face bankruptcy or simply pack up and leave. Some industrialists believe this may be especially true of the Taiwanese owners.

How will Gqozo respond

to this situation? Will he start trying to re-impose the clamps on unions, in order to encourage industrialists to stay? And how will the unions respond? Will they consider curbing their demands? Will they watch employers closing the gates and pulling out their investments? A third option might be to demand that any employer intending to close down has to hand his/her factory and equipment over to the workers, to be run as a co-operative. Such an approach would open up interesting possibilities. Maybe the unions should demand of Gqozo that he pass a Decree to enforce it.

These dilemmas do point to broader issues of the development of the SA economy. How will a future democratic South African government deal with the integration of rural and urban economies, the development of the underdeveloped rural areas, the question of decentralisation? With the current rapid growth of union organisation in the bantustans, workers will at least have a platform to voice their interests when development strategies are debated.

### **The military government: friend or foe?**

Although they acknowledge that the Gqozo regime has opened up space for popular and trade union organisation, trade unionists are sceptical about how sympathetic 'the little soldier' is to their movement. "There is no question that the Labour Decree is an

advance," Mkalipi told us in September. "But the statements of the military government, and the actions of the Manpower Department, make a mockery of the decree. Statements made by Gqozo that trade unions which do not register are cheap political criminals indicate to employers that they should not deal with us. The Manpower Department issued a directive saying employers should not deal with unions which are not registered. The military government is trying to undermine COSATU."

Unionists are particularly angry about the government's attitude to NEHAWU. They also point out that there is still a high level of police intervention in labour disputes, such as at Triad. Mkalipi says: "If the police know there is a problem at a factory they will come, even if they are not asked. If they are requested not to come in they will mingle around outside, intimidating workers."

### **Where is the Ciskei bureaucracy going?**

To what extent are these the understandable mistakes of a regime groping its way towards an open society? Or do they reflect a deeper reactionary character of the regime?

This is a difficult question to answer at this stage. Unionists feel that the Gqozo regime is less hostile to the SA government, and less sympathetic to the democratic movement, than the

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Holomisa regime in Transkei. It is, as Councillor for Manpower Nyikana told us, trying to "tread a difficult tightrope between the government and the ANC."

While the Military Council retired the top civil servants and Ministers who had been Sebe supporters, the rest of the bureaucracy is relatively intact. Nyikana told us that under Sebe "we pretended all was well when visitors came, but really we were very unhappy." Civil servants resented favouritism and arbitrary promotion and demotion. Nyikana himself had been director-general of the education department until 1987, when he was suddenly demoted and given a small office. Now he is the equivalent of Minister of Manpower. The department has the same director-general as before the coup.

This bureaucracy has not suddenly become 'progressive' overnight. Nor has the police and army. It would probably like to see itself remain, not as a 'homeland' bureaucracy, but as a regional bureaucracy in a democratic South Africa. This explains its relative openness to the ANC and mass organisations. However, it is a bureaucracy with a long tradition of anti-people, repressive and self-seeking policies and practices. This is one reason why the Gqozo regime is so opposed to trade union organisation in the public sector. It fears losing control of its own institutions. ❖

## Union membership in the Ciskei

Trade unions have made impressive progress in Ciskei since the coup. The figures below are for membership claimed by the unions. Many figures are rough since often stop-order facilities have not yet been established.

- SACTWU is recognised at 8 plants in Dimbaza, 5 in Fort Jackson, and at Da Gama's Good Hope Textiles, which employs some 2 000 workers and is sited in Zwelitsha outside King Williams Town. The union claims a total of about 5 000 members in Ciskei. It is soon to open a branch at Dimbaza.
- CWIU claims some 1500 members in 15 Ciskei factories. They range in size from 450 (Dimbaza Fibre) to 12. The union has basic rights in only four of these factories, because of being understaffed.
- NUMSA is recognised at about 8 Dimbaza companies, with some 1 000 members, and in a number of Dimbaza factories.
- PPWAWU is organised at 5 Dimbaza factories, where it also has a local.
- NEHAWU has organised general assistants and clerks at hospitals and state departments. It is impossible to estimate membership figures, as it is not permitted to organise and does not have stop-order facilities. However, it claims majority support in the state sector, and is establishing structures.
- SACCAWU claims 2 700 plus members in Ciskei, organised in branches of national chain stores, Sun International Hotels, and local shops. ❖



Da Gama textiles: SACTWU cracks a tough nut

Photo: Morice/Labour Bulletin



# 'You can't operate in a vacuum'

**Stewart Dorrington, retired MD of a King Williams Town company, was appointed director of the Ciskei Chamber of Industries in June. "There has been a dramatic change since Brigadier Gqozo's coup," he says. "Wages were iniquitous - in the old days R160 per month was regarded as an excellent wage. Now that is common, and many pay over R200." He says the response of employers to the labour reforms varies: "some are dogmatic, some fearful, some pragmatic." After the burning and looting at Fort Jackson "businessmen were frightened. Quite a few disappeared. It was chaotic, the unions came in too quickly, intimidating employees."**

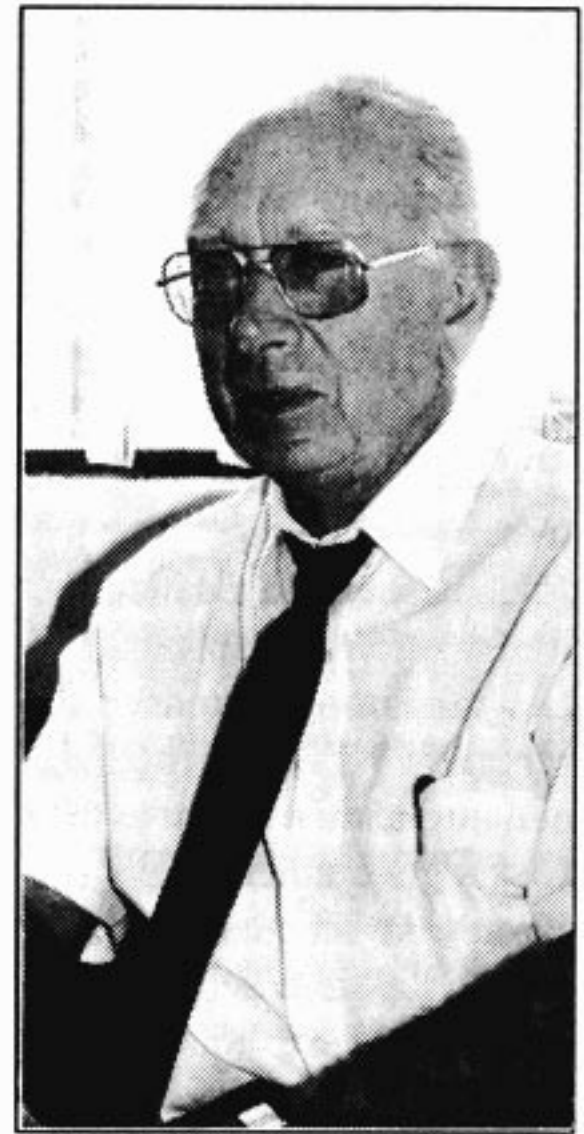
However, he believes as soon as negotiations start the unions will become "less political, more labour orientated." One cannot wish the unions away, he says. "They were here all the time, underground. They came up like magic after the coup, with very good structures... You can fool yourself for just so long."

Industrialist and head of the Chamber's security portfolio Eddie Anderson confesses that he "hates unions" because they "ruined" his native Scotland. However, employers "are going to have to recognise unions whether they like it or not. It's not a problem as long as they're reasonable." Anderson concedes that a lot of industrialists paid "very unfair wages". Sebe could not have stopped the unions, he says. "They were underground, and homelands are the favourite hit spots." He says there are "mixed feelings among industrialists"

about the unions. CWIU and NUMSA, he believes, are a "militant bunch" who generally cause strikes.

Anderson strongly opposed Dimbaza industrialists meeting the Dimbaza Workers Council. He claims to have been actively involved in trying to smash the DWC after the coup. He is the chairman of a security company, which was established by Dimbaza industrialists to protect their properties. "We had black guys working undercover, and they penetrated the Council. We got the names of the ringleaders and had them locked up. The Workers Council was a political type of operation - if you wanted to employ someone you had to go through them." (Martins was somewhat perplexed by these claims, as none of the former leadership of the DWC had been detained recently).

Ray Brentnall, Ciskei industrialist and president of the Chamber of Industries,



*Stewart Dorrington, Ciskei Chamber of Industries director*

*Photo: Morice/Labour Bulletin*

believes unions "can be an asset to a company - I'm talking about non-political unions." He was part of the employers delegation that met the DWC after the coup, and he had been part of the Chambers' effort to lobby Sebe to introduce a basic labour legislation.

According to Brentnall, in 1987 the executive of the Chamber of Industries held two meetings with Sebe, and proposed that the government should establish a basic framework of worker rights with a contract of employment, and grievance, disciplinary and appeal procedures. Sebe agreed and a steering committee with representatives from the Chamber, the Ciskei People's Development Bank,

## SPECIAL REPORT

the Department of Manpower and government lawyers, was set up to look into the issues. After several meetings they reached agreement that "something was needed", but that they required outside expertise.

Accordingly, the committee commissioned Johannesburg-based industrial relations consultants, Levy & Piron, to produce a report on the various options and implications open to the Ciskei government. Levy & Piron were scheduled to present the report to Sebe and the government but "this never happened". They presented the report to the Manpower Department, and "then it died". Sebe had clearly lost interest and refused to meet the steering committee again, says Brentnall.

So as soon as they heard of the coup "we said let's meet Brigadier Gqozo and discuss legislation."

Why was the Chamber so keen to establish labour legislation? "We were very concerned about the vacuum," he says. "We had to do something to give workers rights, even if the government had to establish a trade union itself. Employees have a right to know their position such as hours of work, rate of pay, disciplinary and grievance procedures." Brentnall said employers were aware of what was happening in the rest of South Africa and knew they could not avoid it forever. He says there were undercurrents of dissatisfac-

tion, although there were no strikes or serious union activities. However, he and other employers must have been aware of what was happening at Van Leer, Southern Combing and other companies in Dimbaza.

Generally industrialists are "very realistic" according to Brentnall, and realise "unions are here to stay." They know they "cannot operate in a vacuum, and there is overwhelming support for the new legislation. Now at least there are rules you can play the game with. If anyone wants changes they have to be negotiated by agreement."

Won't many industrialist leave, since they established factories in the Ciskei in the belief that they could avoid unions? Brentnall doesn't think so. "But if a company becomes enviable because of labour unrest, they will leave." He refers to a company which had to retrench 93 workers because of too few orders. On payday "workers refused to collect their wages and toyi-toyed through the area. They pulled out three other companies. The parent company in Cape Town said that's it, and closed down the factory."

Dorrington says that if a company cannot increase productivity and pay decent wages, it should not be in business. The only way for Ciskeian industry to develop, he believes, is through higher productivity and training.

The views of Dorrington and Brentnall represent the

'enlightened wing' of business in Ciskei, but even they seem to have a limited view of trade union rights. Brentnall, for example, believes Triad management called in the police because "the union was not playing the game properly" - whereas it seems to be a fairly straightforward case of union-bashing (see p. 33)

But many employers in Ciskei are far more conservative than them, with harsh management styles and a very limited notion of 'acceptable unionism'. As Mkalipi told us, "They will use anything to avoid recognising unions." They are used to calling on Sebe's ruthless police at the least sign of 'trouble'. One industrialist referred to close links between employers and police, and mentioned a specific police officer as a "good chap, you could call him head of our local hit squad". They are used to managing without restraint; to paying outrageously low wages; to employing without contracts or any basic employee rights; and to the right to dismiss at will.

Unions, on the other hand, are being driven by a deep-seated anger among workers who have been oppressed for too long: "Now we have freedom of speech and we can organise. We can show we are people just like them," say the workers from Comfy Shoes. There are likely to be tough fights over the next year, as workers struggle for their humanity and employers try to protect their control and their profits. ❖

# Ciskei's Labour Decree

Soon after the coup the military government convened a meeting with industrialists and COSATU to 'normalise' the situation. After another meeting to discuss basic principles, the three parties agreed to set up a three day meeting where their respective legal advisors could draw a draft agreement. This was duly done, and the draft became law when Gqozo promulgated it in July. Gqozo, the Department of Manpower and the Chamber of Industries lay great store by the 'tripartite' nature of this Decree.

COSATU, however, see it differently. Regional chairperson Mkalipi says COSATU expected to meet the government and negotiate around the lawyers' draft. "But they drafted the Decree without further negotiation. Some clauses were negotiated by the lawyers, but other clauses were not. The military government said that they were not negotiable."

COSATU held two further meetings with the government to raise its objections, but to no avail. According to Mkalipi, this meant COSATU could not be bound by the document.

"This proves the military

government is not that interested in trade union rights."

Nonetheless, the Labour Decree is quite an advanced labour law. As Mkalipi says, "It gives basic trade union rights, there's no question about it." (see *Labour Bulletin* Vol 15 No 4 for a full description of the Decree)

COSATU had four objections to the Decree:

- it excluded government employees from trade union rights and the right to strike;
- workers in small businesses (defined as employing less than 20 workers), and farmworkers and domestic workers were excluded from trade union rights;
- the Decree imposed a time limit of 180 days after a dispute for applying for a conciliation board (the unions want an indefinite limit);
- the Decree stated that, once the conciliation procedures have been exhausted, a union still has to give 24 hours notice before embarking on industrial action.

These objections were discussed at a COSATU regional shopstewards council held in King Williams Town in mid-September. The meeting also discussed the negotiations with the South African state about the COSATU-NACTU-SACCOLA accord on the LRA.

COSATU had called for a national stayaway on 8 October if the state refused to accept the accord. This was

to be preceded by nationwide marches on Saturday 29 September.

The shopstewards felt that the struggle over the Ciskei Labour Decree should be linked to the broader LRA campaign. A COSATU delegation would meet Brigadier Gqozo on 26 September, to try to negotiate changes to the Decree.

If the meeting was fruitless, the East London, Queenstown and King Williams Town locals would jointly organise a march at Bisho, the 'capital' of Ciskei just outside King Williams Town, on the 29th, to present Brigadier Gqozo with their demands.

The COSATU delegation, led by Mkalipi, accordingly met a delegation of the Military Council, led by Gqozo, on the 26th. The Military Council made a number of significant concessions.

- It agreed to remove the 180 days time limit and the 24 hour notice period from the Decree.
- It agreed to remove the exclusion of small businesses from the scope of the Decree.
- After lengthy discussion the Council accepted that domestic and farmworkers could be included in the scope of the Decree, on condition that COSATU accepted the Council's position on state employees. But there was disagreement on this. The Council proposed that municipality and para-statal workers, and labourers in



*Gqozo meets COSATU in September: demanding public service union rights*

*Photo: Morice/Labour Bulletin*

government departments, should get trade union rights, but that all other state department employees and police, security and army personnel should be excluded. COSATU accepted the exclusion of the security forces, as well as top civil servants, but not the blanket exclusion of all employees in state departments. The parties agreed that this issue could be further discussed in another meeting.

COSATU also raised the problem of registration complications, anti-union propaganda from the Military Council, and police intervention in labour disputes. The parties agreed that COSATU and the Department of Manpower would meet to discuss a simple registration procedure.

The Council explained that it was under the impression that unions were refusing to register, and that was why

it had attacked the unions publicly. The Council did not respond on the question of police intervention.

The Bisho march proposed for 29 September was called off in the light of the relative success of this meeting. The stayaway scheduled for 8 October was called off by COSATU when the SA government agreed to pass the SACCOLA accord through parliament.

In December, Mkalipi reported that the meeting between COSATU and the Department of Manpower had taken place, and that all the problems of registration had been sorted out.

Most of the COSATU affiliates are now registered in Ciskei. However, the agreed changes to the Labour Decree have not yet been gazetted. In addition, the conflict over union rights for the public service has not been resolved - in fact, it is worsening (see the following section of this article). ❖

## 'Negotiate with NEHAWU!'

The most protracted labour dispute in Ciskei is NEHAWU's struggle for trade union rights in the public sector. The relationship between NEHAWU and the Military Council has been filled with animosity since March. The Labour Decree promulgated by Brigadier Gqozo in July explicitly excludes public sector workers from trade union rights.

Despite this, Ciskei was hit by a series of public sector strikes in November last year, as public servants demanded recognition of their union and wage parity with the civil service in the rest of South Africa. The antagonism between NEHAWU and the Military Council has also led to some tension between COSATU, the ANC and the UDF.

According to NEHAWU general secretary Sisa Njikelana, the Military Council has been antagonistic from the start. After the coup NEHAWU made approaches to the new government, but "received the cold shoulder." The response of NEHAWU's King Williams Town branch was a heated attack on Gqozo's regime. However, in April a constructive and lengthy meeting was held between the Military Council and COSATU's public sector

unions, where the Council "indicated its problems and misgivings about public sector organisation, and we discussed these." NEHAWU followed up the meeting with a written document outlining the union's views, but received no response from the government.

Then at the end of April the nurses strike at Cecilia Makiwane Hospital erupted. "This was misrepresented as a NEHAWU strike. They were not yet our members. We simply got involved in order to resolve it," says Njikelana. Gqozo took an extremely hostile attitude to the strike. He also claimed that he had ANC and 'MDM' support for his argument that public sector strikes - such as a hospital strike - hurt the community.

**NEHAWU 'rash'**

Several COSATU unionists told *Labour Bulletin* that they felt NEHAWU's Ciskei organisers had been somewhat rash and undiplomatic in outspokenly attacking Gqozo when the situation was still very fluid. Njikelana concedes that the Military Council "had cause to complain about our initial attitude, but we amended that with more constructive approaches."

However, unionists were also upset at what seemed to be the unwillingness of the UDF and the ANC to condemn Gqozo's position. While UDF and the ANC were establishing cordial relations with the Ciskei regime, and addressing joint rallies with Gqozo, NEHAWU was being vilified and de-

nied bargaining rights. UDF and ANC - and even COSATU - appeared to adopt a diplomatic and cautious "let's not rock the boat" attitude. Njikelana says the problem was that NEHAWU was approaching Gqozo as an employer who refuses to bargain, while other organisations had a broader political perspective.

**Alliance tensions**

These tensions point to difficulties that may continue to surface in the COSATU-ANC alliance. In specific situations, COSATU and the ANC have different perspectives and concerns, and these could easily lead to conflict if there is not ongoing and structured consultation between the two parties. This, in fact, is

the chief lesson drawn by activists. In September a meeting was held in East London between a large COSATU delegation and the regional ANC, where the issue was thoroughly debated. They agreed

that establishing alliance structures which met regularly was an urgent priority. The first meeting of the COSATU-ANC-SACP alliance took place in November.

**Rash of public sector strikes**

In November a rash of strikes spread through the Ciskei's

public sector. A strike of clerical and domestic staff began at Cecilia Makiwane Hospital on 6 November. The strikers were demanding pay parity with workers in the SA civil service, after these categories of civil servant



*Manpower Councillor Nyikana: "We don't like NEHAWU"*  
 Photo: Morice/Labour Bulletin

were passed over when nurses, teachers, police, prison and defence personnel got salary increases. The strike ended on 17 November, after they were threatened with dismissal.

But by that time the strike had spread to two other hospitals, as well as the government bureaucracy. On 12 November clerical workers and general assistants walked off their jobs in Bisho, also demanding pay parity. The strike soon spread to government offices in other towns. Gqozo threatened the strikers with evictions, dismissals and force if necessary. NEHAWU estimates some 8 000 workers were involved, mostly general assistants and clerks.

After several days workers decided to suspend the strike and try to meet Gqozo. When Gqozo rejected a meeting, workers decided to launch a fully-fledged Ciskei-wide civil service strike on Monday 3 December. However, after a meeting between COSATU, the ANC and the SACP, it was decided to postpone the action and try once again to meet Gqozo. The ANC and SACP pledged their full support for the call for Gqozo to meet NEHAWU, and will also support NEHAWU actions if Gqozo fails to meet the union. NEHAWU officials believe this has solved any tensions that may have remained in the alliance between COSATU and the ANC.

The Military Council, however, has adopted an intransigently hostile attitude to NEHAWU. Councillor of Manpower Nyikana told *Labour Bulletin*: "We don't like the NEHAWU crowd. It is very unruly, they misbehave. They bring out scurrilous pamphlets insulting high officials. Why do they not teach themselves to operate like a trade union?" When asked how the union could operate like a trade union if it did not have bargaining rights, he simply answered: "We don't see it that way. We just don't allow public servants to join unions."

No doubt the Military Council is driven by the fear of losing control of its bureaucracy. Bantustan governments are unstable and weak. Their sources of power are the repressive forces and the control of patronage within their bloated bureaucracies (often employing up to 70% of bantustan workforces) - and public service unions pose a direct chal-

lenge to these sources of power.

If the Military Council persists in its attitude it will be inviting massive strikes in the public service, of the kind which have shaken other bantustans. It is difficult to see how the regime will be able to withstand the demands for public service union rights without resorting to repression. This would provoke a mass backlash from the people, COSATU, the ANC and the SACP. Thus, if Brigadier Gqozo wishes to continue his political career he should probably behave with caution.

### **NEHAWU in the 'homelands'**

The Ciskei government is out of step with the majority of bantustan regimes. According to NEHAWU general secretary Sisa Njikelana, since the February unbanning of the ANC, NEHAWU has made rapid progress towards recognition in all the bantustans except the repressive Bophuthatswana, Buthelezi's KwaZulu and Ciskei.

The Venda government has agreed to recognise NEHAWU when labour legislation has been finalised. At this stage interim arrangements are being negotiated. Njikelana expressed concern at the recent strikes in Venda hospitals so soon after agreement had been reached. "There is a tendency to respond to issues as they arise," he says, "because union rights have been denied for so long. There is still a lack of communication procedures."

Lebowa has negotiated an interim recognition agreement, after a wave of strikes hit 17 hospitals in November. The union is expecting to negotiate organising rights in Gazankulu, but meetings have been delayed by the wave of strikes in Ciskei.

In KaNgwane and QwaQwa full recognition has been negotiated. NEHAWU has met the KwaNdebele government, and an agreement is to be negotiated. The Transkei government has decided to draw up new legislation governing labour relations in the public service, and it has invited NEHAWU to submit proposals. Njikelana sees this situation as "very positive". NEHAWU is exploring the possibility of working together with TRA-POA, the Transkei staff association in the public service. ❖



*Triad workers: eager to tell us about their struggle*

*Photo: Morice/Labour Bulletin*

## Fort Jackson strikers locked out, arrested

Ciskei workers have won basic trade union rights in law. But they often have to engage in tough battles to establish them in practice, as employers who enjoyed unfettered authority under Sebe do not change their attitude overnight. The strike and lock-out at Triad Electronics in Fort Jackson shows this clearly.

**W**e visited the workers - mostly women - in the second week of their strike. They were scattered in groups on the open stretch of grass in front the factory, their union, ANC and UDF umbrellas bright in the midday sun. They were eager to tell us about their struggle for union rights, and how management was trying to smash NUMSA and install a dummy union.

### **Workers protect the factory**

The workers were very bitter about this. They explained that they had saved their employer from enormous losses when mobs started looting and burning factories in Fort Jackson after the coup. "We heard that people were burning

factories, so went to our factory and stood around the fence. When looters came we said, 'If you have to take TVs then take them, only don't burn the factory because then we'll lose our jobs.'

"Afterwards we would see houses in Mdantsane where there were TVs from Triad, sometimes three or four in one house. We would ask the people to return them. Or we would call the police to return them to the company. In that way many TVs were returned. We felt bad that we who produce the TVs do not have them in our houses, whereas the thieves did.

"The bosses did not even thank us once for

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this. All they say is that they don't want NUMSA. People are very angry about that. Wages are very bad, about R60 per week. But the main point isn't to talk about wages, but to get the union into the factory to improve the treatment. We even told this to the bosses but they are not interested."

At this stage union organisers arrived, and the workers gathered to hear a report back from negotiations with management. There was a sense of solidarity and determination under the bright umbrellas. On the other side of the dirt track, closer to the factory gates, were groups of women sitting with their backs to us, their faces turned hopefully towards the



*Strikers discuss negotiations with the union.....*

*Photo: Morice/Labour Bulletin*

factory. They were unemployed workers. Having heard about the strike they came to scavenge for jobs. When the strikers ended the meeting with freedom songs, toyi-toying and ululating, the would-be scabs watched with expressionless faces.

### The dispute

The workers had organised themselves before the coup, joined NUMSA and won informal recognition. It seems, however, that as workers began to demand formal recognition of the union, management began resisting. Management introduced something called the United Democratic General Workers Union, which union organisers allege is actually an employment agency. Workers told us, "You don't see an organiser, you don't see an of-

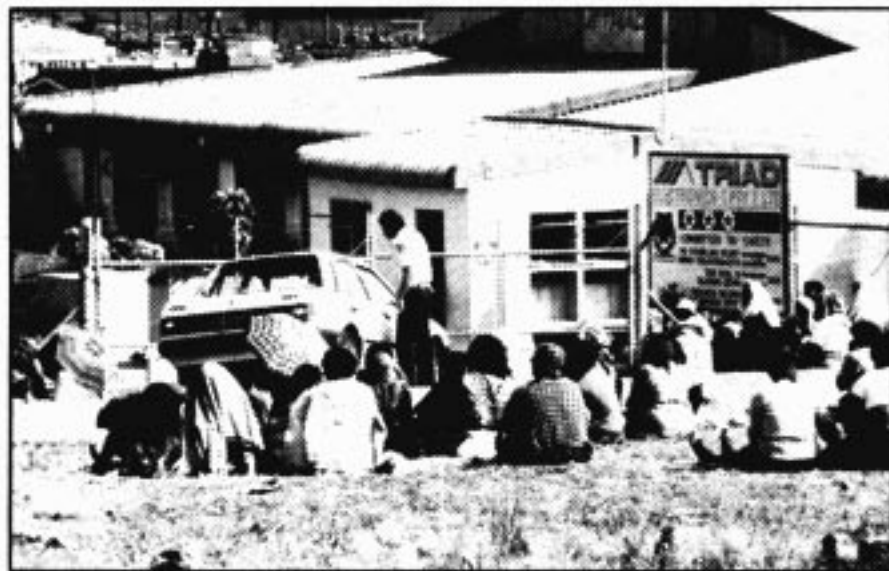


face."

The dispute started on a Friday in mid-September, when a number of NUMSA members in the plant were informed that they would have to move to different premises, also in Fort Jackson. Workers were suspicious because management had previously threatened to dismiss workers who were members of NUMSA. They asked why only NUMSA members were being moved, but got no satisfactory answer.

The NUMSA members gathered outside the factory that evening to discuss the issue. They concluded that management was trying to divide the workers and get rid of their union.

On Monday morning, when they reported



*.....while unemployed workers wait outside the factory for jobs*

*Photo: Morice/Labour Bulletin*

for work, the workers who had been told to go to the new premises were turned back by the security guards. Those inside the factory were alarmed and refused to work. Their shopstewards met management but again got no satisfactory explanation. The next day they were locked out. "Our main grievance is that management failed to consult with the shopstewards," workers told us. "They are our mouthpieces. It seems management is playing hide-and-seek - they pretend to recognise the shopstewards, but practically they don't."

### Police arrest strikers

Police then arrived, allegedly called by management, loaded the workers in vans and then dumped them in places scattered all over Mdantsane. The workers all made their way



back to Triad and gathered outside the gate again. This time the police came in great numbers and carted the workers off to cells at various police stations.

A shopsteward told us how 160 workers were crammed into six cells at one police station. "The cells were dirty, full of blood, and toilets that could not be flushed. Some slept standing up." The next day they were taken to court. They were not charged and the case was remanded. "The government is working with the ANC while it is jailing members of the ANC," she said.

### Organising before the coup

Shopstewards told us how they joined the union before the coup. "The unity of workers forced us to join the union early this year. It was the time. About six of us called a general meeting and put our views. All agreed to join. We brought joining forms the following week. We did not have that workers council they had in Dimbaza - we organised through a general meeting, went to the office in East London, got forms, filled them in, and took them back to the office. Three-hundred-and-two workers joined." The Triad workers did not know of other Fort Jackson workers organising under the Sebe regime.

They told us, "Management was not negative, they kept telling us unions were not allowed in Ciskei, and that they were doing us a favour to consider it. Shopstewards were already elected, negotiating with management before the coup. They were bringing problems within factory - not taking action or demanding agreement with the union. It was not the time to do that."

A NUMSA organiser told us Fort Jackson workers are now "pouring into the union like water". Triad shopstewards told us workers are well organised and are militant. "They don't compromise anymore, they are looking forward. The bosses are no different, they are becoming brutal. Even this thing - management instructed the police to take us away. And all over they are trying to oust NUMSA with this United Democratic General Workers Union."

By the end of last year Triad workers had still not been reinstated. ❖

## Industrial development in Ciskei

**The industrial development that has taken place in Ciskei is focused on two main areas: Dimbaza and Fort Jackson. The main attraction for industrialists has been economic incentives, and the extremely low wages, which seem to vary between 45c and 65c per hour. About 40% of the investment is channelled through the Ciskei People's Development Bank, often in partnership with private capital.**

Manufacturers starting up in Ciskei used to be eligible for a package of incentives on their wage bills, interest rates and rentals. However, these incentives were not really conducive to economic development, as Ciskei discovered in 1987. The package was short-term, lasting for seven years.

In 1987 the first seven-year cycle came to an end, and a number of companies simply closed shop. Ciskei lost 4 000 jobs in that year! Some companies were receiving more money on wage incentives than they were actually paying out to employees. As soon as the incentives ended they closed their factories.

In order to circumvent this kind of exploitation of incentives, Ciskei abolished the short-term package and introduced two permanent incentives: no company tax on profits that stay in Ciskei, and a ceiling of 15% tax on profits leaving Ciskei; and a ceiling of 15% on personal income tax.

Government officials and the Chamber of Industries believe that this is attracting "companies of substance", and cited the recent opening of Rehau, a German car components manufacturer which will supply Mercedes Benz SA as well as export markets.

According to director of the Chamber of Industries Stewart Dorrington, there are some 15 companies in Ciskei which supply MBSA. There are also some substantial textile and clothing companies with large investments.

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However, there also many companies, especially in the plastics sector, which are fairly lightweight investors.

There are a significant number of Taiwanese industrialists in Ciskei. Unionists and industrialists agree that they are often the employers most opposed to unionisation. Dorrington and Chamber president Brentnall both suspect that many Taiwanese employers are likely to pull out because they are more mobile internationally, they insist on a cheap, stable labour force, and they can't speak English.

Dorrington believes that the era of cheap labour sweatshops is past. Ciskei industrialists, he believes, will have to go the route of higher productivity and more training together with the rest of South African industry. He hopes to see training incentives and export incentives encouraging manufacturers to go this route. Employers that cannot afford to pay decent wages don't deserve to stay in business, he believes.

Whether Ciskeian industry is strong enough to take this route is an open question. Ciskei does not have a recognisable economy of its own. The economy is not integrated and there are few forward- and backward linkages (by this is meant that companies do not buy raw materials in Ciskei, nor do they sell their products to other companies in Ciskei). The linkages are with other companies and markets in South Africa and overseas.

Ciskei is very much part of the larger regional and South African economy, as Ciskei Development Bank officials acknowledge. Its future does not lie in the direction of a special enclave with peculiar conditions, but in the integration of its population and its economic activities into a regional and national development strategy which links South Africa's underdeveloped rural areas with its industrial urban centres. ☆

Tables and graphs supplied by the Ciskei People's Development Bank

**List of industries**

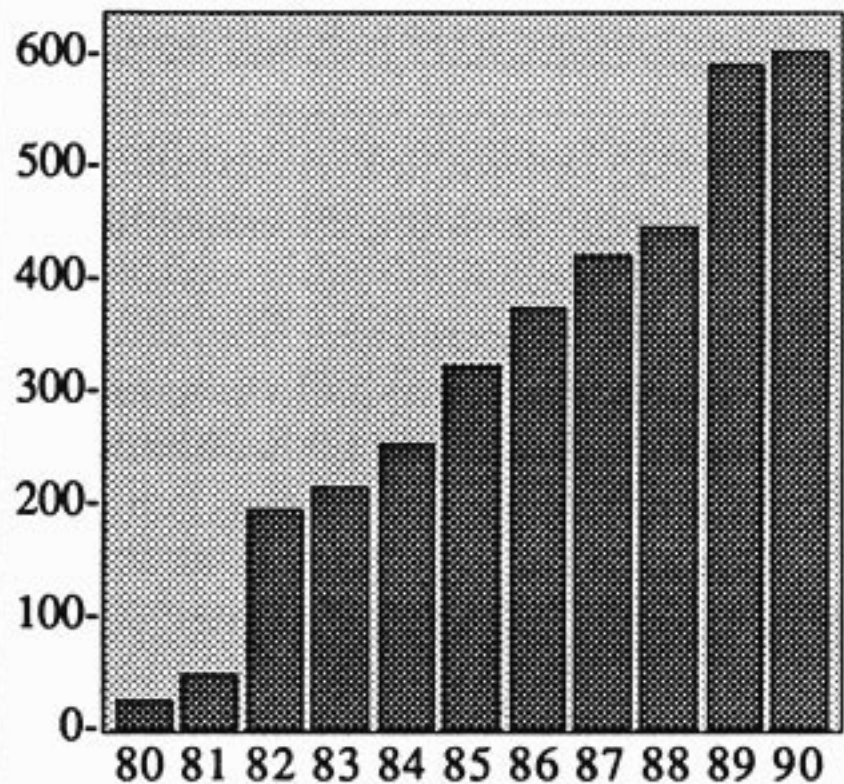
| Area          | No of firms | No of jobs    |
|---------------|-------------|---------------|
| Dimbaza       | 103         | 11 929        |
| Fort Jackson  | 78          | 4 343         |
| Mdantsane     | 6           | 1 645         |
| Sada          | 8           | 1 558         |
| Other         | 12          | 4 442         |
| <b>Totals</b> | <b>207</b>  | <b>23 929</b> |

**Categories of industries**

|                           |            | %          |
|---------------------------|------------|------------|
| Clothing                  | 32         | 15,6       |
| Food                      | 14         | 6,3        |
| Textiles                  | 17         | 8,3        |
| Iron, Steel and Other     | 10         | 5,0        |
| Metals                    | 18         | 9,0        |
| Non-metals                | 9          | 4,4        |
| Timber                    | 10         | 4,7        |
| Motor Vehicle/Transport   | 13         | 6,3        |
| Chemical and Rubber       | 17         | 8,3        |
| Electronic and Scientific | 14         | 6,8        |
| Furniture                 | 8          | 4,0        |
| Plastics                  | 12         | 5,7        |
| Miscellaneous             | 33         | 15,6       |
|                           | <b>207</b> | <b>100</b> |

**Investment in industry in Ciskei**

Rm cumulative



# the workers' charter campaign

The COSATU Workers' Charter conference, held on 17-18 November 1990, brought together delegates from all affiliates to assess the campaign, and take it forward. DEVAN PILLAY reports that significant progress was made in placing concrete democratic demands on the agenda for a new South Africa.

The focus of the COSATU Workers' Charter conference was to identify and discuss workers' demands which need to feed into the debate about a new constitution for South Africa. It brought together 350 COSATU delegates from all its affiliates, as well as observers from the ANC, SACP and other fraternal organisations.

The conference took place amid increasing concern that the federation needs to be more assertive in the negotiations process between the ANC and the government. It was held two weeks before COSATU's fifth anniversary. The sense of self-confidence and determination which emerged out of the weekend's deliberations was an appropriate testimony to the central place the federation occupies after five years of struggle. This centrality was captured by COSATU's first vice-president, Chris Dlamini, who told the *Saturday Star* on 1

December:

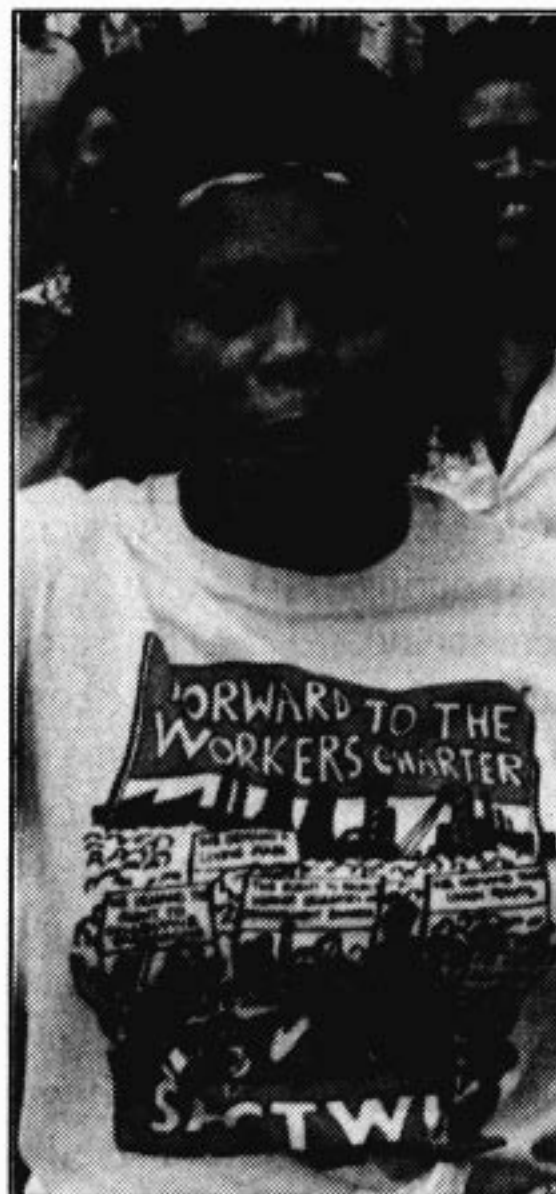
"I think all the liberatory movements of this country are aware that COSATU is powerful, and if COSATU was to go against them, or

maybe become an opposition party, they would be in serious trouble..."

After a period when there was little consultation between the ANC and its alliance partners over the negotiations process, an alliance forum has been formalised, and it will be used to communicate workers' concerns to the ANC, said Dlamini. He focused particular attention on the view amongst workers that "the government is taking the ANC for a ride" in the negotiations process.

COSATU second vice-president John Gomomo told the delegates that the conference was the first occasion that "such a big gathering of COSATU delegates have come together to discuss what kind of future we want". He said that workers need to "assert their demands, and back them up with mass action".

The conference noted that, with the exception of SACTWU, which staged three



SACTWU members in the union's Workers' Charter human chain

Photo: William Matlala/COSATU

## Proportional representation and accountability

Proportional representation is contrasted with a constituency-based election (which operates in Britain and South Africa at the moment). In this arrangement, parties put up candidates in specific constituencies (for example central Johannesburg) and they compete with candidates of other parties for the seat of that constituency. The candidate with the most votes against all the other candidates wins, even if s/he gets less than half of the votes cast. For example, if A gets 40%, B gets 39% and C gets 21%, then A wins the seat. Therefore if party B just missed winning each seat, it could end up getting 39% of all the votes nationwide, but no seats at all in the assembly! (In Britain Thatcher's Conservative Party won the last election with a great majority of seats, even though only 42% of those who voted, voted for them.)

The advantages of the constituency-based system is that delegates are directly accountable to a specific geographical constituency, and will have to report back to that constituency. The disadvantage is that the total number of votes cast nationwide do not correspond with the number of seats each party gets. The conference felt that there should be regular report-backs during intervals of the assembly, and there should be mandating forums operating all the time (unlike what happened in the Namibian Constituent Assembly). All proceedings should be public.

To achieve proper accountability, a system of proportional representation will have to incorporate elements of the constituency-based system. The details of the system to be used have yet to be discussed. There are many variations which can be adopted.

One that does not facilitate direct accountability is the simple system of proportional representation, in which each

party submits a list of names, and those at the top of the list get elected, according to the percentage the party wins. Thus if the ANC won 70% of the votes

cast, the first 70 names out of a list of one hundred would be elected. Because each voter votes for one party at a national level, there is no direct relationship between voters in a specific area and a specific candidate. Thus all those on the list could be 'experts' with no popular constituency of their own. This facilitates control from the centre.

An alternative is to have constituency-based elections, but each party's number of seats is increased to correspond with the total number of votes cast. For example if, through such an election, the ANC only won 55 out of a hundred seats, but actually won 70% of the total number of votes cast, then it would be given an additional 15 seats. Thus 55 of the ANC's delegates to the Constituent Assembly would be accountable to a particular constituency, and only 15 would be 'free floating' (although they could come from geographical constituencies they lost, or from organisational constituencies like COSATU, the Youth League or Women's League etc).

There are many other variations which could be considered. For example, COSATU and other allied groups of the ANC could demand a certain proportion of seats which an ANC-led alliance would campaign for. Thus delegates would be organisationally accountable, or there could be a mix between organisationally-based accountability and geographically-based accountability. There is clearly much thought and discussion that needs to take place if, as the conference felt, there is to be both accountability and proportional representation. ❖

massive worker chains this year to popularise the campaign, many affiliates were not taking it as seriously as they should. Very few demands had come in from the factory floor. The conference was designed to reinvigorate the campaign with a renewed sense of purpose.

The conference was not a decision-making forum - it only has recommending powers, and issues will be taken back to the membership for further discussion. Furthermore, for most of the conference delegates divided into commissions to address specific issues. The commissions then reported back in plenary, but there was not enough time to discuss the reports in depth. This means that the positions discussed in this article are by and large the views of the commissions rather than the conference as a whole. Nonetheless, it seems there was significant agreement on a range of issues, the most noteworthy being the Constituent Assembly.

## Forward to a Constituent Assembly

COSATU, at its last congress in July 1989, placed the demand for a Constituent Assembly firmly on the agenda. This radical demand is seen as the only democratic way to draw up a new constitution for South Africa. It is a central demand that has been adopted by the broader liberation movement, including the ANC, PAC, AZAPO, WOSA

and Unity Movement.

The Constituent Assembly demand differs radically from the proposals of the government and other groups like the Democratic Party. Their idea is to have as many groups as possible sitting around a negotiating table behind closed doors, to thrash out a constitution. These groups would all have equal status, no matter what their size. At the end of that process, a new constitution would emerge, and be rubber-stamped by a referendum (non-racial or segregated). The masses would play no part in drawing up that new constitution.

The conference agreed that, by contrast, a new constitution has to be drawn up by parties which have the proven support of the people. This can only be tested through a one-person-one-vote non-racial election for a Constituent Assembly, where those elected would sit down and draw up a new constitution.

There was a feeling at the conference that such an election should be conducted on the basis of *proportional representation*, where the percentage votes cast for a particular party determine the number of seats allocated. Thus for example if the ANC received 70% of all the votes cast nationwide, it would get 70% of the seats (see facing page).

### The climate for negotiations

Another crucial element of the Constituent Assembly de-

mand is the climate within which the elections are held, and in which the assembly sits. The conference agreed there should be no political trials; political prisoners must all be released and all exiles returned; state violence must be curbed; and there must be free political activity.

Specific mention was made of the neutrality of the security forces and media - neither should be left in the hands of the government. There should be some sort of 'interim arrangement or mechanism' to deal with this situation. The conference considered whether outside forces, such as the UN or OAU, were needed, but this is clearly an area which needs further discussion.

### The role of COSATU

While there is agreement that COSATU should be involved in the constitutional process with its allies, COSATU's precise role in negotiations and the Constituent Assembly still needs further debate and discussion. COSATU may either participate in the process as an entity in its own right, or as part of the alliance with the ANC and SACP. According to COSATU general-secretary Jay Naidoo the NUMSA position, adopted earlier this year (see *Labour Bulletin* Vol 15 No 3), reflects the consensus view within COSATU as to how the alliance should operate during the phase of negotiations. NUMSA's pro-

## COSATU CAMPAIGNS

posal is that all COSATU delegates involved in the negotiations process should be accountable to COSATU, and that COSATU should first formulate its own position before meeting its alliance partners, which would then formulate an alliance position.

Naidoo feels that what was agreed at the conference has "key implications" for the alliance. While there was a common approach to the constitutional question, there were different areas of emphasis - COSATU as "a trade union body stresses the rights of workers", he said. He added that there was a need for COSATU to "feed more cohesively and vigorously into the alliance and the negotiations process." The conference had adopted a firm position that "on major policy issues, there must be consultation with COSATU".

The conference proposed that there should be full cooperation between COSATU and the ANC's legal and constitutional committee.

## Trade union rights

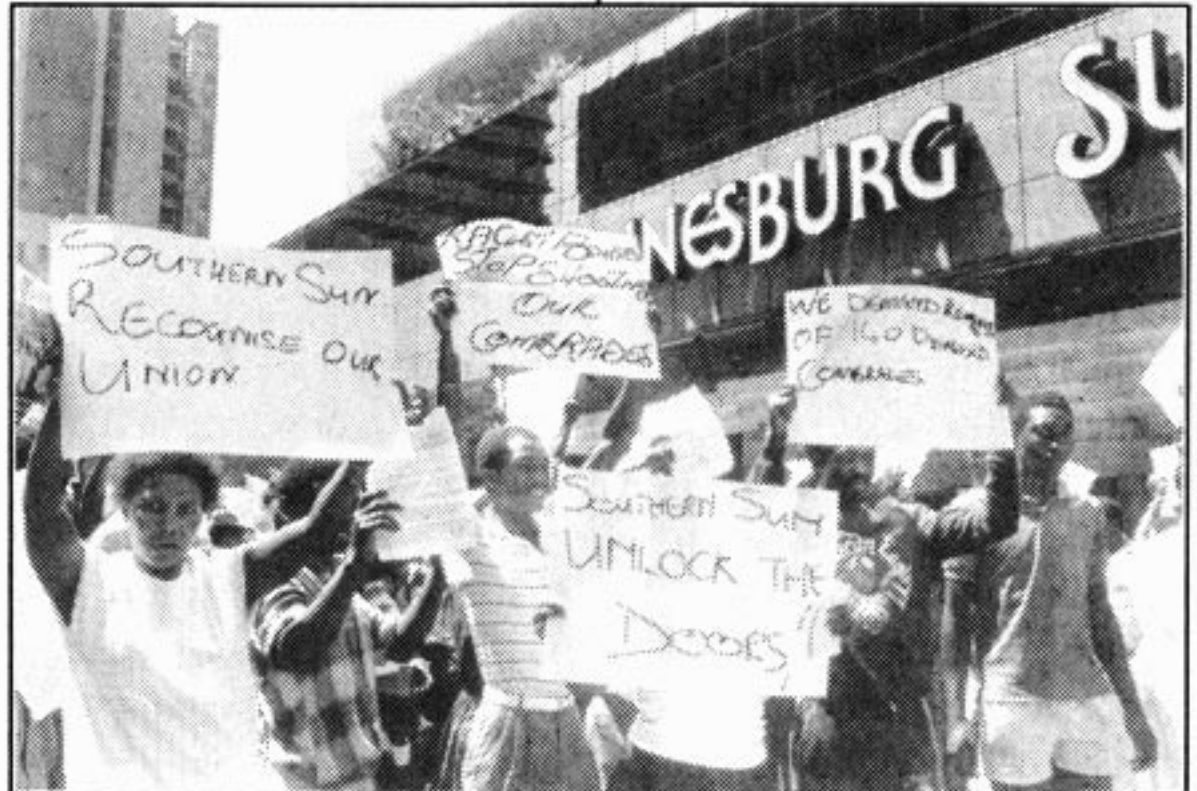
The conference felt that a new constitution should include the right of shop stewards to carry out their duties, and the right to:

- stop order facilities
- information
- collective bargaining
- education, training and literacy for shop stewards and members
- participate in decision-

making

- belong to or form a trade union without victimisation or interference
- publish and distribute media without restriction
- hold meetings without restriction
- organise freely

pickets; whether lock-outs by management during industrial action should be prohibited; whether the constitution should include a clause legalising unprocedural strike action when it is provoked by management; and whether there should be



*The right to strike: key clause in a new constitution*

*Photo: Cedric Nunn/Afrapix*

The conference endorsed the principle of freedom of association. It saw no conflict between this principle and the right of trade unions to negotiate a closed shop. Individual rights should not preclude collective rights such as the closed shop, which should also be enshrined in the constitution.

Agreement was also reached that the right to strike on all issues should be included in a constitution, if the unions are to be independent and vibrant. However, further discussion is needed on whether 'essential services' should be defined in the constitution or be subject to collective bargaining; on the rights of

a duty to bargain.

With regard to procedural strikes, it was agreed that a constitution should include the right of access to company premises and facilities, and the right to:

- picket
- no scabs
- no dismissals
- no interdicts or other legal action
- strike funds
- no evictions from company accommodation
- call consumer boycotts
- hold sympathy strikes
- hold ballots on company premises
- no state intervention during strike action
- simple and quick procedures for legal strike action.

## Trade union independence

While it was agreed that unions should remain independent and democratic, the conference considered to what extent participation in state structures in a democratic South Africa affects this independence.

There was consensus that trade unions should be able to directly influence state policy on issues of concern to their membership, and that certain key issues, such as human resources and social security, should be identified.

Further discussion is needed on whether there ought to be direct participation by unions in certain decision-making structures; whether there should merely be consultation with such structures before decisions are taken; whether unions should act completely outside these structures, as a pressure group; or a combination of all these.

There is also a need for more debate around the nature of participation in forums such as the National Manpower Commission and the Unemployment Insurance Fund.

### Trade union registration

While there was no agreement on whether a trade union ought to register its constitution with the state, some delegates proposed a system of registration whereby unions would receive certain benefits if they:

- were non-racist

- had financial control by their members
- had democratic structures and constitutions
- represented clear and substantial constituencies.

The benefits would include stop order facilities; access to negotiating forums; and the use of certain provisions under the new labour legislation.

### Wearing two hats

After sharp debate, the conference could not agree on whether union officials or office-bearers could simultaneously hold office in a government, or occupy top positions in a political party, as individuals or as representatives of political parties.

Three positions emerged, which need to be further debated. The first argues that union leaders should be able to simultaneously hold positions in government or political parties, in order to advance working class interests in those structures.

The second position states that, during a certain transitional period, union leaders should be able to assist in building political party structures. However, in the longer term union independence would be protected if union leaders did not participate in the leadership of political parties.

The third position argued that trade union leaders should not simultaneously hold office in government or political parties. Trade unions are independent organisations, and their

leadership is democratically accountable to trade union structures.

For further discussion, it was also felt that the *level* of leadership affected should be considered, as well as whether participation in government and political parties ought to be seen the same way.

## Democratic rights in the constitution

Democratic participation and accountability has to be ensured after the Constituent Assembly has met, and drawn up a constitution. It was with this in mind that the conference agreed that a new constitution should have a clause which provides for referendums on issues of national concern (for example on trade union rights). A referendum could be held either with the intention of abolishing an existing law, or for establish a new law. A certain number of signatures would be needed before a referendum is held (a figure of 500 000 was mentioned, but this still needs further discussion). Once a referendum on an issue is held, at least two years must pass before another referendum on the same issue may be held.

Such referendums should be conducted by a constitutional court, as a neutral body, and not the same government which wants to pass a law that is being objected to. There was a suggestion that the trade union move-

## COSATU CAMPAIGNS

ment be allowed to nominate representatives or judges to such a court (although its full composition requires further debate).

Further discussion is needed on whether all laws should be subject to recall in a referendum, or whether certain ones, such as tax laws or international treaties, are exempted.

Certain clauses in the constitution, such as those protecting worker rights, should be **entrenched** clauses, that is they should not be capable of suspension even in a state of emergency (given that some countries, like Zimbabwe, have had states of emergency lasting up to ten years or more).

It was also felt that one person could not be state president for more than ten years (two terms of office of five years each). This is presumably aimed at preventing a cult of personality from emerging.

### The right to information

Another crucial area of democratic participation is access to information. It was agreed that the government should have the duty to reply to questions put to it in parliament, and that public organisations should have the right to table questions. State documentation should be available to the public, with a limited time period before security-related information is released.

All Bills should be presented to the public for discussion before being

passed as laws - in particular, organisations which are directly affected should be consulted before laws are passed. The right to privacy has to be qualified by the right of the public to information which affects them.

The freedom of the press has to be extended, the conference felt, to include greater access by organisations to have their views reflected, and a right of reply. There should be no state monopoly on radio or television, and all public media should be independently controlled. There needs to be more discussion on the private ownership of newspapers, and state subsidies of organisational media.

## Economic rights

The conference agreed on a number of basic socio-economic demands, such as a living wage, free education, job security etc, but further debate is needed on whether these should be incorporated into a new constitution or elsewhere. It was felt that all economic demands be in a Workers' Charter, and these should be linked to discussion about COSATU's view on the economy and on ANC economic policy.

There was agreement on the broad objective of worker ownership and control of the economy in a socialist state. Issues identified for discussion were:

- forms of collective owner-

ship of industry, including nationalisation;

- trade union participation in economic planning;
- democratic planning of the economy by the State, involving producers and consumers through the organs of civil society;
- relations of co-operation between our country and other fraternal countries;
- the redistribution of wealth;
- land reform;
- access to full information on the economy;
- a full employment economy.

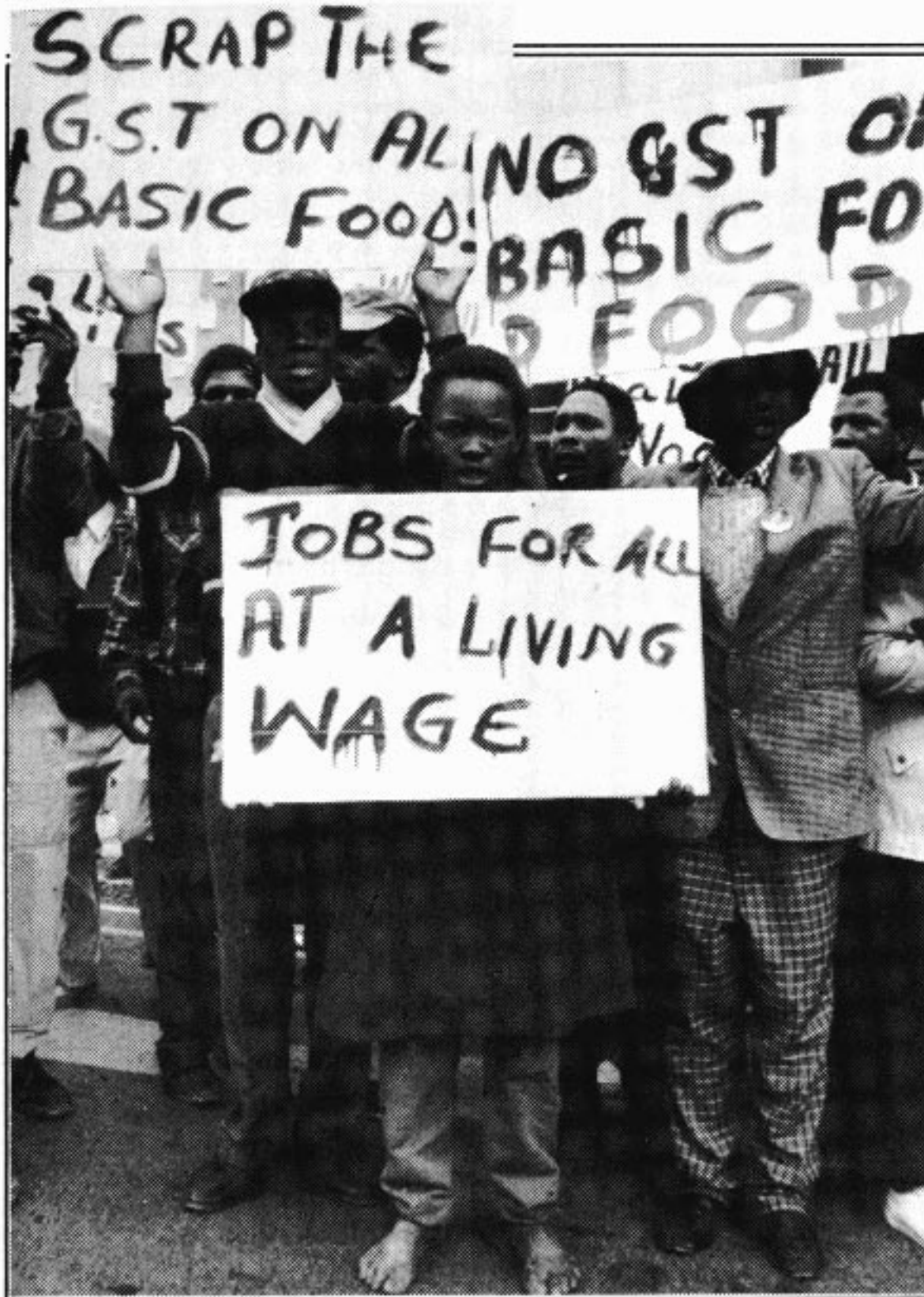
There was no consensus on state control and regulation of the market.

Demands at the plant, mine or shop level include the election of supervisors; negotiations over investment; the right to full information; and control over managerial staff. There was discussion on whether managers should be elected or not. The point was made that workers need to have some control over the production process.

## Gender rights

Significant advances were made on the question of gender rights, considering the level of debate at the last COSATU congress (see *Labour Bulletin* Vol 14 No 6 and *Work In Progress* No 61). Women's oppression is increasingly being seen in terms of the problem of gender rather than the problem of women. In other words, just as racial oppression is of con-





*The right to work and a Living Wage: should they be guaranteed in the constitution?*

*Photo: Benny Gool/Afrapix*

cern to black and white, so should women's oppression be of concern to both men and women. It should not be 'ghettoised' as a 'women's issue'.

The commission on gender rights, to many unionists' surprise, reached consensus on a number of far-reaching gender demands, without much disagreement. These demands, it felt, should be included in a new constitution as general clauses as well as through a Family Code (which focuses more specifically on marriage, private

relationships, domestic work, child care and domestic violence). The demands were that:

- **Marriage** laws should give women equal rights before marriage, in marriage and when there is a divorce. Further discussion is needed on customary law relating to polygamy and lobola.
- **Domestic work** should be the responsibility of both men and women.
- **Child-care** should be the responsibility of the state, and there should be adequ-

ate paternity and maternity leave.

- **Health-care** should be safe and accessible, and provided by the state. Abortion should be legalised, and an affirmative health care programme is needed, especially on issues like contraception.
- **Working conditions** should not discriminate between men and women - there should be equal pay for equal work, and equal opportunities for promotion, training and recruitment.
- **Protection from violence** is a basic human right, and there should be active non-tolerance of rape, battery and abuse.
- **Education** should be non-sexist at all levels.
- **Cultural values** which reinforce gender oppression, particularly in popular culture, religion and beauty contests, should be corrected.
- **Media**, especially advertising, often promote sexism, and should instead promote non-sexism.
- **Gay people** should not be regarded as criminals - a person's sexual orientation should be his or her personal choice.

The conference proposed that, to ensure that these demands are realised, constructive action needs to be taken in areas like education and training, and the reservation of seats for women in key state structures. An Equal Opportunities Commission



*Special attention was paid to gender issues and the rights of women workers*

*Photo: Gill de Vlieg/Afrapix*

should be set up to initiate anti-sexist legislation; take up cases of discrimination; develop equal opportunities programmes; and monitor laws which affect gender. In addition, research needs to be done on constitutions of other countries to look at how they dealt with gender issues.

Some of the principles on creche facilities and affirmative action can be implemented now - there is no need to wait for a progressive state to come into being.

### **COSATU's voice cannot be ignored**

While the workers' charter campaign is much broader than the constitutional issues which this conference focussed on, it was decided to narrow the short-term focus of the campaign in recognition of the accelerating pace of the negotiations process. COSATU is determined to make its considerable presence felt in the debate about a new constitution for South Africa.

The conference, said COSATU general-secretary Jay Naidoo, "threw up issues for debate", which will be further discussed by affiliates, and taken to a Central Executive Committee (CEC) meeting in February, where final decisions will be taken. COSATU also hopes to draw in as broad a range of organisations as possible into the process. This includes NACTU (they were invited to the conference, but did not attend). Both COSATU and NACTU have supported the idea of a third Workers' Summit where the workers' charter could be discussed (see *Labour Bulletin* Vol 15 No 4).

The intention is to make the issues raised at the conference acceptable to a much wider constituency than COSATU's 1,2 million members.

The Workers' Charter Campaign co-ordinator, SACTWU's Ebrahim Patel, stated that "COSATU is calling for civil society to play a more important role in determining the new constitution. Constitution-making should not be confined to parliament and political parties."

But debate and agreement is one step. The liberation movement has to find ways of ensuring that the powers that be give in to these demands. This, the conference heard, can only happen through mass struggle. As Gomomo put it:

"Comrades, we cannot put napkins on you in the struggle - you have to fight for these demands." ☆

# Fighting high finance: US labour experiences, SA prospects

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Unprecedented debt and uncontrolled speculation have characterised many capitalist economies since the mid-1970s, including South Africa and the United States, writes PATRICK BOND. In the US, some progressive forces have begun to offer vigorous resistance to the pain of financial devaluation that invariably accompanies a speculative binge.

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The recession is deepening, bankruptcies are increasing, and many South African workers are forced to struggle ever more desperately for economic justice because their employers *are sinking deep into debt*. Companies and farms which must repay their bankers an extremely high interest rate on loans find it difficult to meet demands for a living wage.

The problem of growing debt is not only a South African one. Across the globe, debt levels are higher than they've ever been. And tragically, rather than being used to increase productive capacity, many of the new loans are often used for further speculation. ('Speculation'

means gambling that a higher than average rate of return can be gained from investments which are not tied directly to production.)

The best example of these trends - and of the damage they cause poor and working people - is the United States economy. There, hostile takeovers of corporations funded by extremely risky loans, the collapse of real estate markets and failure of thousands of building societies, an overvalued stock market, and massive levels of indebtedness throughout society, have combined to make a mockery of what was once the world's strongest industrial power.

A new generation of trade union militants - at both staff

and rank-and-file levels - are waking up to the problems caused by the degeneration of the economy. Together with inner-city civic associations, these unionists are doing battle with the bankers, insurance giants, financial speculators, and "corporate barracudas," as Jesse Jackson calls them, that sit atop the US economy's commanding heights. These new alliances and coalitions are changing the rules of the game.

Will the coalitions be tough enough to resist the union-busting tactics of financiers? To get to the heart of the struggle, we must first look at the terrain: economic chaos created by financial

parasitism.

**The financial explosion**

Leading radical economist Paul Sweezy coined the term 'financial explosion' to describe what is perhaps the most significant force in today's global economy. His argument is that stagnation enveloped the US and other capitalist economies in the early 1970s, with symptoms like slow growth, the decline of heavy industry, and inflation.

One logical response by institutional investors was to move a flood of capital away from *production* into *speculation* (other big business responses were wage cut-backs, plant closings and geographic capital flight, and a broad attack on the US government's already minimal provision of social welfare and non-military services). One form of speculation is lending money to companies and consumers in order to earn profits through interest. Another is to invest millions in the share market rather than investing directly in production. This inflates the value of the shares on the stock market.

It was not long before industrial and commercial capitalists became big financiers. Through what was formerly a car financing arm, General Motors now controls more housing bonds than any other US institution. Ford Motor Company became the largest building society in the US through its subsidiary, First Nationwide. Sears, a

huge retail chain like OK, is now a major financial services firm.

Since interest rates in real terms had gone from around 0% in the 1970s to an average of 5% in the 1980s, this strategy was simply a more profitable one for businesses than reinvestment in factories and equipment. But as a result of falling profits and wages in the economy, many of the companies and individuals who went into debt during the financial explosion soon found they had to borrow more new money just to keep paying interest on the old.

The total debt owed by US companies, consumers and government to US creditors, soared from \$5 trillion in 1980 to \$13 trillion a decade later (the US also boasts the world's largest foreign debt, at well over \$700 billion; in comparison SA's is about \$20 billion and Brazil's \$120 billion). Since many of these debtors are no longer able to pay off their debt, banks and building societies are threatened with bankruptcy.

Sweezy predicts that although government support of the stock exchange and bankrupt banks and building societies may allow the financial explosion to continue into the 1990s, at some point this approach will fail because the government will not have sufficient money. Then, as happened sixty years ago in the Great Depression, full-fledged *devaluation of finance* must

be faced.

**Routes to financial devaluation**

What is devaluation? Some examples of financial devaluation include bank failures, the collapse of stock markets, or inflation.

When it becomes impossible to continue gambling with debt the leading managers of the economy (usually to be found in the Department of Finance, the Reserve Bank, and top financial institutions) will realise the need to try to restore some real underlying value to all the speculative paper value that pension fund managers, bankers, insurance companies and other institutional investors have successfully created out of debt.

So how does the necessary devaluation of overvalued assets happen?

Occasionally the villains are made to pay. An example was the spectacular collapse earlier this year of the New York investment bank Drexel Burnham Lambert. Government officials let Drexel bite the dust because its top speculator, Michael Milken, had stepped on too many establishment toes with his outlandish financing methods.

Usually, though, the villains get off scot free and taxpayers are called in to bail out multi-billion dollar financial institutions which have gone bankrupt. The \$40 billion Continental Illinois Bank, for instance, failed in



In the US, when 1 000 of the country's 3 000 building societies (called savings and loans, or S&Ls) failed in the late 1980s, more than \$500 billion of taxpayers' money was used to bail them out

Graphic: Courtesy of the author

1984 due to shaky oil, property and Third World loans. The government took over to save it from bankruptcy. And presently, the government is using more than \$500 billion of taxpayers' money to support the US building society industry, which played fast and loose with millions of Americans' savings.

Aside from banking crashes, there are vivid indications of devaluation's human costs already apparent in the US. For example, in the early 1980s, hundreds of thousands of small, over-indebted mid-western family farmers were declared bankrupt by the banks (a similar

process is now happening to farmers in South Africa.) Then, as the farm banks began going bankrupt by the hundreds, major insurance companies and huge agribusiness firms moved in and took over the devalued land.

### Devaluing the US working class

Traditionally-privileged US workers have also suffered as a result of the general problem of high company debt. When the financiers demand repayment of the debt, the indebted companies must take added steps to lower wages and bust unions.

In an even more disturbing development, many US

workers' pension funds - which are typically controlled by the employer - have done very well thanks to the speculative rise of the share market. But two million workers saw none of the benefits. Why? Throughout the late 1980s banks forced many indebted companies to raid the excess assets in the pension funds, close the funds, and pay the workers off early. The workers lost both their retirement security as well as those surplus pension fund assets which were morally, if not technically, theirs (there have been a few similar incidents in South Africa, pension fund sources admit).

Speculation is extremely profitable in the US. Drexel financier Michael Milken, for example, earned a world record \$550 million in personal income from his junk bond deals in 1987, but two years later was fined \$1.8 billion for financial crimes. [Since the writing of this article, Milken has been sentenced to 10 years imprisonment as further punishment for his financial crimes - *ed*]

When considering how to pass the costs of speculative finance and over-indebtedness from the banks to the people, the trick for big business strategists and government bureaucrats is to devalue slowly and steadily, without risking the kind of public panic where people try to withdraw all their money from the banks, and the stock market collapses, as happened in the 1930s.

The trick for trade unions and civic associations, on the other hand, is to resist devaluation in a way that not only protects their interests, but also sets the stage for a more fundamental transformation of society.

**Resisting the US financial explosion**

Progressive forces in the US are trying a range of strategies to avoid being forced to carry the burden of financial devaluation.

Pension funds, for example, are already becoming a crucial component in the overall strategy of resistance. Jesse Jackson and his

National Rainbow Coalition have put forward the idea that pension funds should be redirected to low-income housing and community development, even if the short-term rate of return is a bit lower. While US progressives maintain the demand that the government continue to finance housing, the \$2.5 trillion federal debt makes this a losing cause. New financing sources are needed. For pension funds, one of Jackson's concerns was that stock market investments are far too speculative, even if over the past few years they seem to have offered a good return.

Jackson and his advisors and some unionists are trying to shift the national economic debate away from a focus on high investment returns and toward the issues of equity and stability raised above. One way of doing this was Jackson's leading role last year in a major taxpayer revolt ("The Financial Democracy Campaign") against the bailout of the building societies.

Jackson and other leading progressives have also joined grassroots efforts to oppose the devaluation of urban areas that accompanies the financial crises of inner cities. In Baltimore, a declining mid-Atlantic industrial town with an up-and-coming financial services economy, a broad civil rights-labour-community-student front successfully waged a campaign against the city's largest bank (Maryland National). The front won \$50

million in loans at below-market interest rates for poor neighbourhoods; \$50 000 per year for grants to non-profit community development groups; an endorsement of bank-financed Third World debt relief; and a commitment to end all its South Africa business.

The community development groups - especially credit unions and housing and land cooperatives - are, in many people's view, the seeds of a new, socialist mode of production that can only develop, at present, in the margins of decaying urban capitalism. If Jackson succeeds in getting support from pension funds for non-profit community development groups, this will strengthen the movement immeasurably.

**Labour-community alliances**

The Baltimore campaign also attracted a great deal of labour interest. Unions were concerned about several of the Baltimore banks' practices (such as funding new multinational corporate investments in repressive countries like El Salvador). But they also saw the demand for more lending for community development as one way to play a more social role, and to help build longer-term alliances. One major union went to court against Continental Illinois Bank, alleging that after it was taken over by the government in 1984, the bank had completely abandoned its

community responsibility and commitment to the African-American neighbourhoods of Chicago. The case stunned the entire financial community when the judge ruled in the union's favour in early 1989.

In another recent example, the United Mine Workers were in the middle of the toughest US labour struggle in recent history, against the Pittston Company. To bust the Mine Workers in the face of an extraordinary strike effort that gained support from all over the world, Pittston borrowed \$100 million from a five bank syndicate led by Manufacturers Hanover Trust of New York City. Though the Mine Workers had no members in New York, they found some new allies: national anti-apartheid groups angry that the bank had also rescheduled \$200 million in loans to Pretoria in the face of the international call for financial sanctions; and the US' most militant national civic association, ACORN (the Association of Community Organisations for Reform Now), which saw the bank taking money out of its poor Brooklyn neighbourhoods and lending very little of it back. All three forces waged a simultaneous campaign against Manufacturers Hanover Trust, using the old strategy, "Think globally, act locally."

**Corporate campaigns**  
Unions employ other strategies in campaigns like the one against Pittston.

Sometimes, the huge leverage of pension funds can be used by trade unions during shareholder annual meetings. In the Pittston campaign, the United Mine Workers sponsored some progressive shareholders' resolutions that - thanks to union pressure on pension funds and other institutional investors - gained 40% of the vote (in contrast, the most popular shareholder resolutions sponsored by church groups to disinvest from South Africa typically receive less than 10% of the vote).

This kind of 'corporate campaign' tactic is being used more and more frequently by unions so as to educate and confront shareholders with the unacceptable - and often very costly - deeds of a new class of buccaneer corporate management.

Together with civic associ-

ation struggles for community control of capital, the trade unions are gaining some short-term - but vital - concessions, and beginning to educate their membership about what's really at stake in the economy: control over the levers of high finance.

**The SA financial explosion**

While the class struggle in SA is clearly well-advanced at the shop floor level (much more so than in the US), the financial explosion trends described above are also appearing, and this will affect workers and their communities. Finding means of resisting the subsequent devaluation process might become a top priority for progressive South Africans, whether they are labour or community-based.

Consider the massive



*Johannesburg Stock Exchange: the speculative boom has increased the value of JSE shares from R47billion to R400 billion since 1982*

*Photo: Morice/Labour Bulletin*

speculation in the Johannesburg Stock Exchange (JSE), which rose 51% last year (in dollar terms) - the fastest in the world - against real gross domestic product (GDP) growth of just 2%. This sort of speculative boom has plagued South Africa since 1982, as the value of JSE shares increased from R47 billion to R400 billion, while the real underlying value of the JSE's companies stagnated (see Figure 1). Due to international gold fluctuations, the JSE has since dropped a bit, but much more devaluation is required to bring it in line with the real capital value of the companies that JSE is meant to represent.

Aside from the JSE, property is also a favourite investment for speculative finance - the value of SA property transactions has more than doubled since 1985 to R20 billion a year. In both stock markets and real estate, though, what goes up - beyond reflecting real value increases - must come down.

Debt has soared, too. While private corporate and consumer debt to the banking sector was just 28% as high as SA's GDP in 1980, it rose to 47% of GDP by 1989 (Figure 2). Both Pretoria and big business seem to be searching now for a black middle and working class to become the next set of debtors, since consumer bankruptcy rates for the white middle class are already at a record high. And SA companies, while less indebted than in the peak years of 1985-86, are now returning to their addiction to borrowing.

**The SA financial explosion**

Jan Lombard, Deputy Director of the SA Reserve Bank, on the SA financial explosion

"Young upward mobile professionals (yuppies), able and interested in making money out of restructuring existing financial empires, are in great demand. But blue collar work has been expanding very little. For long periods the yields available from investing in existing stocks and shares remained more attractive than the expectations about new real capital formation. According to Reserve Bank calculations the profitability ratio in practically all industries (including primary and tertiary industries) showed a markedly declining trend over the past 12 years. In the sector 'finance, insurance, real estate and business services,' however, the ratio fully recovered its lost ground since 1981. It really seems as if the intellectual talent of the community was being increasingly devoted to financial management. To my mind such a trend for an economy in the position of SA is not a healthy one."

*Talk to CSIR, June 1988* ❖

In the months ahead, the ability of all these debtors to survive will be determined by the level of interest rates.

**Foreign influence**

SA's foreign debt will play a crucial role in the whole financial explosion, as it has in the recent past. Even after apartheid is finally abolished, the SA economy won't get much relief from the international financial community on the \$20 billion foreign debt. The SA government has a perennial crisis trying to repay foreign banks; now former US ambassador Herman Nickel is trying to persuade President Bush to open the door to new SA borrowing from the IMF. In May, Finance Minister Bar-end du Plessis told a British journalist, "We need more than a symbolic lifting of sanctions. We need access to

banks and the IMF." That same week, a World Bank team made a preliminary visit to SA, and according to one business representative who met with the team, "already acted as if they owned the place."

A great deal of new IMF and World Bank money might 'solve' things in the short term, but only by adding even more debt for future generations and drawing a post-apartheid SA deeper into the ever more hostile international capitalist markets. Perhaps a better long-term solution is to help mobilize the international anti-apartheid network to focus attention on *writing off all commercial bank loans inherited by a future ANC government.*

**Progressive directions**

With the support of billions

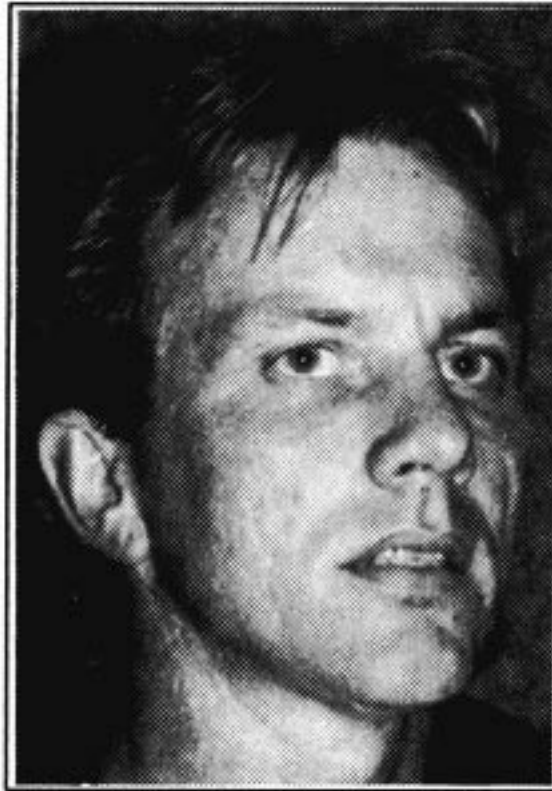


of rands in union-influenced pension funds and an aggressive approach to corporate campaigns, South Africa's progressive forces can do quite a bit to withstand devaluation of the SA financial explosion.

The South African financial battleground is very different to that in the US, of course. For example, while leading progressives such as Jackson push hard on the US mass consciousness to become "populist" in the grand anti-corporate tradition of the 1890s and 1930s, SA seems to offer prospects of a much more deeply-rooted socialist attack on the underlying causes of the financial explosion (ie, stagnation in the productive sector), not merely its symptoms.

And notwithstanding the awesome threat of mass bond boycotts, SA's banks are perhaps not as good targets as in the US, since some leading financiers (eg, Chris Ball, formerly of Barclays, or Bob Tucker of the Perm) have offered their services in varying degrees to end apartheid. Although this is largely self-interested, it is not to be shrugged off. MDM personalities even sit on the boards of leading financial institutions or the Urban Foundation. SA's financial institutions are also mostly controlled by huge monopoly groupings, so while they are vulnerable to pressure, they are also immensely powerful.

But that does not mean that certain US lessons on



*NUMSA's Schreiner: use pension fund cash for non-speculative land acquisition and co-operative building schemes*

*Photo: William Matlala/COSATU*

building a labour and community movement in the context of the financial explosion are not useful in SA.

For example, NUMSA's Geoff Schreiner has argued in *Trustee Digest* that a fraction of his union's stake in some R3 billion in pension funds might be used to support non-speculative land acquisition



*COSATU vs Barlows: the battle continues*

and co-operative building schemes. And, as in the US, if democratic, worker- and member-owned, community-controlled banks or credit unions were to be established at some point (as is being discussed by the Alexandra

Civic Organisation), pension fund deposits in these banks might be an ideal way to promote popular community development.

As the big COSATU campaign against Barlow Rand continues, pension funds might play their role by either selling company shares in protest or voting them against management's anti-union position if a shareholder vote arises. With R3 billion in debt, Barlow is the most exposed SA company in the credit markets (the second most indebted owes just R800 million). As was the case with Pittston, this vulnerability also presents opportunities to trade union strategists.

Economist Stephen Gelb summed up the SA situation in a recent *Weekly Mail* article: "The popular demand for increased provision of jobs, housing and other necessities carries implicitly a requirement for considerations of production and of the needs of society to be restored to primacy over those of finance. The conflict between these contrasting approaches to reshaping South African society is certain to be the central feature of the next decade."

If the US is anything to go by, labour-community struggles that link issues and targets can create the kinds of material concessions and consciousness-raising that will, perhaps, sustain working class politics through even a ghastly financial devaluation. ☆

# The demise of Industrial Councils: *social and economic effects\**

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TAFFY ADLER of the Labour and Economic Research Centre (LERC) argues that deregulation, and in particular the dismantling of industrial council pension funds, puts the provision of retirement benefits at risk. Instead of spurring on economic regeneration, he argues, deregulation will increase poverty in South Africa.

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## **1. Introduction**

It is a failure to combine the specific with the general which allows us to miss very significant contradictions in state policy. We very often discuss specific state policies in isolation. A focus on retirement benefits show that the policy and activities of the Departments of Manpower, Social Welfare and Pensions, and Finance are adopting very different approaches.

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\* This is an edited version of a paper presented to the Third Annual Labour Law Conference on Collective Bargaining, Deregulation and Democracy in Durban, 1990

On the one hand, we have the Department of Manpower approving vigorously of deregulation as a policy. On the other hand, those government departments dealing with the provision and financing of social welfare are clearly worried by the lack of national regulation of pension provision. I will discuss this very real conflict of interests in the state later in my paper.

## 2. Deregulation and Industrial Councils

Let us begin by discussing deregulation and its effect on industrial councils.

Industrial Councils are a significant social institution in our country. They cover a large number of workers in very important and strategically located sectors of the economy. In 1989 there were 94 registered Industrial Councils, administering 138 Industrial Council Agreements covering 945 178 workers (this figure takes into account the 311 136 workers covered in the Industrial Council for the Iron, Steel and Metallurgical Industry whose agreement was, as a result of industrial conflict both between the parties and the Minister of Manpower, not registered at the time) (Dept of Manpower, Annual Report, 1989, para 1.29).

If we exclude agriculture and mining, where no industrial councils exist, then industrial council agreements cover just over one-fifth of

the workforce in the non-primary sectors of the South African economy (Figures derived from CSS, 1990).

The industrial council system is significant not only because it is large, but also because it is strategically located in the manufacturing sector of the economy. The road to economic recovery lies in the development of our manufacturing capacity, and industrial council agreements have an important effect on both production and consumption. They make up some of the costs of production which any enterprise would need to take into account. They are also responsible for the levels of economic well-being of the workforce falling directly within their control.

For some time now, industrial councils have been under attack by both the official policy of deregulation, and by those employers and employer organisations who favour deregulating the industrial relations system. Deregulation, it is said, will remove protective regulations which are seen to hinder investment, economic growth and employment expansion. The first decisive official step towards deregulation was the Temporary Removal of Economic Relations Act in 1986. The Act allows state regulations to be removed from, amongst other things, minimum wages, health and safety, employment benefits and building standards.

The Department of Man-

power has wholeheartedly supported this policy. In 1989, the Department's Annual Report noted,

"In accordance with Government policy with regard to deregulation, the stimulation of the small business sector and employment creation, a close watch is kept on those provisions which can hamper economic activity in order to adapt such provisions or remove them from agreements."

A year earlier, in 1988, the Department reported that a total of 13 829 applications for exemptions from agreements were received by industrial councils. Of these 86% were granted in full, 3% in part, and 6% were refused. The nature of these exemptions was generally to exclude small employers from the scope of the agreement or to allow for plant by plant negotiations.

The Department's lead has been followed by a number of individual employers, large corporations and employer organisations. Led most aggressively by Barlow Rand, there has been a sustained attack on the regulation of industry through industrial agreements. The effect of this policy has been either to undermine or to destroy a significant number of industrial councils.

In 1988, for example, many Barlow Rand subsidiaries, who comprise the largest group of employers in the metal industry, withdrew from the employers organisa-



*Injured worker: deregulation means state health and safety controls can be removed*

*Photo: Cedric Nunn/Afrapix*

tion, SEIFSA. As this industrial council agreement applies to non-parties, workers in those Barlow companies which have with-

drawn remain covered by the conditions laid down in the agreement. However, the withdrawal has allowed employers to question the status



*Barlow Rand - leading the attack on the regulation of industry*

of the council. The Minister of Manpower, waking up after 62 years, suddenly became concerned that the industrial council was not representative of the industry and, in 1988, included this reason amongst his grounds for delaying the gazetting of the agreement in that year (Toerien, 1989).

The companies who withdrew have also held that, as non-parties, they cannot be affected by any legal strike action arising out of a failure to agree within the industrial council. Such a view, irrespective of its legality clearly undermines the effectiveness of the Steel and Engineering Industrial Council, the largest council in the country.

Industrial councils which have actually collapsed in the wake of employer withdrawals include the National Industrial Council for the Paper and Printing Industry, the Cotton Textile Industrial Council in the Cape, the Liquor and Catering Industry for the Witwatersrand and Vereeniging and the Chemical Manufacturing Industry

(Pretoria and Witwatersrand). The Paper and Printing Council was the oldest council in existence. Their first national agreement was signed in November 1919 and provided a model for the Industrial Council system from 1924.

Let us now count the costs of this policy. Available figures indicate that 856 044 workers are affected by deregulation exemptions granted by industrial councils. It is not possible to say what percentage this is of all workers covered by industrial council agreements. However, even in absolute terms the numbers are significant. In addition, workers no longer covered by industrial council agreements as a result of the break up of those councils number 56 367. This figure would increase dramatically if the Steel and Engineering Industrial Council, which covers approximately 260 000 workers, were to fall foul of the deregulators.

This has an obvious effect on the wages and earning capacities of workers in the sectors of industry affected. The most well organised workers are the highest paid. Workers in small, unorganised factories are faced with low wages and poor working conditions. Industrial councils have obviously ensured comparatively higher minimum wages and better working conditions.

But they also have a ripple effect, so that poorly organised or disorganised workers get the benefit of those conditions which apply to their better organised colleagues. Many have stated that this is precisely what deregulation is intended to undermine (Nicol, 1986; Toerien, 1989)

### 3. Deregulation and retirement benefits

**D**eregulation, and in particular the collapse of individual industrial councils, has had an effect on retirement provision. Why discuss retirement benefits rather than other wage and non-wage benefits provided by industrial councils?

Firstly, retirement benefits account for the largest proportion of all welfare spending, not only in this country (Lund, 1990), but in most countries in the world (OECD, 1988). Secondly, the nature of existing retirement benefits allows for a discussion of a number of important themes which are currently being hotly debated in South Africa. These include joint decision making between unions and employers and socially responsible investment. Finally, an analysis of the provision of retirement benefits reveals most dramatically the contradictions which are generally inherent in the current policy of deregulation.

### 4. Retirement provision in South Africa

**U**nless otherwise stated, my figures are derived from the 1987 Report of the Registrar of Pensions, which is the latest available.

There are three general forms of retirement provision in South Africa: the social old age pension provided directly by the state; pension schemes covering members of the civil service, including those arch-robbers in this area, members of parliament; and private schemes administered by individual enterprises, industrial councils or the insurance industry.

The social old age pension is funded directly from current state revenue on a pay-as-you-go basis. Pay-as-you-go in effect means that those currently earning income and paying tax are directly funding those who are on pension. In 1990 it was estimated that the state social security system spent R3,6 billion on social old age pensions. This figure would include all amounts spent by the various own affairs administrations, provincial administrations and homeland governments (Lund, 1990). The number of old people on state pensions at the end of 1987 was 880 000 or 75% of those over the age of 65 (These figures exclude the TBVC\* states). Individual state pensions are currently R182,54 pm for

\* TBVC = Transkei, Bophuthatswana, Venda and Ciskei

## INDUSTRIAL COUNCILS

black pensioners, R243,33 pm for coloured and Indians and R294,75 pm for white pensioners (*Daily Mail*, 18/07/1990).

The pension schemes of civil servants and public corporations such as the Post Office and what used to be called SATS are funded in theory from contributions by the members and the employers, in this case the state or the state corporations. However, political expediency has permitted policies, such as the buyback of pensionable service, which have a major impact on the ability of any fund to meet its future pension obligations. Dr. Andries Wassenaar has estimated the actuarial deficits of civil service and associated funds to be in the region of R40 billion (Wassenaar 1989, p92).

To date the state has assumed responsibility of ensuring that civil servants get their pension. In other words, the tax payer is required to foot the bill. The assets of the state funds in 1987 were R20 million with 85 589 contributing members and 11 716 pensioners. Annual pension expenditure in 1987 by the civil service funds was R3,1m while the average monthly pension was R267,65

Finally we have private pension funds which would include those funds administered by insurance

companies, private corporations and of course, industrial councils. These schemes are generally funded by contributions from members and employers. While in theory employers in many pension funds would be required to carry the can for any deficits, in practice most schemes have been substantially in surplus over the past twenty years. Indeed the assets of the retirement fund industry, excluding the state's social old age pension, are currently estimated to be over R100 billion. This

diture in that year would have been R54,4m for self administered funds and R36,9m for underwritten funds.

It should be noted that these figures exclude those funds administered by industrial councils, as councils are not required to submit reports to the Registrar of Pensions. I shall deal with industrial council funds a little later.

While the figures quoted above are indeed impressive in relation to total assets, they are not so hot in relation

to actual pensions paid or the number of pensioners covered. With the average pension ranging between R150pm and R250pm, it is no wonder that old people are on the march for a living pension. Existing pension provision also falls far short of need in terms of the number of *potential* pensioners covered.

While 80% of those in formal employment are currently covered by retirement funds, this is only 48% of the economically active workforce. Unemployed but economically active people are obviously not covered by a private pension scheme. The state would therefore theoretically be required to provide pensions for 52% of the population. This figure, calculated for 1987, excludes the TBVC. If these areas were included the number of



*Old-age pensioner: uncertain future...*

*Photo: Peter auf der Heyde/Afrapix*

amount, to put it into perspective, is larger than the 1990/91 total state budget of R72,9 billion.

Figures provided by the Registrar of Pensions show that private pension funds had 4 561 796 contributing members and 402 878 pensioners. The average monthly pension provided by self administered funds was R265,69 while that provided by underwritten funds was R186,45. The annual expen-

people requiring state provision would undoubtedly increase.

When one looks to the future, an even larger problem looms, not merely in terms of the number of people being covered, but also in relation to the means to provide for them.

The number of people over the age of 65 as a percentage of the total population is growing. From 1 087 000 (3,8% of population) in 1980 their number will grow to 3 805 000 (5,77% of population) by the year 2020.

On the other hand, the number of people between the ages of 20 and 64 is growing smaller as a percentage of the population. On the pay-as-you-go system, it is this group who provide the revenue from which the state will pay social old age pensions.

Rising unemployment will also negatively affect state income and its ability to pay pensions. From an estimated 30% level of unemployment in 1990, the number of unemployed is expected to increase to around 50% by the year 2000.

This combination of an ageing population and a declining number of people in employment suggests that there will be a major crisis in the future. It means an increase in the dependency ratio, ie, the number of dependents supported by the gainfully employed population. This ratio is expected to increase from 8,4 in 1980 to

9,5 in 2015. The increase in the aged population, it has been estimated, will also require a rise in state expenditure on pensions from R3,6 billion to over R7,7 billion, some 113%, by the year 2000 (Moller, 1986). Our problem here, again in common with most other countries of the world, arises from the need to foot an increasing pension bill with smaller numbers of people able to contribute towards this.

## 5. The role of industrial councils

Against this background of the general under-provision of pension benefits, we need to evaluate the role of industrial councils in providing retirement benefits.

In 1989, 971 156 workers were covered by pension and provident funds governed by industrial council agreements. This amounts to 21% of the workforce in the manufacturing and service sectors and almost 18% of all members of registered pension funds in the country. Industrial council funds therefore provide significant cover in a generally under-provided area. This role was underlined by the Department of Manpower which, in its 1989 Annual Report stated, "If these funds had not been established, the Treasury would eventually have had to bear a considerable additional burden." (para 1.29 p 28).

Any benefit provided by the industrial council depends on the existence of both an industrial council and an industrial council agreement. If the council dissolves, then automatically the benefit funds have to be liquidated. The demise of any council thus immediately puts the retirement benefits of the workers governed by that agreement at risk.

A preservation mechanism does exist in the Labour Relations Act. The balance remaining in the fund after the costs of liquidation can, at the discretion of the Industrial Registrar, be transferred to another fund established for the benefit of the employees in the industry. However, the exercising of the Registrar's decision depends on the whim of the parties to the council. They need to agree on an alternative fund, its rules and the manner in which the existing fund is to be liquidated.

It has been very difficult to resolve these issues in practice. Pension provision has been overshadowed by the vested interests of the parties participating in the fight which leads to the break-up of any particular council. These parties include not only the union and employers, but also the benefit administrators involved. In the area of benefit funds at least, pension provision has been the loser.

The most dramatic and public evidence comes from the break up of the Printing and Paper Industrial Council.



*Blatant example: in order to keep the 'militant' PPWAWU out of the Industrial Council, employers withdrew and the Council consequently collapsed*

Prompted by the desire of the employers and the trade union party in the council to keep the militant Paper, Printing, Wood and Allied Workers Union (PPWAWU) out of the council, the employers organisation withdrew and the council consequently dissolved. The dissolution agreement between the employers and the SA Typographical Workers Union (SATU) allowed for the transfer of the R667 million pension fund to a new fund which was established at the beginning of 1990. From this new fund, however, PPWAWU were excluded in the political interests of SATU, who wished to retain control as the union party over what is, after all, a substantial benefit fund.

However, as SATU have since found to their cost, without an industrial council agreement employers are no longer forced to contribute to the funds. Employers are no

longer required either to provide pension benefits for their employees, nor are they required to motivate an exemption in terms of equal or better benefits from the main fund which was run under the authority of the industrial council agreement.

In a press report of 28 November 1989 SATU said that the exercise in which they deliberately participated was not fair. The chickens are now coming home to roost, and the losers are workers in the smaller print shops and paper plants where employers are trying to avoid their pension payments.

This has also happened in the Liquor and Catering Fund, where the number of contributing establishments dropped from 173 in the January 1989, to 104 in March 1990. Employers in this industry are notorious for their poor labour practices, low wages and bad working conditions. Where a large number of workers are in small establishments, employers have gone back on their previously legislated requirement to pay into what has, since the fall of the Industrial Council, become a voluntary fund.

Information related to the extent of deregulation in this area is hard to come by. To date we are aware of funds involving R1 128m and a total of 109 367 workers. The deregulation of the steel and engineering industry, which, as I have noted, has already been the target of de-regulators, would place one

of the largest pension funds in the country (covering approximately 260 000 members with assets of over R2,2 billion) at risk.

## **6. Pension provision, regulation and deregulation**

The problems with pension provision as outlined in this paper have received official attention since at least 1964. Four official reports have thus far unsuccessfully attempted to solve the problem of pension provision. The Mouton Committee is currently considering the issue.

One theme that has run through every official report thus far is the proposition that money paid into existing pension schemes needs to be retained or preserved in these funds. **This proposal is, in effect, a call for national regulation of pension provision.** Its one aim is to prevent the depletion of private pension funds by the habit of South Africans to change jobs every seven years, on average, and drawing out and generally spending their pension savings (industry-wide retirement funds do in fact allow workers to change jobs without withdrawing their pension contributions as long as they remain in, or return to, the same industry). The more important reason for the call, however, is to reduce the pressure on the state to provide social old age pensions.



It should not surprise anyone that the policy of pension preservation has already been accepted by the present South African government. In 1981 the government acted on this policy position by attempting to force through parliament the Preservation of Pensions bill. The bill would have forced the preservation of private pensions. Widespread industrial action followed which revealed the depth of popular feeling on issues of social security and the role of the state in providing these. The government withdrew the bill in the face of this opposition and appointed the Meiring Commission to find an acceptable way of introducing the preservation of pensions.

What then are we to make of retirement provision, regulation and deregulation?

My first conclusion is that state inspired preservation of pensions through national regulation flies directly in the face of government policy on deregulation.

Secondly, deregulation in relation to industrial councils has placed, and indeed continues to place, the provision of retirement benefits at risk. In view of the existing levels of pension provision which I have described in this paper, such practice can only be called irresponsible.

Finally, if deregulation is intended to provide for economic regeneration, then this is clearly not what a detailed analysis of one aspect of deregulatory practice, namely

that of pension provision by industrial councils, reveals. What we see is the depletion of pension resources which can only increase already existing levels of poverty in old age. Studies in other areas subject to deregulation, such as Darlene Miller's study in relation to small business, would seem to support this conclusion.

## **7. Economic regeneration, democracy and deregulation**

I wish to conclude by looking at the issue of economic regeneration and democracy, both of which are supposed to be assisted by deregulation.

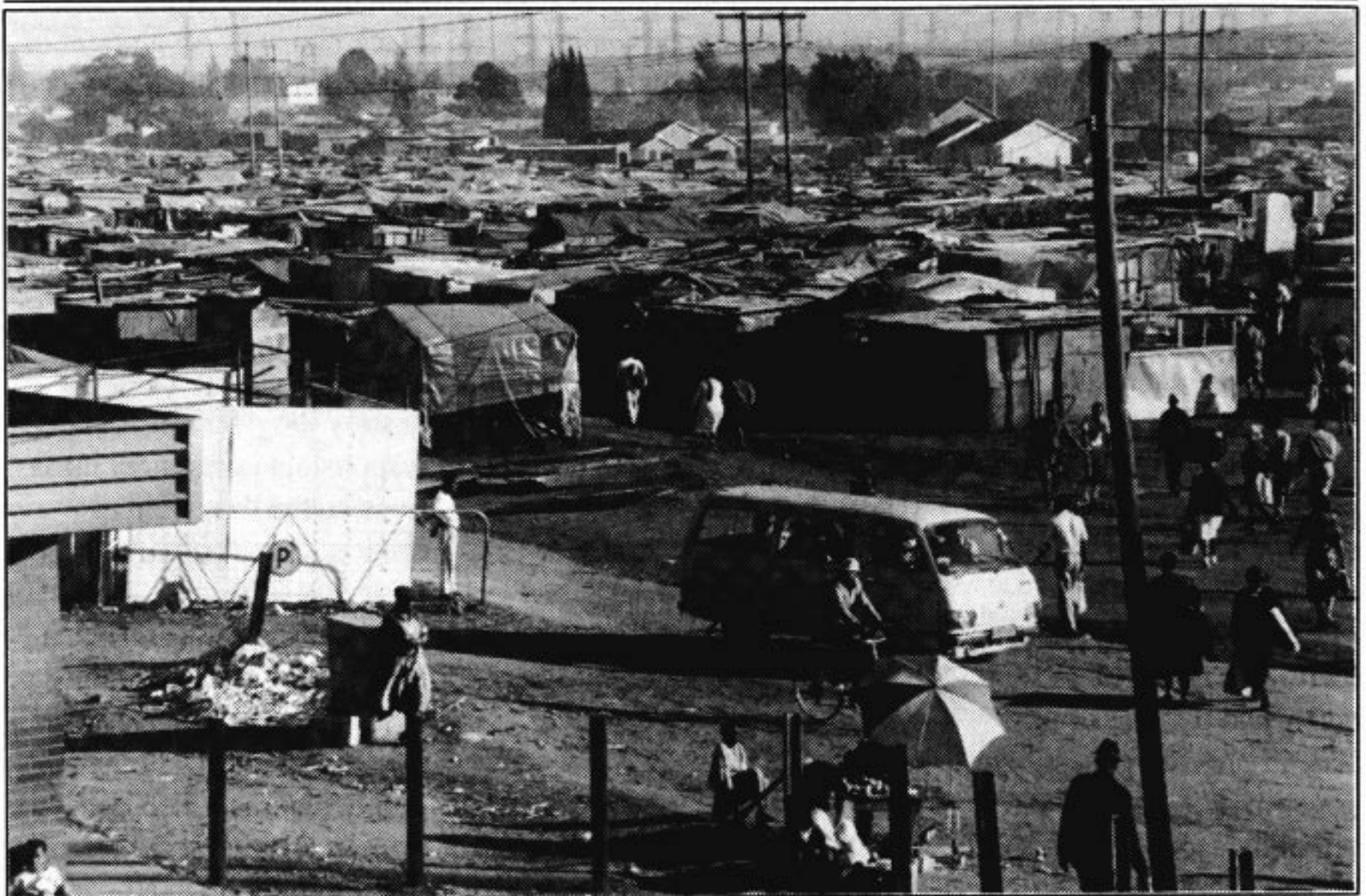
I have already described in the paper the impressive ability of retirement funds to accumulate capital. We are talking here of funds in excess of R100 billion. As has often been pointed out, a particular challenge facing South Africa is the need to ensure that this capital is pulled out of the speculative paper chase that constitutes the Johannesburg Stock Exchange, and placed in productive investment.

Retirement funds on which union nominated trustees sit have taken a lead in attempting to find secure, socially responsible investment opportunities. The Metal Industries Group Pension Fund (an industrial council fund it should be stressed) has recently made what is probably the first direct investment in

black housing. An amount of R10m was placed in serviced land on a secure basis with a market related return. It is not possible to make investments of this kind without developing funds which can accumulate on scale. Deregulation can only help to destroy the basis for socially responsible investment initiatives, to the detriment of economic regeneration in this country.

The dismantling of industrial council pension funds will also destroy one of the existing structures of industrial democracy. I do not want to claim that democracy is alive and well in all pension funds' boards of trustees. However, these have provided one of the few areas in South Africa where capital and labour have been able to find common cause around the provision and extension of benefits, and to discuss broader welfare policy. It would seem strange indeed, in these days of political change, to see the disappearance of institutions which have successfully permitted democratic practices.

One major concern of the trade union movement has been that the current thrust of economic policy in South Africa will lead to what has been called the 70/30 option. Our society will become one where 30% of the population are employed, have houses and are well provided in retirement. The remaining 70% will be excluded from the benefits of the formal economy. They will inhabit the



*Township scene - such conditions could become permanent for 70% of the population as a result of the current thrust of economic policy in South Africa, part of which includes deregulation*

*Photo: Gill de Vlieg/Afrapix*

shanty towns in conditions of squalor and poverty. On my analysis, this could be a logical outcome of the deregulation of retirement provision as a result of the demise of the industrial council system. I hope that I have shown that in this specific area, greater regulation is required. ☆

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# Worker participation and the road to socialism

**B**efore considering the acceptability, appropriateness and possible success of workplace participation, we need to ask: *what do we understand by workplace participation?*

A large proportion of the literature on workplace participation, including the articles by Maller, Nicol and Mohamed in the *Labour Bulletin*, has either completely left out a definition of the term or defined it very broadly. It seems to me that this lack of clarity has left the recent debate in the *Bulletin* both confused and confusing.

## ESOP's Fables and confusing definitions

Maller starts off the debate with her LERC publication *ESOP's Fables* (1988). She notes from the beginning that participative management

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LIV TORRES\* continues the debate on worker participation, and argues that increased communication between workers and management, and management's consultation with workers, do not in themselves constitute worker participation. Instead, workers need to be involved in the *actual making of decisions* at all levels in the company. This understanding of worker participation, she argues, should guide an *offensive* strategy of the trade unions.

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has become a catch-all phrase which is applied to all forms of employee involvement in decision-making, to channels of decision-making and even to discussions amongst managers (Maller 1988, p 1).

She elaborates this further in a later work: "the phrase

incorporates a wide range of strategies: from simple communication schemes between management and the shop floor, to worker participation in top levels of management" (1989b, p 350).

She notes that as participation schemes have mushroomed in the work-

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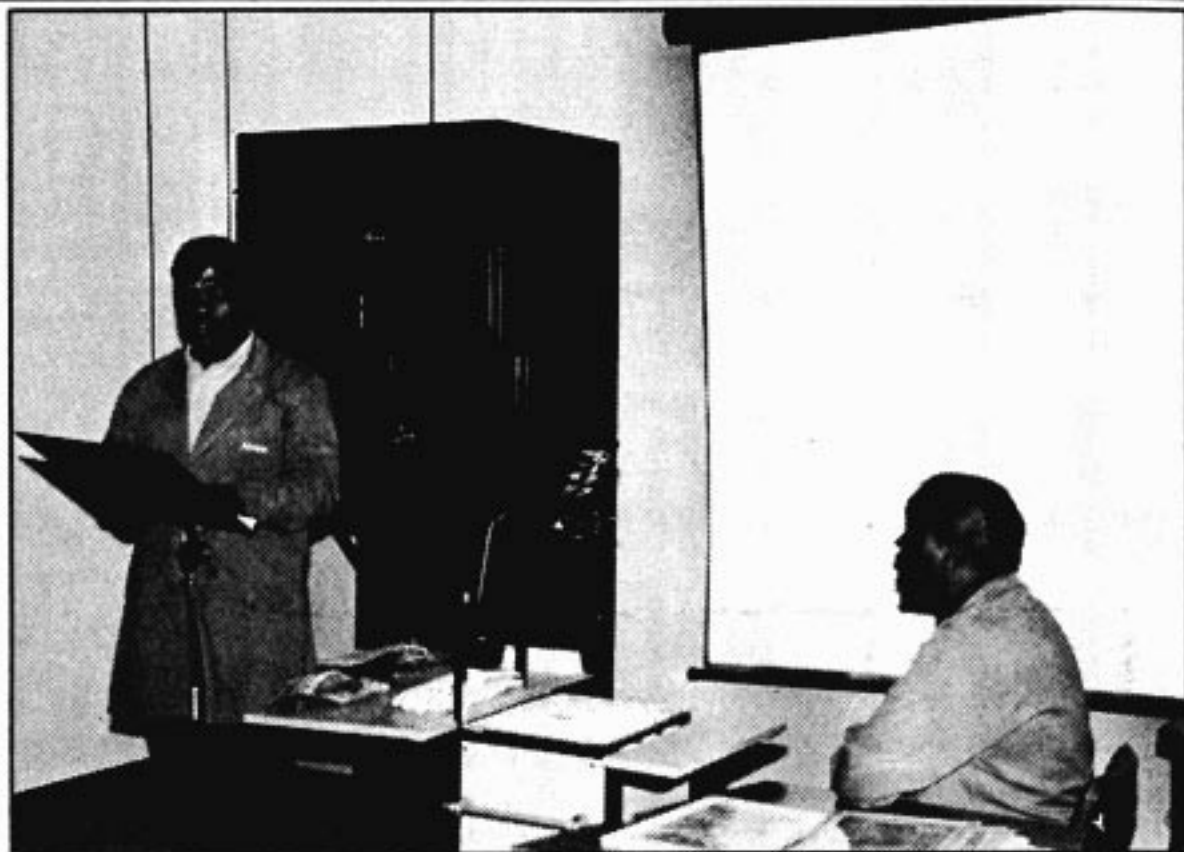
\* Liv Torres works for the Norwegian Trade Union Centre for Social Science Research (FAFO) in Oslo. She did a post-graduate thesis on worker participation, and recently spent three years in South Africa.

place, confusion has spread as to the precise meaning of the term (1989b). On this point it is easy to agree with Maller, but at the same time I doubt whether her own contribution makes things more clear. In *ESOP's Fables*, she leans on Salamon's (1987) distinction between 'task-centred' and 'power-centred' participation.

'Task-centred' participation is concerned with the performance of the operational work environment (while the decision-making structure essentially remains intact), and the 'power-centred' participation is concerned with "the exercise of managerial prerogative and the balance of power between management and employees in the organisation's decision-making process" (Maller 1988, p1).

Maller (1989a, p98), in her reply to Nicol's criticism of her book, states that he confuses the whole issue by not separating share ownership (ESOP's) and participation. I have much sympathy for Nicol's "confusion".

It seems to me that Maller herself has laid the ground for the resulting confusion over the definition of 'participative management'. If ESOP's are not included in Maller's understanding of workplace participation or participative management because it does not entitle workers to any decision-making power (Maller 1988, p 2, 1989a, p 98), why are Quality Control Circles



*Quality circle members at Siemens: making suggestions, but is there real decision-making power?*

*Photo: Morice/Labour Bulletin*

(QCC), Briefing Groups, etc, seen as participative management? Such 'task-centred' participation also does not entitle workers to any decision-making power.

Presenting a 'participation continuum', as Maller does (1988, p 2), with no reference to what it is based upon, also fails to pin-point the meaning of worker participation: does it refer to a degree of worker's control, to a proportion of workers in different bodies or to something else?

According to Maller, participative management takes a variety of forms, and it is therefore useful to conceptualise it as a continuum involving low, medium and high levels of participation by workers. I actually find it more confusing than useful. Why is wage bargaining referred to as a low level of participation, while participation in negotiating, hiring and firing is medium level

participation?

### **Influence and decision-making**

The main object of this article is to bring to light the essence of worker participation and pin-point factors which are important in contributing to workers having influence or control through participation.

According to most writers who have tried to define the concept, the essence of 'workplace participation' seems to lie in two factors: influence and decision-making. The big question however seems to be how the relationship between the two is interpreted.

Does workplace participation refer to (worker's) influence *upon* decision-making (without workers being part of the decision-making body)? Or does it refer to (worker's) influence *through* (worker's) decision-making involvement? In the first

case, there is room for consultative bodies to be included in the definition of workplace participation, in the latter case not.

In my opinion there are weaknesses in an interpretation of worker participation which includes communication and consultation. *The essence of workplace participation is workers being involved in decision-making.* Unless worker participation refers to workers' decision-making involvement it is neither very interesting in relation to workers' influence, nor in comparison to democratised work-life in other countries.

In addition, assumptions about workplace participation as a 'new road to socialism', as discussed by Maller (1988, 1989a) and Nicol (1989), becomes completely meaningless.

With the essence of workplace participation lying in influence and decision-making, financial participation in general and ESOP's in particular will be excluded from this paper.

## 1. Communication and consultation = influence on decision-making = workplace participation?

Some writers refer to increased *communication* between workers and management as worker participation. Leon Louw of the Free Market Foundation, for instance, mentions the

Japanese-adopted system of 'green areas' (for example at Nissan and Cape Cabinets) as one participatory route (*Manpower Brief* 1987, p 34). These are areas in the workplace, which are quite literally painted green, where workers, foremen, supervisors, management can meet for discussions, and problem-solving.

Others, like Snelgar (1988, p 4), McCullum (1987, p 4), Maller (1988, 1989a, b), and Nel & Van Rooyen (1989), refer to managements' *consultation* with workers as one form of worker participation.

The essence of participation by consultation is that workers' views and recommendations should be meticulously taken into account by employers before making the final decision (Nel & Van Rooyen 1989, p 40). Worker participation in this view is seen as workers' capacity to influence company decision-making, and consultation seems to be accepted as one way of doing this.

Influence can be understood as being present if one person achieves intended results by changing another person's actions or predispositions in some way (Dahl 1976, p 29). This implies that workers have influence on decision-making if they are able to change managements' actions or predispositions in some way.

The argument hence goes like this: Communication and consultation increase the

influence of workers upon decision-making. Influence upon decision-making is the essence of workplace participation. Thus communication and consultation are forms of workplace participation.

This line of argument has clear weaknesses. I argue instead that 'workplace participation' should refer to workers being involved in the *actual making of decisions* - participating directly or being represented where decisions are made: in the decision-making body. The reasons for this are twofold:

### The limitations of communication and consultation

Firstly, the question as to whether communication and consultation actually give workers influence on decision-making is at least debatable. However, few of the writers who refer to communication and consultation as 'workplace participation' have indeed asked these question. They take for granted something (worker influence) which cannot be assumed, but has to be shown.

In quite a few workplaces, committees have been set up to structure communication and consultation between workers and management: QCCs, impact groups, work committees, work affairs committees and liaison committees. Information, communication, interaction and consultation - it all sounds nice and may well be meaningful for the people in-

volved.

But does it imply worker influence on decision-making? It is by no means certain that management generally takes workers' proposals and points of views into account.

In addition, the range of issues workers can exercise influence over is usually restricted to shopfloor issues. Even as far as shopfloor issues are concerned, workers have limited possibilities of influencing management. The underlying argument often is that workers' suggestions as to what can increase the profit of the company are welcome, but proposals which might endanger productivity and efficiency are not even considered.

This means that workers' possibilities of changing managements' actions and points of view are restricted by the point of departure. Management chooses whether they want to be influenced or not.

Communication or consultation is not necessarily irrelevant when it comes to worker influence, but it is highly uncertain and should be regarded as such. Furthermore, if one sees the purpose of worker participation primarily as the advancement of workers' influence, the best way to achieve this is to let workers themselves be involved in the actual making of decisions.

The potential influence of workers is higher if they participate in the decision-making body than if they are only consulted. They would be in a better po-



*Communication doesn't necessarily mean significant participation in decision-making*

Graphic: COSATU

sition to argue their own points of view, to exert influence through discussions, come up with alternatives in a bargaining position, etc.

### **Influence through decision-making**

Secondly, the crucial aspect of workplace participation is *influence through decision-making*, not only to influence decisions as such. The reason for this is that workers can influence decision-making without being consulted or raising their voice on a specific issue.

One example is where management has drawn up a list of alternatives from which a decision will be made, but a theoretically possible alternative, for instance a wage cut, is not included as a practical possibility because of union strength. Here the unions have influence but no participation takes place (Pateman 1970).

A final consideration is that a definition of workplace participation should give a clear and immediate understanding. By basing a

definition on influence alone, one has to analyse the outcome of decisions before one can say whether the workers actually had influence upon decision-making (and the company hence has implemented worker participation or not).

Following this, "green areas", QCC, Briefing Groups, etc. have nothing to do with workplace participation. Communication and consultation is meaningful in its own right and may also have an influence on decisions finally made by management, but as long as there is no *physical presence* by workers in the decision-making bodies, it cannot be called worker participation.

Pateman says that the lack of precision when it comes to defining workplace participation is not surprising considering most writers' reasons for their interest in the concept - it is just one management technique among others that may aid the overall goal of the company: efficiency.

These writers use the term 'participation' to refer not only to a method of decision-making, but also to cover other situations where no participation in decision-making actually takes place, but where the concern is to create a *feeling* of participation (Pateman 1970, p 69).

Participatory management, which refers to a system of management where workers are allowed some participation, should then also be viewed in the



*Strike! Worker action and power influence decision-making*

*Photo: Afrapix*

ing and compromise - or will necessarily nurture such interaction.

If workers are in a majority within the decision-making body they will most likely be in control and these comments will be of little relevance. 'Workers' control' normally refers to workers being in the majority, but has also been used to

refer to the veto-power they have in a power position equal to management - an effective limitation by workers of managerial prerogative (Hyman 1971, p 46).

'Worker self-management', on the other hand, refers to workers being in majority in decision-making bodies and in particular in decision-making at the top level of the workplace (Bernstein 1983, p 48). It refers to management being appointable by, accountable to and dismissible by workers. Worker self-management is often found in worker-owned firms, but the term is more often used to describe the Yugoslavian system of worker participation.

Besides the relative power of workers in the decision-making body, another key factor in the analysis of worker participation is where in the workplace participation takes place. This is a

light of the same comments about participation.

## 2. Workplace participation = decision-making involvement

Although decision-making involvement usually has the aim of influencing decisions, this does not say what *degree* of potential or actual influence the participants have. We can nevertheless indicate factors that seem likely to contribute to workers having influence or control in decision-making.

Resources like information, organisational strength, means of pressure (for instance the capacity to withhold labour) and the relative strength within the decision-making body are all factors that contribute to the degree of influence or control workers have in decision-making.

Furthermore, even if workers have influence on decisions, they don't necessarily have the *controlling power* to determine the outcome of these decisions. Although workers may have influence over decisions being made in a committee if they have for instance one third of its representatives, they are unlikely to have control until they have at least half its representatives.

In the latter case workers will have the power to determine the outcome of decisions. The power here is not based upon an ability to dictate the decision but to control it. By virtue of equal representation in the decision-making body, management cannot dictate a decision because workers might veto it. Such a decision-making structure, often labelled *joint decision-making* or *co-determination*, must be based upon negotiations, bargain-

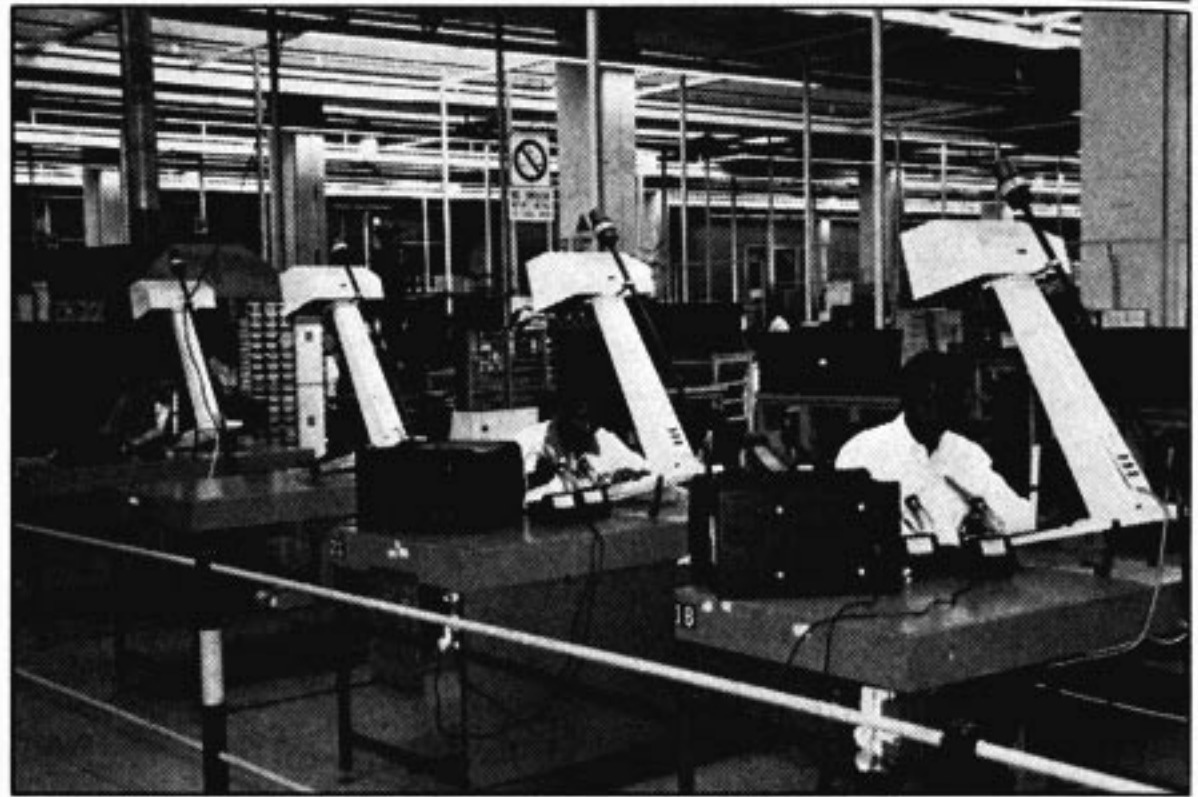
## DEBATE

factor which will usually overlap with a range of issues workers have decision-making power over. Broadly speaking we can identify three levels of such decision-making (and hence areas of potential worker participation within the workplace).

The first is the *top* level of the company where policy issues, and long-term executive issues are dealt with, which have to do with the goals of the company. This often refers to the board. Then there is the *intermediate* level where issues are being handled which are mostly concerned with the means of the company: technology, terms and conditions of employment, etc. These are made within the limits drawn up by the policy decisions made at the top level. The *third* level of participation is so-called shopfloor participation: decisions concerning task-related issues.

Finally, the *form* of participation must be considered. Is the participation direct or indirect (through representatives such as unions)? Direct decision-making tends to become impractical in communities with a heavy decision-burden. Therefore, in a company of some size, worker participation usually takes the form of indirect participation at the intermediate and top level of the company.

'Workplace participation' sounds like '*workplace democracy*', but the words participation and democracy



*'Democracy in the workplace calls for equal decision-making at all levels in that workplace'*

*Photo: Morice/Labour Bulletin*

are not synonymous. Participation is an essential component of a democratic decision-making system, but the existence of some participatory rights within the workplace is not enough to call this a democratic decision-making system. The main element in democratic theory is the principle of equal rights, which is usually interpreted as majority rule - by head count.

Equal decision-making rights is the core of democracy and hence by implication the core of industrial democracy. Since employees constitute the majority within the workplace, workplace democracy would entail government of employees by employees (Pateman 1970, Jones & Maree 1989, Bendix 1989).

Although participation can occur at all levels of the workplace, for a workplace to be democratic there must be participation based on equal decision-making

power at all levels in the workplace (Pateman 1970, Jones & Maree 1989).

### 3. The South African debate

There has been a lot of confusion in this debate concerning not only what the issue *is*, but also what *should be*, the issue. In my opinion the issue at stake is whether communication and consultation (and for that matter financial participation (ESOPs)) gives workers any influence, and the issue at stake should be the possible gains that can be made by engaging in decision-making involvement.

#### Decision-making involvement

Considering the fact that 'workplace participation' has become a catch-all phrase which includes a lot of pseudo-participatory arrangements, without workers being involved in decision making, one fruitful



alternative is to choose 'decision-making involvement' as a term and focal point instead.

Decision-making involvement is a more fundamental term - easier to understand and not to confuse. It increases the expectations of worker influence and is more interesting. Why is it more interesting?

Firstly, references to participation in countries with an advanced democratised working life are references to decision-making involvement.

Mohamed (1989, p83) states that "South African management is following in the footsteps of their European, American and Japanese counterparts, in seeking to use participation schemes to cure their ailing industries." For Japan and America this argument might hold. When it comes to Europe it should definitely be modified.

Take the examples of Norway and Sweden which have been held up as the most developed when it comes to worker participation (Botsman 1989). In these two countries, worker participation has been advocated for a number of reasons, of which curing ailing industries is but one small part. A far more important reason has been to increase worker influence, and as such has been advanced not primarily by management, but by political parties and the labour movement. For this reason, worker participation has centred, not around communication and consultation, but around decision-making involvement.

Secondly, decision-making is in focus when one expects the effects of workplace participation upon an individual's political values and behaviour to be in the direction of 'a new road to socialism'.

### Management perspectives dominate

Different schools of thought see the purpose of worker participation differently: they imply different things in the notion of workplace participation - concerning what issues and what levels workers should have the right to take part in decision-making; the degree of influence or control workers should have over decision-making, etc.

The debate around, and the implementation of, worker participation and related concepts in South Africa has to a large extent been dominated by a management perspective: seeing worker participation as of benefit to the company through increased efficiency and productivity. The form of participation implemented is a consequence of this: communication and consultation concerning task related issues, while decision-making power remains intact in the hands of the employer/manager. At the same time other perspectives of worker participation in decision-making have basically been neglected, not only by supporters of worker participation but also by its opponents.

### Other schools of thought

Two other schools of thought, the participatory

democrats and the participatory left (Greenberg 1975) have been much more cautious about including communication and consultation in their understanding of 'worker participation'. The purpose of worker participation is instead seen as a *learning process* in which the workers' political activity, political consciousness and class consciousness increase. 'Worker participation', according to these perspectives, refers to decision-making involvement at all levels in the workplace. The claim is that the learning effect will be strongest if workers participate at the top levels of the workplace. If participation is confined to the shop-floor, task-related issues, and communication and consultation, the learning effect will be limited (Greenberg 1975, p208).

The **participatory democrats** believe that workers' involvement in decision-making is supposed to foster *personal development*. Pate-man, who is the primary advocate of this perspective, sees participation as fostering 'self-esteem' and 'self actualisation', responsibility and reflection. The more individuals participate, the more able they become to do so, as they develop personally and politically. The increased feeling of personal development resulting from the learning experience through workplace participation, will have a spill-over effect to other decision-making areas,

so that the degree of activity in these would increase (Pate-man 1970, Ambrecht 1975, Elden 1981, Kiefer 1983, Barber 1984, Lafferty 1985). Workers will start participating more politically, and their preferences will become less individualistic and more community-oriented.

The participatory left support worker participation because it is seen as a learning process in which workers' *class consciousness* is enhanced, which will promote socialist-style movements (Greenberg 1975, Fenwick & Olson 1986).

According to adherents of this perspective, workers' decision-making involvement is an educative instrument for social consciousness in which people come to appreciate co-operative and collective efforts, where the sense of power as a member of a class is fashioned, and where human talents and abilities become sufficiently developed so that the absurdity of capitalist relations become clear (Gorz 1975, Horvat 1982, Greenberg 1986).

Mohamed (1989, p98) states that while Maller mentions workplace participation as a 'road to socialism', Japanese practice shows that workplace participation is geared to intensify production on the shop-floor. This is seen by Mohamed as a vindication of his argument concerning the struggle for socialism: "visions of socialism can only come from a destruction of the capitalist

relations and not from within the capitalist relations" (1989, p 98).

In my opinion the Japanese experience is hardly a good argument for rejecting workplace participation as a 'road to socialism'. The main theorists of such a road to socialism have based their assumptions on decision-making involvement, worker influence and control and the conflict between capital and labour - not upon communication and co-operation as in Japan (see Hashimoto 1990). Mohamed (1989, p 98) points out weaknesses in arguments about the struggle for socialism going through worker participation or trade union struggles, and says that roads to socialism can only be debated from within wider political organisations. Cressey and MacInnes (1980) have made this point before and Maller (1989a, p 99) has supported it.

However, 'the participa-

tory left' does not tell us that the struggle for socialism occurs *only* through worker participation. What it does tell us is that workers' class-consciousness is a necessary part of the struggle, and that decision-making involvement cannot be rejected as *one way* of increasing it.

Mohamed (1989, p 99) obviously finds it important to distinguish between offensive trade union responses to workplace participation and more strategic or defensive ones. What I find more important however is to start *acting* instead of responding. Trade unions should work out a policy on workplace participation as an *offensive strategy* rather than as a response. Management's focus on the concept is unlikely to wane, and it is easier to influence the re-organisation of work and workplaces before such re-organisation is implemented than after.

Furthermore, it seems to me that the response from



*The road to socialism: through unions or broader politics?*

Photo: Benny Gool/Afrapix

trade unions thus far, as well as the debate in the *Labour Bulletin*, has been dominated by managements' understanding of workplace participation. Hopefully, when the trade unions start working out a program on worker participation, the debate can include perspectives about the possible gains of workers' involvement in decision-making (directly or through trade union representation) as opposed to possible gains by engaging in communication or consultation with management. ☆

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# Trade Unions in Namibia

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The British-based NAMIBIA SUPPORT COMMITTEE compiled the following profiles of Namibia's trade unions

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**W**hile Namibian workers have a long and proud history, the trade union movement in its current form is very young. The initial organising was done by SWAPO members released in 1985 from Robben Island, who were keen to build new unions in the style of the independent trade union unions in South Africa. In some companies, workers' committees were already in existence. The ex-prisoners held secret (and illegal) on-site meetings in dozens of firms, building up a network of workplace committees before the first union was launched in September 1986.

There are now seven unions affiliated to the National Union of Namibian Workers (NUNW), and a farmworkers union is in the process of being formed. The NUNW unions are all non-racial and industrially based, with a total membership of over 60 000.

Outside the NUNW, there are ethnically-based and/or pro-employer associations. There is also the Namibia Trade Union (NTU), which claims to have 56 000 members in eight affiliates. Of these, only the building and construction union NABWU appears to have a real existence.

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## **The NUNW and affiliates**

**The National Union of  
Namibian Workers (NUNW)**

**General secretary:**

**John ya Otto**

**P.O.Box 50034**

**Windhoek 9000**

**Tel: 61-62876**

The NUNW was established as a federation of Namibian trade unions at a Consolidation Conference in June 1989. During the years since

1986, it functioned as a steering committee co-ordinating the newly forming trade unions, and organised mass action.

The NUNW had two previous phases of mass organising. It was first established by SWAPO in April 1970, and helped the SWAPO Youth League to organise the great contract workers strike of 1971/2.

After disappearing from the scene, it re-emerged in 1978

as a general union, with particular strength in the miners' compounds, before being crushed in 1980.

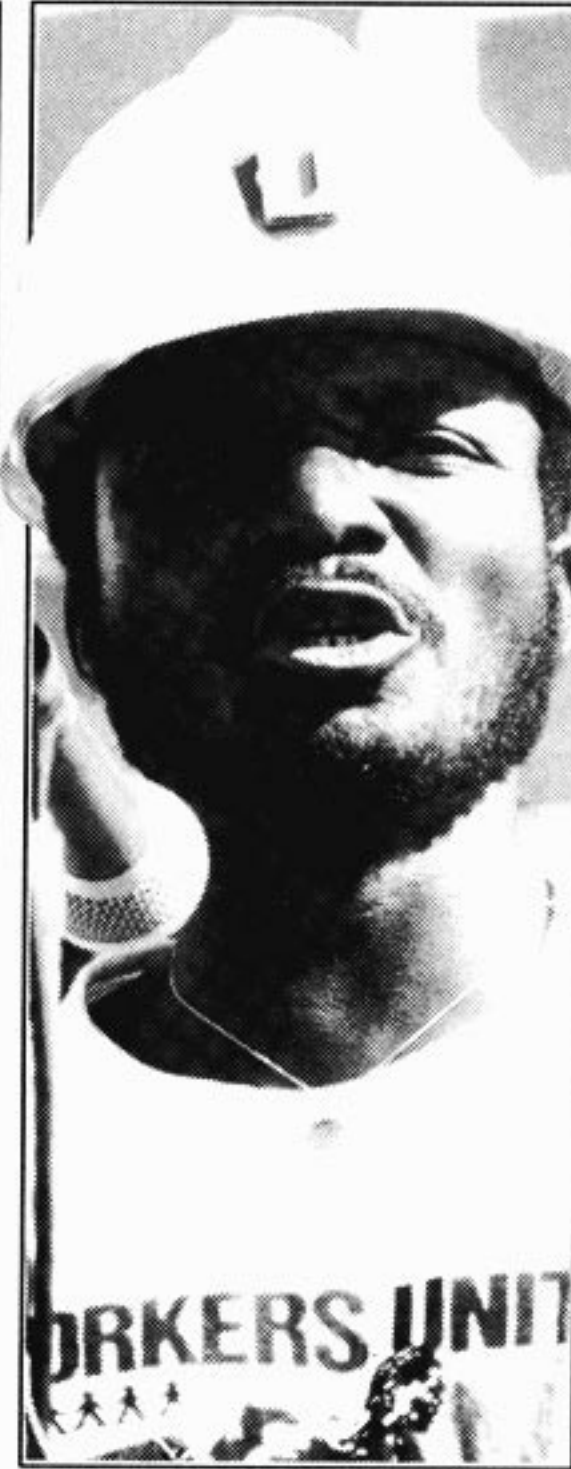
The NUNW also existed in exile as the trade union wing of SWAPO. The 1989 Congress merged the internal and external wings, and expressed the new unions' strong support for SWAPO. Exiled NUNW members were integrated into the new structure and John ya Otto, who headed the NUNW in

exile, was elected general secretary at the Congress.

The new industrial unions inside Namibia developed powerful principles of independence, worker control, worker democracy and accountability during their few years of existence. The precise relations between the NUNW and its affiliates, SWAPO as a political party, and SWAPO as the majority power in government, are not fixed, and will depend on the progress that is made in meeting workers' expectations.

Tensions emerged during preparations for the 1990 May Day celebrations, when the new Deputy Labour Minister, Haidono Hishongwa, announced plans to convert May Day into a tri-partite celebration of the state, employers and unions, in line with the SWAPO policy of 'national reconciliation'. NUNW general secretary John ya Otto initially welcomed the participation of employers, but a few days later NUNW president John Shaetonhodi called the employers "hypocrites" for intensifying exploitation in the name of reconciliation; "workers therefore do not see how they could reconcile with employers". John ya Otto later condemned the participation of employers.

Nevertheless, the plan went ahead, causing key unionists to pull out of the organising committee. A rally was held during the day, with a state banquet in the evening for businessmen and foreign guests. Under 3 000



*Ben Ulenga, leader of the miners: 'true reconciliation will come with workers' control of the products of their labour, its distribution and consumption.'*

*Photo: John Liebenberg/Afrapix*

people attended the rally, which was a muted event compared to previous years.

In the opinion of miners' leader Ben Ulenga, "true reconciliation would come with workers' control of the products of their labour, its distribution and consumption." But socialism is clearly not on the agenda in Namibia. Information Minister Hidipo Hamutenya told a NANSO (students) congress in January 1990 that students and workers should not ex-

pect the new SWAPO government to implement socialism in the next ten to twenty years.

The NUNW's newspaper, *The Namibian Worker*, commented that socialism "cannot be switched on like a tap of water in ten to twenty years either. We have the danger that in ten to twenty years the country will grow accustomed to capitalism, where a few of our ranks will have joined the bosses."

While support for SWAPO is still strong, NUNW leaders speak of the need for union independence. NUNW president Shaetonhodi stresses a "free and democratic trade union movement in Namibia, independent of any external or internal domination."

Ben Ulenga, who is also a member of the Constituent Assembly, states: "I do not think the proper relationship to SWAPO should be through affiliation...a union in a basically capitalist society or a situation of a mixed economy, needs to maintain its independence."

#### **Namibia Food & Allied Union (NAFAU)**

**General secretary:**

**John Pandeni**

**P.O.Box 1553**

**Windhoek**

**Tel: 61-63108**

NAFAU was the first of the NUNW-affiliated industrial unions. It launched in September 1986, and was soon involved in major strikes in the meat processing and fishing industries. With over 13

000 members, it organises food (including meat processing, dairy, bakeries, and chocolate), beverage (soft drinks and breweries), fishing and cannery, hotel, restaurant, and retail trades. There are branches in Windhoek, Luderitz, Walvis Bay, Swakopmund, Otavi, Tsumeb.

Large employers are Coca Cola, South West Breweries, several abattoirs, and the fishing industry. Most members are employed in small firms with under 30 employees. Women form over a third of the membership, and a number of the regional officials, as well as the national vice-secretary, are women. NAFAU has strong links with South Africa's FAWU, and the International Union of Foodworkers.

**Mineworkers Union of Namibia (MUN)**

**General secretary:**

**Ben Ulenga**

**P O Box 1566**

**Windhoek**

**Tel: 61-63109**

Launched in November 1986, MUN now organises around 15 000 workers, which comprises over half the total employed in the mining industry - the key sector of the Namibian economy. MUN has members at every major mine, and is strongest at the three largest mines. These are Consolidated Diamond Mines (CDM) at Oranjemund in the far South-West, owned by De Beers; Rossing Uranium, at Arandis near Swakopmund in the

West, owned by British multinational Rio Tinto Zinc; Tsumeb Corporation Ltd (TCL), operating copper and lead mines in the North, and owned by Gold Fields of South Africa.

MUN signed agreements with CDM and Rossing in 1988. TCL, however, is more obstinate, and recognition talks are deadlocked. MUN has close links with the South African and British NUM.

**Metal and Allied Namibian Workers Union (MANWU)**

**General secretary:**

**Helmuth Rukoro**

**P O Box 22771**

**Windhoek**

**Tel: 61-6300**

Formed in May 1987, MANWU has over 7 500 members. They are employed in garages, small workshops, and on construction sites. MANWU therefore faces the problem of a relatively isolated membership confronting diverse employers. The union is now seeking to organise systematically within industrial sectors, as a basis for wage bargaining.

The entire manufacturing sector totals only 8 718 employees in 254 firms (1989 figures), within which food and beverages is the leading industry. However, future investment is likely to stimulate manufacturing growth (Volkswagen is considering setting up an auto plant).

MANWU has been active in Walvis Bay, with nearly

900 members. The continuing South African occupation there has harsh industrial and political effects. MANWU members are continually harassed, and some firms have tried to prevent employees from voting in the 1989 elections. At Metal Box (supplying the fish canneries) the problem was resolved only when South Africa's NUMSA threatened a dispute with Metal box in South Africa.

NUMSA has worked closely with MANWU on membership education. They have invited MANWU members to workshops and conferences in South Africa, and NUMSA organisers have visited Namibia.

**Namibia Public Workers Union (NAPWU)**

**General secretary:**

**Petrus Ilonga**

**P O Box 50035**

**Windhoek, Bachbrecht**

**Tel: 61-62078**

Formed in December 1987, NAPWU now has over 11 000 members employed in municipalities, hospitals (manual labourers and nurses), schools (non-teaching staff), water and electricity. Most are migrant workers living in compounds and earning an average of R130 a month (1988 figures).

White civil servants belong mainly to the Government Service Staff Association, which for years had a cosy relationship with the Interim Government. NAPWU was denied registration, and barred from



*Namibian workers celebrate the independence of their country*

*Photo: William Matlala/COSATU*

obtaining stop-orders, while the municipalities automatically deduct R6 to R8 from employees' monthly pay as a contribution to the South West Africa Municipal Staff Association (SWAMSA). Immediately after independence, NAPWU called on the government to intervene, and to allow the union to register.

**Namibia Transport and Allied Union (NATAU)**

**General secretary:**

**Willi Matsi**

**P O Box 7516**

**Windhoek, Katutura 9000**

**Tel: 61-216607**

NATAU was formed in July 1988, and was almost immediately thrown into battle as SATS prepared for privatisation. When the newly-formed National Transport Corporation took over, they retrenched 492 workers, and weakened NATAU. However, in January 1990 the union began negotiating recognition with major road transport firms and Trans-Namib. It now has 7 000 members in railways and airports (TransNamib), buses, and long distance lorry drivers. The union recently established a branch in Walvis Bay, and expects to

recruit dockers in the port.

**Namibia National Teachers Union (NANTU)**

**General secretary:**

**Markus Kampungu**

**P O Box 61009**

**Windhoek, Katutura**

**Tel: 61-62876**

Currently organising 9 000 teachers, NANTU was established in February 1989 with the aim of uniting teachers across the boundaries of separate education. While ethnic teachers' organisations in Ovambo and Kavango immediately dissolved into NANTU, the executive leadership of other ethnic

professional groupings refused. In May 1990 these merged to form a rival Teachers union of Namibia (TUN), whose strength is unknown.

The majority of the membership are women, as is the national secretary. The system has produced a society with 60% illiteracy and widespread lack of science education for black students. NANTU is committed to democratic, participatory education, and will play a key part in worker education programmes, the mass literacy campaign, and redesigning the school syllabus. NANTU has developed closed links with the student organisation NANSO.

#### **Namibia Domestic and Allied Workers Union (NDAWU)**

**Chairperson: Hileni Ilonga**  
**Contact via NUNW**  
NADWU was formed with 150 domestic workers on 21 April 1990. Most women in Katutura township in Windhoek are domestic servants, earning an average of R50 a month. Strategies include fighting for a legal minimum wage and a baseline contract, and for domestics to be included in the definition of 'worker' in the forthcoming labour legislation.

#### **Farmworkers**

In 1986 farmworkers were estimated to earn around R20 a month, plus a fixed food ration, regardless of family size. There are many instances of farmers assaulting or



murdering their employees. On 29 April 1990 the new Minister of Agriculture, Gert Hannekom, announced that no statutory minimum wage would be introduced if commercial farmers "put their own house in order". Farmworkers were unimpressed, and an organiser from NAPWU has disclosed that a farmworkers union is in the process of being formed.

#### **Other unions**

**W**hile SWAMSA is certainly a joke, and the TUN may be, the GSSA represents a conservative but real force: the white civil servants, who may exercise a newly discovered right to strike if their racially-based privileges are unduly threatened. The NABWU is another union that cannot be written off easily.

#### **Namibia Building Workers Union (NABWU)**

**General secretary:**

**Aloysius Yon**

**P O Box 22679**

**Windhoek 9000**

**Tel: 61-212828**

NABWU has a base in the Windhoek and Rehoboth areas, particularly amongst coloured construction workers. It has recently been

involved in industrial action against International Construction Ltd, and Karibib Mining and Construction. It also negotiated a compulsory pension fund with the employers' association. It will be administered by a board of trustees involving the union and employers, and intends to invest in Namibian business and housing programmes. Aloysius Yon was a member of SWANU (MPC), which participated in the Interim Government, and sat on the National Labour Committee with employers and the state. In 1989 Yon opposed NABWU participation in May Day celebrations.

#### **Namibian Trade Union (NTU)**

The NTU claims a membership of 55 641, comprising Automobile and Metal (7 128); Transport and Allied (10 877); Cleaners (4 010); Farmworkers (2 004); Chemical (3 974); Domestic (2 000); Wholesale and Retail (9 054); and Building and Construction (13 116).

With the exception of NABWU, there is no evidence of the real existence of these unions in terms of recognition agreements, negotiations and industrial disputes or congresses. The leader of NTU, Alpha Kangueehi, is a member of SWANU (Progressive) which is part of the Namibia National Front, which has one seat in the Constituent Assembly. ☆



# The ZCTU's 1990

## congress: *exposing the capitalist reality beneath Zimbabwe's 'socialist' rhetoric*

The Zimbabwean Congress of Trade Unions (ZCTU) continues to provide hope for those who want to prevent Zimbabwe from sliding even further away from the ideals of democracy and socialism. Its 1990 congress showed a determination to further consolidate the gains made since 1988, and provide an effective vehicle for working class organisation and militancy. DEVAN PILLAY reports\*

Two years after Morgan Tsvangirai took over the leadership, following eight years of corruption and maladministration, the ZCTU has established itself on the road to forging a well-organised, democratic and militant workers' movement. Its 1990 congress, held last October, was marked by a determination to assert an independent role for the labour movement, in the face of moves by the government towards the IMF and World Bank sponsored policies of 'trade liberalisation'.

Despite the 'socialist' rhetoric of the ZANU(PF) government, the ZCTU believes that "the plight of the workers is not a central concern of the government".

On the contrary, the ZCTU paint a very bleak picture: "The economic and social policies adopted in practice by the government spell a future of increasing poverty, lack of access to education and health services, lack of employment and a struggle for survival that will overwhelm the working class and the rural poor."

It is with this sober view of the track record of Mugabe's 'Marxist-Leninist'-inspired policies that 204 delegates from 29 unions gathered in Bulawayo for three days, to decide on issues such as multi-party democracy, the state of the economy, the position of women, May Day, health and safety, international relations,

union mergers, public sector unionisation, cadre development, a union newspaper, and a research department, amongst other things.

### **The ZCTU improves its relations with government...**

Tsvangirai told the *Labour Bulletin* that the ZCTU was now in a stronger position to influence state policy. After his detention in 1989 (see *Labour Bulletin* Vol 14 No 7), and his release (which followed widespread international pressure, and a court order) relations with the government have improved. Tsvangirai believes that union independence is now respected, and there is greater consultation. The

\* This article is based on an interview with Morgan Tsvangirai in Harare on 5 October 1990; a ZCTU report of the congress; and the strategic document of the ZCTU, which was presented to the congress

ZCTU's mission, he feels, is not to create or support an alternative to ZANU(PF) but - given the weakness and opportunism of the opposition - to "make ZANU practice what it preaches."

This was reflected in the dialogue which took place between government ministers and the unionists at the congress. Labour Minister John Nkomo commented at the congress that "never before has the organisation made it possible that government and workers would share a platform....to openly discuss matters of common concern as happened this year."

### **...but asserts its right to criticise**

While the ZCTU welcomes this dialogue, it asserted its right to remain independent. It adopted a resolution which rejected affiliation to any political party, and pledged support for a multi-party democracy. At the congress union delegates did not hold back from criticising various aspects of government policy, in particular its proposed economic reforms.

Union delegates argued against the approach of the Minister of Finance, Economic Planning and Development, Bernard Chidzero, who said that the government's proposed economic liberalisation and other reforms were designed not to destroy existing local industry, but to stimulate growth. The congress, by contrast, adopted a resolution which rejected the free market approach, and

called for employment creation through comprehensive land reform, investment funds for self employment ventures and co-operatives, and a greater emphasis on labour intensive production. It also called for reduced foreign control of the economy through joint ventures with local business.

Tsvangirai, in an interview with *Work In Progress* (No 65, April 1990), summed up the stark contrast between the socialist rhetoric of the regime, and the reality since independence: "Economically, after ten years of independence, we have a society which is more thoroughly capitalist than in 1980, with more deference given to private companies by the government."

Tsvangirai is particularly concerned about the proposed changes to the right to hire and fire workers. A month after taking power in 1980, the government introduced minimum wage levels, as a step to, in Tsvangirai's words, "correct the historical imbalances [in order to] re-

main legitimate in the eyes of those who fought and elected it into power, that is the workers and peasants" (*Parade* April 1990). As a means to prevent unilateral dismissals as result of these measures, the government controlled the right to hire and fire, by stipulating that the approval of the Minister of Labour had to be obtained first before any employee is dismissed. According to Tsvangirai, because the procedure was long and cumbersome, this measure acted as a real disincentive to fire workers. It is the only protection workers have had against a vengeful management, and should not be given away, he argues.

### **Political representation**

If ZANU(PF) is unable to protect the interests of workers and peasants, is it not time to form an alternative political party based on the working class and peasantry? Tsvangirai thinks not. He feels that, given the relatively weak state of the union movement, such a move would be "irrespon-

### **Zimbabwe's capitalist reality**

"Zimbabwean workers are deprived of all the wealth they produce. While beautiful Zimbabwean clothes are shipped to Europe, workers wear frayed shirts, broken shoes and worn coats. Huge grain harvests stockpile on our large-scale farms, while farmworkers' children suffer severe malnutrition. Workers cannot afford to read the books they bind, or go to the cinemas they build.

"The few who swallow this wealth command the economy and control politics in the hope that they will always keep Zimbabwean workers as cheap labour, and the Zimbabwean economy as a source of cheap products."

- From 'Strategies for the labour movement in the 1990s', ZCTU.

sible". The movement cannot afford to divert its energy away from the essential task of strengthening its own internal organisation, and developing the necessary cadreship, he says.

An alternative is to seek direct representation in parliament, through the allocation of five to ten seats to the ZCTU (out of a hundred). This proposal was presented to President Mugabe last March, and he promised to consider it. However, he proceeded to appoint a faithful ZANU(PF) supporter from the ZCTU to parliament, without consulting the union (she went on to become a deputy minister). This was clearly not what the ZCTU had in mind.

The ZCTU, at its general council last April, adopted the position that special seats should be set aside for worker MPs, who would be democratically elected by the ZCTU. This is to counter-balance the ample representation in parliament of interest groups like the Chamber of Zimbabwean Industries, and farmers. In addition, says Tsvangirai, there are few MPs who are sympathetic to workers. The majority are from a teacher and rich peasant background, and many are businessmen.

Such worker representatives, says Tsvangirai, would be controlled by the ZCTU. They would be subject to recall, and their salaries would be pooled into a special fund, from which they would be paid an allowance. This would limit the possibilities of

### The new leadership of the ZCTU

The congress elected the following office-bearers, who will serve until the next congress in five years:

- Gibson Sibanda (re-elected president)
- Morgan Tsvangirai (re-elected general secretary)
- Edward Njekesa (first vice-president)
- Isaac Matongo (re-elected second vice-president)
- Shangwa Chifamba (third vice-president)
- Nicholas Mudzengere (re-elected assistant general secretary)
- Enos Mdlongwa (deputy assistant general secretary)
- Lyson Mlambo (trustee)
- Lodrick Mapfumo (trustee)

co-option. While five to ten seats were "not enough", Tsvangirai believes that as a start it would be a strong enough unit to place workers issues on the agenda, and influence other parliamentarians, who have their own constituencies to report back to.

At another level, Tsvangirai believes that structures need to be built within society to allow greater participation of the people in political life. While the ZCTU accepts that at present Zimbabwe is effectively a one-party state, and there is no viable political alternative to ZANU(PF), an institutionalised one-party state is dangerous. Amongst other things, it encourages the emergence of the cult of personality, as has been the case in Africa and the Eastern bloc countries. Tsvangirai believes that a multi-party system provides the space for a variety of interest groups to operate, and allows freer debate, and a spirit of competitiveness within the political arena.

### Building internal organisation

In the two years since Tsvangirai took over as a full-time general secretary, there has been a considerable improvement in ZCTU's administration. Financial management has improved with the employment of a bookkeeper, treasurer and two trustees. At the congress the resource departments (economics, education, women and legal) gave extensive reports of their activities, and the launch of a new health and safety department was formally announced. The congress also proposed the formation of an information and publicity department, which would amongst other things produce the labour movement's own newspaper, *The Worker*, as well as ensure that the national media is informed timeously of the ZCTU's position on important issues.

The ZCTU resolved to build stronger and fewer unions, and to overcome the division of workers into different sectors and organisations, under different

laws. At present, for example, public sector workers cannot belong to the ZCTU, as they have their own associations which operate under special laws for 'essential services'. The widespread teachers' strike in March 1990, and the nurses' stoppages earlier, point to deep dissatisfaction amongst state employees. The government, says Tsvangirai, was neglecting the working conditions of its employees, and paying extremely low wages. After ten years the teachers' frustration boiled over into mass action. The March election promises of ZANU(PF), and Mugabe's call on workers to 'flex their muscle' (WIP 65), gave the teachers confidence. Their actions, however, were sporadic and uncoordinated, and ended in defeat. Many teachers were victimised for going on strike.

Tsvangirai told the congress that "worker mobilisation must be the key task for the next five years, to unite all workers under the banner of the ZCTU, and build an organised and active trade union membership."

### **Developing a conscious cadreship**

The ZCTU resolved to equip its cadres with the necessary skills to enable them to participate more effectively in negotiations with employers, as well as specific skills in administration, occupational health and research methods. Workers' class consciousness, the federation believes, should be developed through

improved educational activities, and the production of resource materials. The ZCTU also resolved to campaign for paid leave for trade union education, the allocation of national funds for worker education, sponsorship for specialised training within Zimbabwe and abroad, and to link with other progressive organisations to share educational experiences and resources. The congress identified the need to undertake research which will provide information necessary to strengthen the labour movement.

Tsvangirai expressed an acute awareness of the need to develop a cadreship within the union movement. This was essential to develop new layers of leadership, and to stimulate the democratic participation of more people in the movement, he said. The crucial lesson to be learnt from Eastern Europe was that cadre development did not mean regimentation, and a "the party knows best" attitude. This, Tsvangirai believes, "represses individual initiative".

Democracy, as espoused by Lenin, was "bastardised" in Eastern Europe, says Tsvangirai. He felt that there was a need to move away from orthodox Marxism, which had a text-bookish attitude to the still-important works of Marx and Lenin. He believes that there is "nothing inherently wrong with socialism", but societies differ, and there is a need to "revise our methods, tactics and strategies".

### **Increasing the participation of women**

The situation of women received particular attention at the congress. As in South Africa, it seems that women have still a long way to go before they are fully involved in the union movement.

The ZCTU resolved to ensure greater participation of women by insisting that:

- all union delegations to congress of greater than one person should include at least one woman delegate;
- all unions should send delegate to a women's conference to elect a Secretary for Women's Affairs;
- each union should nominate an officer who will be responsible for the co-ordination of women's activities within the union;
- each union set up women's committees at branch, regional and national level;
- the ZCTU women's desk co-ordinate the women's programmes;
- the ZCTU integrate women's issues into its other departmental activities.

The ZCTU also resolved to fight for a range of issues concerning women, including maternity rights, childcare benefits, and the right to land, as well as countering "all forms of male chauvinism and paternalism in the workplace and the union".

## Re-appropriating May Day

May Day has over the previous years been appropriated by both employers and the state. The government has controlled and funded the event, and in 1990 it censored the ZCTU's participation. Employers have gone to the extent of using May Day processions to advertise their products, and conduct annual 'Worker of the Year' competitions.

The ZCTU resolved to resist this, and ensure that the union movement regains control over all May Day activities, in order to "develop workers unity at the national and international level". This should take the form of peaceful marches, theatre, speeches, music, sports festivals and other activities.

## International relations

The ZCTU draws inspiration from South Africa's trade union movement, and the resilience it has shown these past two decades. According to Tsvangirai, the labour movement has shown that it is the "only institution that can outlive repression". The ZCTU has established contact with COSATU, in particular the NUM, with whom the possibilities of forging united action against the same employers in the mining industry have been discussed.

In addition to agreements of co-operation with labour movements in various countries around the world, the ZCTU is active in the Southern African Trade Union



Co-ordinating Council (SAT-UCC), and the Organisation of African Trade Union Unity (OATUU). OATUU's secretary-general Hassan Sunmonu addressed the congress, and described how the IMF and World Bank trade liberalisation programmes in Africa brought "massive unemployment and under-employment". He warned that this policy has killed local industry, and turned the "commonwealth" of African countries into "common poverty".

The ZCTU contrasts the parade of Western capitalism as a "champion of democracy and justice", with its "cruel and anti-human character" in Africa, where it has destroyed the health and social well-being of the people. This, says the ZCTU, "lays the basis for the international relations of the African working class", as well as necessitating "united action and solidarity of workers internationally against the capitalist class as a whole". The federation makes specific mention of the need to forge links with workers in Africa, Asia and Central America.

Links will be forged with "non-racist trade union centres", and the ZCTU will

make itself aware of the policies and objectives of the organisations it deals with.

The ZCTU resolved to appoint a full-time international secretary to monitor and implement international policy. It indicated a willingness to participate in international activities related to "peace, disarmament, the new international economic order", as well as solidarity with liberation movements.

## The hope for the working class

The ZCTU congress was marked by an organised, democratic spirit, which has established the federation as, in the words of Tsvangirai, "the key defender of working class rights and interests in Zimbabwe". The ZCTU still has a very long way to go before it is strong enough to make an impact on Zimbabwean society. But there is enough evidence to show that, since 1988, it has turned the corner, and become a true champion of the working class.

If ZANU(PF) continues to take Zimbabwe along the road towards complete dependence on foreign capital, and is finally compelled to abandon its 'socialist' rhetoric, then the left opposition might find itself forced to build an alternative party of the working class and poor peasantry. If the ZCTU lives up to the promise it has shown thus far, then it could form the basis for such a party. ☆

# Johnny Gomas as I knew him

Johnny Gomas was a trade unionist and central figure in the Communist Party of SA. Ray Alexander, veteran trade unionist and communist, argues that the book *Johnny Gomas: voice of the working class. A political biography* by Doreen Musson\* misrepresents the memory of a comrade she knew well.

I appreciate Doreen Musson's research on Johnny Gomas's ancestry, his development in Kimberley, his relationship with his mother and his appreciation of her and his antipathy to his father. From the day he introduced his mother to me, I noted their love for one another. On occasions when he insisted that no drunks should be allowed to our meetings, he said: "I have had enough of drunks - my father was one."

My recollection of Johnny is somewhat different from Musson's. I met him four days after my arrival in Cape Town. It was he who introduced me to comrades James Shuba, James La Guma, Cissie Gool and Clements Kadalie.

We organised and conducted study classes at 22 Hanover Street. Comrade Johnny brought to these classes scholars from Trafalgar College like Benny Kies, workers from Salt River Works

like John Muni, and Van Der Schyff, an Afrikaner ticket examiner who he politicised during his train trips from Maitland to Cape Town. He brought factory workers and coloured and white intellectuals. He taught us all to sing 'Nkosi Sikeleli Afrika'. In all of us he imbued a humane friendship and a strong desire to bring revolutionary change to South Africa.

We worked together from that time. Together we cleaned our party office, walked on Table Mountain, and pick-nicked at the sea-side. In District Six and Woodstock we sold the party paper, and discussed the Black Republic slogan and how to politicise the workers.

Reading Musson's book I came to the conclusion that she lacked a real appreciation of Cde Johnny, because of her antipathy to the Communist Party, of which Johnny was a builder, an old and

\* published by Buchu Books, Cape Town, 1989)

loyal member. Ironically, Musson strongly supports Trotskyism, which Gomas despised.

### Organising in the countryside...

On page 30 she writes:

“Gomas had a disregard for the Agrarian revolution, like his party”, yet she admits that he went to the countryside and recruited hundreds of farm labourers for the ICU.

On page 31 she writes: “...like a classical Marxist he concentrated his energies on the main industrial centres and even revealed a degree of condescension towards the countryside”. What makes her say this? Of course we all concentrated on industrial areas, but at no time did Johnny ignore the countryside. He organised protest meetings in Paarl in December 1927 against the shooting of two Africans. He, Silvana and Ndobe were sentenced to three months hard labour in June 1928 (p 37). They went to Worcester and other rural areas to organise the people against race discrimination - all of them members of the Communist Party.

### ... and the unions

The work carried out by Cde Johnny and other party members is a reflection of the Communist Party's commitment to organise the workers on industrial lines, with a militant democratic and accountable leadership. Kadalie forced through the expulsion of party members



*Detail from the cover of the book*

from the ICU, but our Party doubled its efforts to organise African, coloured and Indian workers. No organisation has done the work of the organisation in which comrade Johnny was an organiser and leader - the Communist Party of SA.

On page 64 Musson writes, “the times called for

sound leadership, solidarity and mass action. But these qualities were sorely lacking in all the major organisations of the oppressed.”

The trade unions of black workers were poorly organised everywhere. We did systematic work to organise the unorganised, and to introduce democracy in the

existing unions. That is how the character of the unions affiliated to the Cape Federation of Labour, with Robert Stuart as the General Secretary, was changed. We organised strikes against wage cuts in the African clothing factories, and organised Tram and Omnibus workers. We organised demonstrations for unemployment insurance, for jobs and against the pass laws. In December 1932 our comrades faced banning orders and imprisonment.

Our party members Gomas, James LaGuma, Moses Kotane, J B Marks, Josie Palmer, Edwin Mofutsenyana, Cissie Gool, H A Naidoo and George Poonen built the National Liberation League, the African National Congress and the Indian National Congress and the None-European United Front. They organised demonstrations against all oppressive laws. Therefore her statement, on page 89, that the ANC/CPSA fraction was careful to make sure that any changes in the system of oppression would not be too traumatic for whites is simply untrue and malicious. She does not supply any evidence in support of this slander. She does not understand the role Johnny played in the party and gives the impression that he was a kind of 'camp follower' who carried out instructions. This is wrong - he took a leading part in all the party's political and trade union decisions.

On pages 102-6 she attacks the party for supporting the Second World War. The only organisation that denounced the war was our Party. It changed its stand only when Nazi Germany attacked the Soviet Union. She omits the fact that in July 1940, at a special joint meeting in Bloemfontein, the All Africa Convention - an organisation nurtured by the Trotskyites - together with the ANC, passed a resolution giving support to the war effort. In the same week Cde Moses Kotane sent a telegram to General Smuts protesting against the Draft Segregation Ordinance which the Cape Provincial Council discussed.

In June 1940 Cde Johnny, in his article in *Freedom, the Party Organ* wrote: "How can we be interested in fighting Nazism thousands of miles away, while in reality we have a similar master denouncing us here?" The Communist Party alone issued leaflets attacking the war, and at factories in town and country we campaigned against the war.

On page 54 she alleges "that many, many members who were expelled from the Party joined the Lenin Club". Only one member, Auerbuch, who was expelled from the party because of his racialist attitude, became a member of the Lenin Club.

She makes a sweeping statement about the poor qualities of leaders in all mass organisations. Does she include Cde Johnny and his

party colleagues? In my opinion he showed courage and independent thinking which he injected in our party, and a commitment to the mobilisation of the oppressed.

To his and our regret he never went to the Soviet Union. He was elected to go to the Soviet Union in 1931. His excitement and enthusiasm at this decision was so great that the next morning he applied for a passport. When he reported it to the District Party Committee all of us, including him, felt that if he did not get a passport, he should not go with a false passport, the way other comrades went, as the police would be on the look-out for him. Comrade Johnny was not given a passport and never went to the Soviet Union.

### Gomas and Trotskyism

On page 91 she records that Johnny joined the Anti-CAD (Coloured Affairs Department) Committee. After lengthy discussion in the party, he went there to represent the party. He also went to the New Era Fellowship debates. He despised the Trotskyites and went to save the young intellectuals from their ideology. He took the same position toward the Non-European Unity Movement.

On page 105 she writes: "The tension between him and his party never led to the logical conclusion, his resignation or expulsion. He remained a party member until the CPSA dissolved in



1950, even though his role in the 1940's was limited to that of supporting one or other party candidate for an election." In fact he stood in the 1943 municipal election on a party ticket.

She is upset that he was never expelled, nor did he resign. After the party's dissolution in 1950, we worked together, and had meetings to give political and practical guidance to comrades working in the trade unions. When we were banned, and prohibited from meeting one another as 'banned persons', we nevertheless met and exchanged views. Two nights before my departure from South Africa we met and were like old party members. He cried and I assured him that we shall be back to help liberate our country from race oppression and class exploitation. Over the years we spasmodically corresponded under cover. My great regret is that he died without seeing liberation.

### Putting the record straight

On page 104 Musson writes: "By the end of 1940 Gomas was out of the party hierarchy, apparently having incurred the wrath of the majority of the leadership because of his obsession with Black leadership instead of class leadership". This is wrong. The facts are as follows:

In January 1940 the District Party Committee decided that I should not be the Secretary of the DPC, to enable me to give all my attention to trade union work. Comrade Johnny, supported by Bill Andrews, was the prime mover behind this decision. During the year we organised more unions. At the end of 1940, after many discussions, it was agreed that Cde Johnny should resign his post as party organiser and chairman of the DPC, and assist in trade union work. I recommended him to the Chemical Workers Industrial Union, established in 1936, and to the SA Tin Workers Union, which was established in January 1940, as secretary of these two unions. In line with our party policy we helped unions to elect secretaries from the workers' ranks.

For example, Ishmail Baboo became secretary of the Sweet Workers Union, replacing myself. Philip Benjamin became secretary of the Wine Brandy Workers Union. Cassim Benjamin led the Cape Town Stevedoring Workers Union (after the death of Henry October). Lucas Phillips was elected to take on the Cape Quarry Workers Union. Benny January replaced me as the secretary of the Laundry Workers Union. There were also others. We educated and trained these comrades - Cde Johnny, myself and all these

comrades worked in a collective, shared duties and experiences. I took on the job of organising the Food and Canning Workers Union which was launched on the 6th February 1941.

There are several other errors in Musson's book. Cde Johnny Gomas did not recruit Moses Kotane to the party. Moses was introduced to the party by Cde Albert Nzula and Charles Baker. Moses became General Secretary of the party in January 1939.\*

Umkhonto We Sizwe was formed on 16 December 1961, not in September 1962. She spells Solly Sachs' name incorrectly. Cornelia Gomas was a member of the Chemical Workers Industrial Union, not the SA Tin Workers Union. The photo of the 5th annual conference of the National Liberation League shows Doctor Worodiah Abdurahman and not Mrs Abdurahman.

### Gomas - contribution to Marxism, Leninism and the party

But the most important error in Musson's book is the incorrect appreciation of Johnny Gomas's contribution to introducing Marxism and Lenin's ideologies to young and old, and to building the Communist Party, the National Liberation League and the trade unions, for a free, united and democratic South Africa. ☆

\* See Moses Kotane - South African Revolutionary - a political biography by Brian Bunting - Inkululeko Publications. London p.46

# South African Labour Law in 1990

*The CENTRE FOR APPLIED LEGAL STUDIES (CAL S) assesses progress on a new LRA, and defeats suffered by unions in the Labour Appeal Court.*

1990 was a good and a bad year for the trade unions. The good parts are developments that will lead to major changes in labour law over the next few years. The bad aspects stem from the controversial amendments to the Labour Relations Act that became law in September 1988. In this note, we will look at one of these developments - the decisions of the Labour Appeal Court on the right to strike.

## **Future changes to the LRA**

The most significant development in the field of labour law in 1990 was the signing of the COSATU/NACTU/SACCOLA accord and its subsequent acceptance by the government in October. Employers, workers and the state signed a historic agreement in which it was recorded that labour legislation should enjoy the support and confidence of all of the major participants in labour relations. This is a far cry from 1988 when the unions' vigorous opposition to the changes

to the LRA were ignored by the government and capital. The pact with the government led to the publication of the contents of the COSATU/NACTU/SACCOLA agreement in the form of a draft bill. If all goes well this should become law in the first half of 1991. It will undo the most destructive 1988 amendments. The law will:

1. Restore the pre-1988 unfair labour practice definition. This will remove the long list of unfair labour practices contained in the present definition and exclude strikes and lock-outs from the scope of the unfair labour practice. It will remove the industrial court's power to interdict strikes on the basis that they are unfair. The change will also remove the many controversial portions of the unfair labour practice definition including paragraph (j) which attempted to enforce an all-comers system of collective bargaining at the expense of the majoritarian bargaining favoured by COSATU unions and many



*Photo: Morice/Labour Bulletin*

large employers.

2. The only unfair labour practice dealt with expressly in the definition is dismissal. It provides that an employer can only dismiss a worker on one of the three recognised grounds: misconduct, incapacity (inability to do the job) and operational reasons (retrenchment). Workers will continue to be entitled to a hearing before dismissal and the requirements on an employer to consult on retrenchments are clarified and strengthened.

3. Provisions that facilitate the registration of racially exclusive trade unions are scrapped.

4. The obstructive technicalities in the conciliation procedure such as letters of deadlock and certificate of

compliance are scrapped. In addition, the period for applying for a conciliation board or referring a dispute to an Industrial Council will be extended to 180 days.

5. Employers seeking to interdict strikes will be required, wherever possible, to give 48 hours notice of their intention to do so. If this is not possible, the company must nevertheless give the earliest possible notice to the union. This is designed to prevent the practice of obtaining urgent applications against strikes with little or no notice to the trade union and its members.

6. The presumption that in the case of illegal strikes all action by union members, officials or office bearers were authorised by the union is

done away with.

A development that is likely to have more long term consequences is the publication by the National Manpower Commission of a draft consolidated Labour Relations Act. This project is aimed at making the Act more understandable and a working document has been circulated for discussion. This document proposes many changes to the law including a measure of protection for strikers against dismissal, expedited conciliation procedures, major changes to the structure of both the Industrial Court and the Labour Appeal Court and a less restrictive approach to essential services. It also proposes that all employers (including the public sector)

## LEGAL NOTES

should fall under the LRA.

At the same time various government departments have indicated that they will accept the introduction of proper collective bargaining into the public sector. Discussions have commenced involving public sector trade unions and the Commission for Administration (the body that deals with employment matters in the public sector) to devise structures for collective bargaining in South Africa's public sector which has never had proper collective bargaining.

The Minister of Manpower also announced that farm workers will be incorporated into the Labour Relations Act and that he will reconsider the position of domestic workers. The National Manpower Commission has appointed sub-committees to make proposals on the incorporation of these two excluded categories of workers into labour legislation. They are due to report to the Minister in the first half of next year and this may lead to changes in the law in the course of 1992.

It is likely that within 3 to 4 years the face of labour legislation in this country will be dramatically changed.

### **The Labour Appeal Court**

The Labour Appeal Court was created by the 1988 amendment Act. Anyone who loses an unfair labour practice case in the Industrial Court has an automatic right of appeal to the Labour Appeal Court. The case will be

heard by a judge assisted by two assessors. The assessors are lawyers appointed by the Judge President and are intended to give expert assistance to the judge but often have been people with little or no experience of labour law.

Similarly, the judges who have heard labour appeal cases are often inexperienced in labour law. They have been critical of the approach of the industrial court and have undermined many of the principles built up by the court, particularly the extent to which the industrial court has given protection to strikers involved in legal strikes.

In two major cases, the Labour Appeal Court has overthrown the decision of the industrial court that the dismissal of strikers was unfair.

The one concerned strikers belonging to the S A Chemical Workers Union dismissed by Sasol in 1987. The Labour Appeal Court held that because the union had failed to prove that the majority of its members voted in the ballot for the strike it was illegal and therefore the dismissal of the workers shortly after the start of the strike was fair.

More disappointing is that the Appeal Court in Bloemfontein has refused to entertain an appeal by the union against this decision. More recently another judge of the Labour Appeal Court went further in a decision involving the Media Workers of South Africa and Perskor

and said that dismissal is a legitimate employer response to strikes. The implication is that the court will only reinstate strikers in exceptional circumstances.

This differs greatly from the attitude of the industrial court that has extended the protection of workers engaged in lawful strikes. However, there is disagreement among the judges of the Labour Appeal Court and in one case the court recognised the right of workers to go on strike in support of a demand for recognition.

No statistics are available as to all the decisions of the Industrial Court but in the vast majority of cases it is the employers who have succeeded in that Court. Employers who lose cases in the industrial court go on appeal almost as a matter of course.

The automatic right of appeal has meant that legal battles over dismissal take longer and are more expensive. This can greatly increase the suffering of dismissed workers. The Labour Appeal Court has become very controversial and the National Manpower Commission has invited representations on how it should be restructured. ☆

# Economic Notes

*Economic Notes is supplied by Labour Research Service (LRS), Cape Town*

## Fighting retrenchments ..... with a training fund

The economy is still in a down-turn and the petrol price rises are making things worse. Company liquidations soared by more than two-thirds in August and could go even higher in the near future.

The economic down-turn has meant unions are spending more and more time fighting retrenchments. Retrenchment is one of the hardest problems faced by any trade union. Retrenchments often decrease the militancy of workers. Workers who keep their jobs feel they are lucky to have jobs. The demobilizing effect of retrenchment affects unions' ability to fight retrenchments.

Severance pay does not go very far. A slack pay fund (see *Labour Bulletin Vol 15 No 2*) can help to protect workers' wages in the short term. But South Africa's huge pool of unemployed workers means that workers who are retrenched and have no skills are unlikely to find another job.

### Shortage of skilled workers

Because of job reservation and apartheid education, there is a shortage of skilled workers and a large surplus of unskilled workers. Most workers with skills can find jobs, even in an economic down-turn, unskilled workers cannot.

Some unions are now considering the establishment of a training fund. The fund will be used to provide retrenched workers with training in technical skills. The training will improve the possibilities of employment for

retrenched workers and help to reduce the skills shortage.

### Importance of a training fund

A training fund could be important in many industries:

- Industries which are hit hard by economic slumps, such as building and construction.
- Industries which are characterised by rapid technological change. Because of technological change workers find their skills are no longer needed.
- The mines - a mine is not like a factory that goes on and on processing raw materials into cars or clothes. At some time the ore that is mined is finished. There is nothing left to mine and the mine has to close.

A training fund could establish its own training college. Most training funds would, however, link up with technical colleges and similar training institutions. The training fund would need to identify those skills which are in short supply and then emphasise training courses which would provide these skills.

### Normal wages during training

Retrenched workers attending the training courses would be paid their normal wage or a portion of this wage. Retrenched workers must still receive severance pay.

Less than two percent of company expenditure in South Africa is on training. In most countries the average company expenditure on training is five percent. Unions

could reasonably demand that one percent of company expenditure be placed in the training fund every year.

The training fund for retrenched workers will help unions fight retrenchments and go a long way to solving the skills shortage.

## Drivers keep their heads above inflation

Drivers have received wage increases above the inflation rate. The top increases were won by extra heavy articulated drivers. Forklift drivers also did well with increases above 20%, on average.

The top wage increase was won by drivers working for Zinc Corporation (SA). They won an increase of 39.3% in July 1990. These drivers are organised by the National Union of Mineworkers.

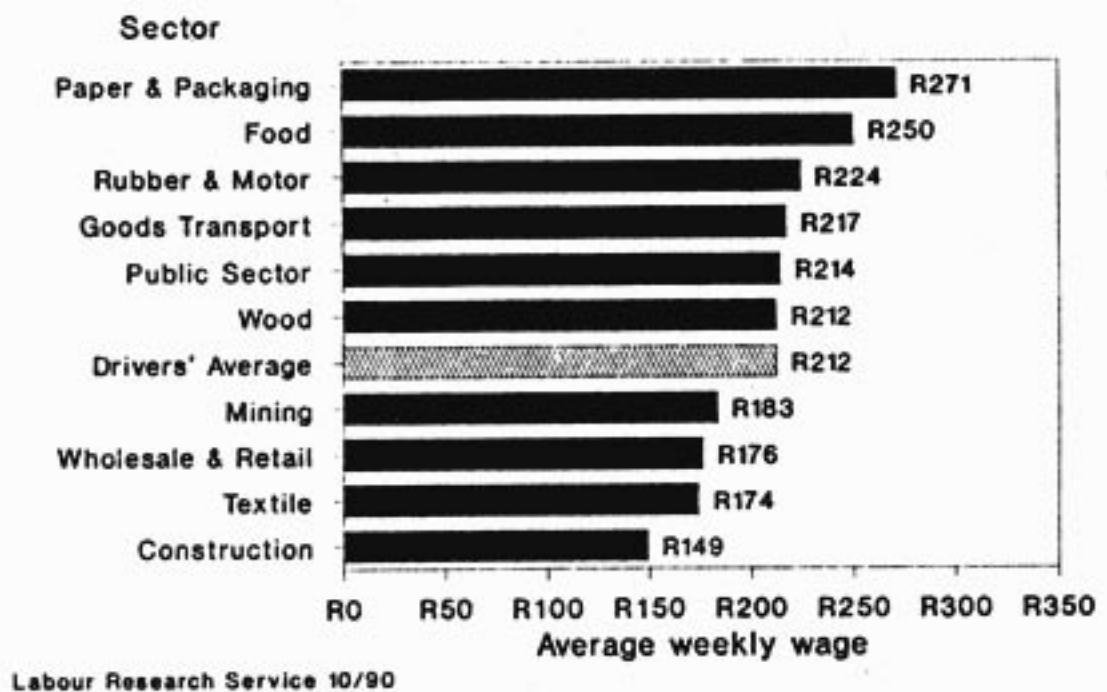
AWARD's latest survey of drivers' wages also shows that drivers in the construction industry are the lowest paid. Heavy duty drivers in the construction industry earn only R149 per week, on average.

### Paper and packaging drivers on top

Heavy duty drivers in paper & packaging earn the most. On average they now earn R271 per week.

Heavy duty drivers working for goods transport companies earn just above the

## HEAVY DUTY DRIVERS Paper & Packaging pays the most



average of R212 per week. The top heavy duty drivers' wage is paid by Eskom. Here a heavy duty driver earns R361.15 per week.

Five major driver job categories were analysed for the period September 1989 to October 1990 by AWARD. The graph below shows the average wages earned by drivers in each of these five job categories.

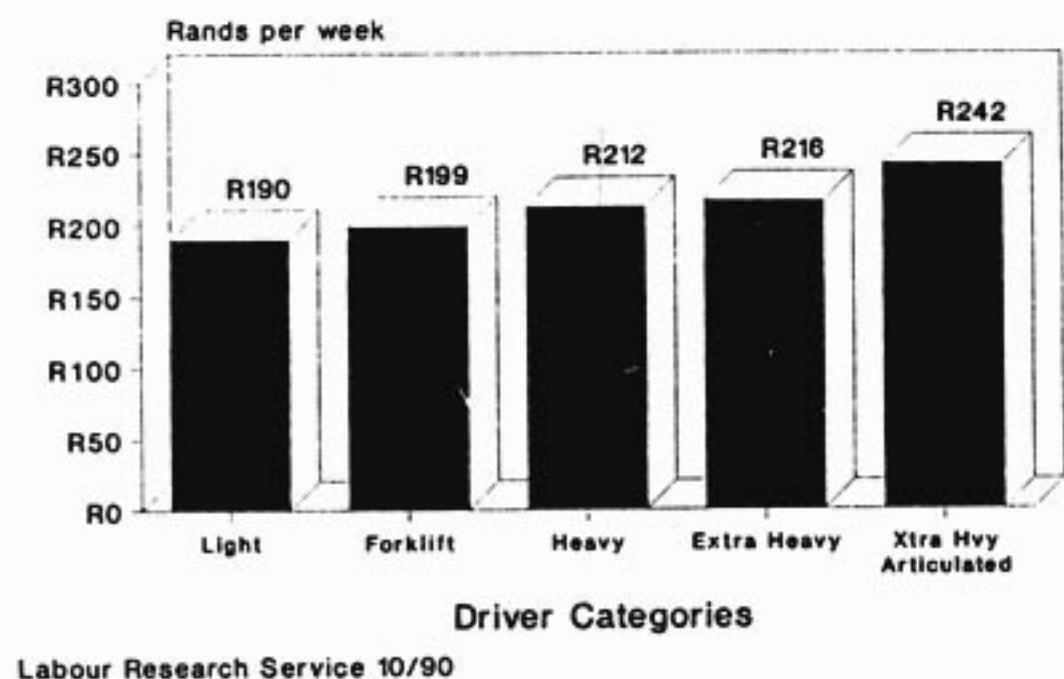
As expected, the average wage for drivers of light vehicles is the lowest, with a

weekly wage of R190. This is R16 more than the AWARD average weekly wage of R174 for labourers. Drivers of extra heavy articulated vehicles are the highest paid, with an average weekly wage of R242.

### Another survey

*P-E Remuneration Service*, a management consultancy, has also produced a survey of drivers' wages. Their survey covers the larger and richer companies. The wages surveyed are those paid in March

## DRIVERS' AVERAGE WAGES ACROSS ALL INDUSTRIES



**PE Remuneration Service, average wage, March 1990**

|                         |           |         |
|-------------------------|-----------|---------|
| Light motor driver      | R1 087 pm | R251 pw |
| Heavy duty driver       | R1 339 pm | R309 pw |
| Extra heavy duty driver | R1 351 pm | R312 pw |

1990. The table shows the average wage paid to drivers in three job categories. ❖

## Company profile:

### Iscor

### Iscor

Iscor was established in 1928, with government money, to form the backbone of domestic industrialisation. With much pomp and ceremony, and a push from the free marketeers, the government privatised most of Iscor in 1989.

Many financial analysts predicted riches for the new owners. So over 200 000 individuals bought their slice of the steel company. Threats of re-nationalisation have made the new shareholders extremely nervous. This has not concerned the financial institutions who have been on a buying spree.

### State still largest share-holder

Old Mutual now owns 12.6% of Iscor, up from 4.9% in 1989. The largest shareholder is still the state-owned Industrial Development Corporation (IDC). The IDC owns 16.2% of Iscor's shares.

According to its 1990 annual report Iscor is the 14th

largest steel producer in the "western world". It is also the second largest industrial company in South Africa. Barlow Rand is the largest.

Iscor employs 59 000 people and produces about 77% of South Africa's steel needs. About a third of Iscor's annual steel production is exported.

The coal mines produce



3,9m tons of coking coal for Iscor's blast furnaces and 8,1m tons of byproduct coal is sold to Eskom. Dolomite is used as a fluxing agent in the blast furnaces.

Iscor's 1990 profits reached a new record high of R1 195

million. But the increase was only 5%, well below the predicted 20% increase in profits. The privatisation ideologues are not, however, too concerned that profits under privatisation were not as big as they expected.

### 'Impressive organisation'

The *Business Times* editor, for example, says "Iscor is an impressive organisation. The sluggish bureaucratic State-controlled monolith of the past has been laid to rest. Production and profit per worker have risen by leaps and bounds, though staff are getting their pound of flesh with generous increases". (*Business Times*, 2 September 1990).

Although Iscor's profit per worker is high, suggesting an ability to pay higher wages, the 1990 increase was only 2%. Hardly an increase of "leaps and bounds".

Obviously the editor did not bother to read Iscor's 1990 annual report. Neither did he bother to speak to the NUM when he wrote his article on Iscor.

Grade 1 workers at Iscor's Durnacol coal mine were

### ISCOR STEELWORKS AND MINES

#### Steelworks

*Vanderbijlpark, Newcastle, Pretoria, Cape Town (CISCO)*

#### Coal

*Grootegeluk, Durnacol, Hlobane, Tshikondeni*

#### Dolomite

*Meyerton, Pretoria Iron ore Tin Zinc*

#### Iron Ore

*Sishen, Thabazimbi*

#### Tin and Zinc

*Uis (Namibia), Rosh Pinah (Namibia)*

## ECONOMIC NOTES

granted an increase of R52 in July 1990 - a new minimum wage of R306 per month!

The management did not even negotiate the wage increases with anybody - they just took a chance and hoped that no one would notice these low wages.

They made a mistake. Workers decided on a sit-in and after negotiations with the NUM Iscor was forced to set aside the R52 increase. The new increase agreed to was R94.

So much for workers getting "their pound of flesh with generous increases" from the privatised Iscor. ❖

## UNISA'S Poverty Datum Line updated

### SLL is now R778.34 per month

Unisa's poverty datum line, the Supplemented Living Level, now stands at R778,34 per month (or R179,62 per week).

This August 1990 figure is 12,6% higher than the August 1989 figure for South Africa. The annual inflation rate for this period was 13,6%.

### Durban figure is the highest

Unisa's Bureau of Market Research has once again surveyed 26 areas. The highest

| Area             | Inflation | Consumer Price Index<br>(1985=100) | Annual rate<br>of inflation<br>(% increase<br>over 1 year) |
|------------------|-----------|------------------------------------|--|
|                  |           | Sept 1990                          | Sept 89 - 90   |
| Cape Town        |           | 208,9                              | 14,8%  |
| Port Elizabeth   |           | 211,2                              | 12,3%  |
| East London      |           | 206,0                              | 15,4%  |
| Durban           |           | 200,6                              | 15,0%  |
| Pietermaritzburg |           | 204,2                              | 13,8%  |
| Witwatersrand    |           | 213,1                              | 15,3%  |
| Vaal Triangle    |           | 204,8                              | 13,8%  |
| Pretoria         |           | 218,1                              | 12,9%  |
| Klerksdorp       |           | 216,0                              | 12,7%  |
| Bloemfontein     |           | 187,1                              | 10,6%  |
| OFS Goldfields   |           | 205,6                              | 11,5%  |
| Kimberley        |           | 199,0                              | 13,0%  |
| South Africa     |           | 209,7                              | 14,3%  |

Source: Central Statistical Service

| Area             | Inflation | Consumer Price Index<br>(1985=100) | Annual rate<br>of inflation<br>(% increase<br>over 1 year) |
|------------------|-----------|------------------------------------|--|
|                  |           | Oct 1990                           | Oct 89 - 90  |
| Cape Town        |           | 211,6                              | 16,3%  |
| Port Elizabeth   |           | 214,1                              | 13,0%  |
| East London      |           | 207,0                              | 14,7%  |
| Durban           |           | 202,0                              | 14,8%  |
| Pietermaritzburg |           | 206,1                              | 13,7%  |
| Witwatersrand    |           | 213,4                              | 14,2%  |
| Vaal Triangle    |           | 206,5                              | 13,8%  |
| Pretoria         |           | 219,7                              | 13,1%  |
| Klerksdorp       |           | 218,4                              | 12,8%  |
| Bloemfontein     |           | 188,6                              | 11,0%  |
| OFS Goldfields   |           | 210,9                              | 13,4%  |
| Kimberley        |           | 200,6                              | 13,0%  |
| South Africa     |           | 211,1                              | 14,0%  |

Source: Central Statistical Service

poverty datum line was set for Durban, at R860,65 per month (or R198,61 per week). Bloemfontein recorded the lowest figure at R677,20 per month (or R156,28 per week).

Since August 1983 the real value of the Supplemented Living Level has fallen by one fifth. At its peak the SLL was

R968,69 per month (or R223,56 per week), in August 1990 rands.

Of the 208 wage agreements on AWARD, which set new wages in the first half of 1990, only 28 would have been above the SLL peak of R968,69 per week. ☆



# Profile

## **Interview with Mtutuzeli Tom, Mercedes Benz shopsteward, vice-chair of COSATU's Eastern Cape region**

I was born in East London. When I was still young, we moved to Mdantsane. At that time, we were excited about moving, not knowing it was part of the forced removals programme, and we didn't know that it would mean that we would become part of a so-called independent homeland.

I first discovered politics at school. There were Black Consciousness slogans which we supported, but without a clear understanding of what they meant - for example, Azania and the black power salute. We just understood it means we have to be united, that Azania is going to be a free SA. There didn't seem to be a plan to build people politically - it was just a question of taking us to war, to resist, to forms of action. There were some old people who were members of the ANC many years ago who used to sit down with us and tell us about the old days. They also gave us examples of the resistance of the people from 1973, the workers in Natal and how they embarked on forms of strikes and other such histories. But they said we should be part of BC organisations and support them.

### **COSAS**

After the banning of the BC organisations in 1977, there was that period of silence. People were scared - if you saluted someone by showing the fist, the person wouldn't respond, but would just look the other way. Everybody was afraid to do anything like the black power salute, because the police were taking you for that.

So people at school were not eager to openly begin establishing structures, to such an extent that we had to organise the Congress of South African Students (COSAS) in a semi-clandestine fashion. Everyone was recruited on a one-to-one basis - we never had a chance to sit down in a group and discuss things with comrades.

But in 1980 everything broke loose. We stood up in our schools and said this is the right time now because even the coloured and Indian comrades were taking part in the school uprising of 1980. People started talking about COSAS openly now. People everywhere were also starting to say something about the ANC and it was clear that the ANC had a base in the area where we were.

The principals and the teachers were saying there was nothing we could achieve with COSAS. They were really demoralising us, putting pressure on us to stop this thing and go to the classes and listen to what they are saying. We just said they were the people who were bringing Bantu education to us. But it's different today. Today you find students and their teachers are doing things together.

1980 was the time that I really began to develop some political maturity. We said to ourselves that the ANC has been fighting for a long time, having been established as far as back as 1912. But here is Zimbabwe getting their freedom already. How can we still be waiting for our freedom when we have been fighting for so long, while they started their struggle after we have

long been involved in resistance? So we said as students let us take the lead, let us march, let us go forward now.

Ciskei embarked on their independence referendum in 1980. We were blocking people and telling them 'please don't vote'. They were arguing and saying 'look if we don't vote, our houses will be taken away from us and our pensions will also be taken away' and we were saying 'no, these are all traps'. But in the end, we got so-called independence.

Things changed in 1981. COSAS was crushed by the Ciskeian police. The police were very brutal. They used sjamboks, making sure when they hit you that they get your eye out. There was even talk around the township that the police are 'uprooting our eyes'. So students felt too threatened to be involved in action.

I left school in 1982 after matric and started working at Mercedes Benz in 1983. Immediately after I was employed, we talked about establishing a youth congress in our area. We said that with a youth congress, we in the township could belong to an organisation. We had support for this idea from the students, from the drop-outs from school, and even from the gangsters of our area.

The youth congress received a blessing because one of the most popular and respected comrades in the area, comrade Steve Tshwete was at the launch to speak to us. He really made an encouraging speech. It was the first time in our lives that we saw a strong veteran of the ANC who spent so many years in Robben Island. He encouraged us and said he felt in his blood that the country was going to be free, because we were starting to build these organisations. He said we must not forget that, when we build them, we must spread the voice of the ANC because that is what the ANC wants us to do. The East London Youth Congress (ELYCO) started that day with thousands joining.

### **Joining the union**

At Mercedes Benz I found that there were two unions, SAAWU and NAAWU. I had thought there was only one union in the whole country and that was SAAWU and so I was organised into SAAWU as a new guy in the factory. But as time went on, we got information about NAAWU from a shop steward who also gave us documents on the unity talks for the establishment of COSATU, and we said, 'look, this union is involved in this thing, how can we not support such a union'. Also we saw it had a lot

of members and was well-established in all the auto factories of the country. So we took a decision to become members of NAAWU.

The youth congress also took up a campaign to support the establishment of industrial unions. We debated these things as well as the question of forming civics. We even took money from our funds to take us to the launch of COSATU in Durban. At the congress, we met comrade MJ Naidoo who died recently. Comrade MJ told us how the working class can seize power, how the working class can take control of the means of production. He is one of the comrades who I will never forget. He was so patient in explaining things to us. He gave us copies of Umsebenzi and other things to read. Then we came back and organised groups to discuss Umsebenzi and the African Communist. We were really strong after the launch of COSATU and we discussed how to build the union in the plant. We campaigned very strongly for workers to join.

We also continued to play a leading role in ELYCO. In that organisation there was lot of democracy. Before I even worked as a fully-fledged worker leader in the factory, I tasted democracy in the ELYCO. I learnt there that a debate was a debate, and if you discuss you are free to put your own voice. We had area and branch structures where we discussed issues and took proposals to the councils and to the congress itself.

In spite of the existence of the Ciskei police, we still organised, meeting at night and sometimes during the day on SA land beyond the railway line in the bushes. We would find hundreds of the youth in the bushes and the fields discussing politics. Not only the main youth were involved in this, the ordinary members were there too.

I was also developing on the side of the trade union movement. I was elected in 1985 to the position of the vice-chairperson of the branch and as a shopsteward in the plant. In 1986 I was elected as the COSATU local chairperson in the area. I was also an NEC member of NAAWU.

In 1986 I attended the COSATU regional congress in PE where the division in the trade union movement in the Eastern Cape was very strong. There were the MACWUSA comrades, the GWUSA comrades, the SAAWU comrades, they were a bloc in the COSATU congress. There was NAAWU, Chemical, Food and Canning, and Sweet Food, who were also a bloc. It was the first time I had seen comrades fighting

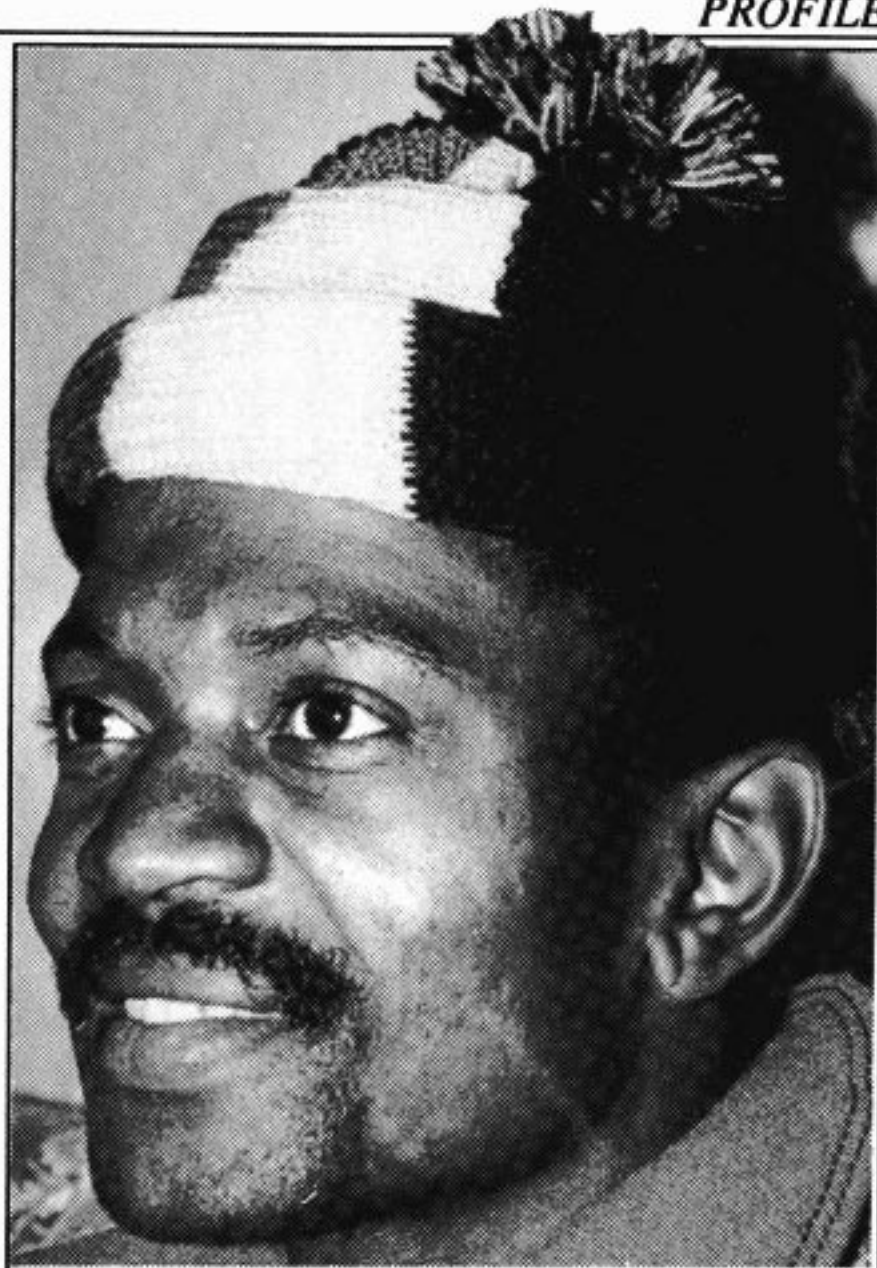
with one another in one organisation. I kept asking comrades, 'why do we respond to these comrades in this fashion?' Instead of attacking them and saying that comrades are out of order, and using 'point of correction' and all those things, we should explain our position and then comrades might understand our point of view. I believed that they are comrades and so we should argue with them constructively. I never really understood what the tension was all about.

I was also part and parcel of one of the historic meetings whereby the NEC's of the metal and auto unions came together for the first time. We were raising slogans like 'viva MICWU', 'viva NAAWU', 'viva MAWU', and so on. We had to explain to MICWU comrades why we were wearing t-shirts with 'socialism' on them and why we said 'viva' and why we called each other 'comrade'. We wanted to make them feel at home. It was a very fruitful meeting, everything was agreed by consensus, and we finalised the merger itself and set the dates for it. We went to the regions and elected delegates through our structures.

We in NAAWU were pushing for the adoption of the Freedom Charter in that congress and we faced strong opposition from former MAWU comrades who were saying we could not adopt it, as it is not a programme of the working class and all that. We were saying that it contained the minimum demands of the working class and we needed to adopt it. It was a very interesting debate.

We said that you cannot run away from the fact that we stay in the townships, we don't stay in the sky. We know how the masses feel about this. We know how the workers feel about the Freedom Charter. It's our document. Don't we demand the nationalisation of industry? Comrades said, 'yes we do'. Don't we demand that the people shall govern? 'Yes, we do comrades'. Well, then, why don't we adopt this Freedom Charter?

The most interesting congress was the one that took place in 1989. In that congress, we established that there is an understanding amongst the delegates of the organisation. There is an acceptance of our argument in the congress. It was not just accepted - it was argued through - but we always reached consensus in our discussions. What I liked in the congress was the level of debate, debating resolutions like political settlement, setting the preconditions and so on.

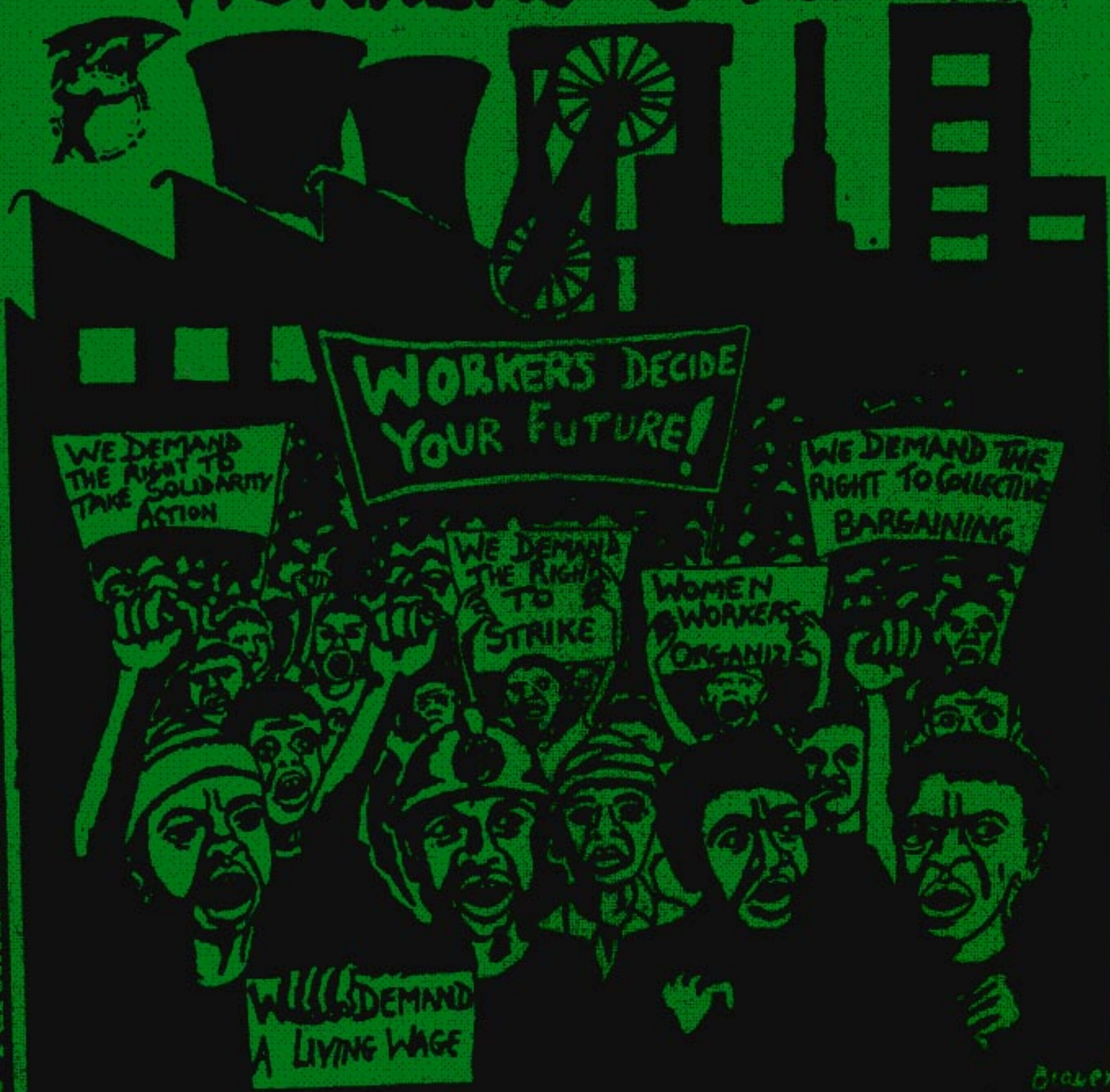


The manner in which we prepared ourselves for the congress was very good - resolutions were read to the workers in the factories and discussed in general meetings with workers before the Congress. A resolutions committee was established by us with workers from different factories in our area, workers who are not shop-stewards, sitting together and discussing what they want us to take as resolutions in the forthcoming congress. Resolutions were drafted and sent to the resolutions committee and these were compiled and sent back to the regions to find out which resolutions workers wanted amended. So we felt that worker control and worker democracy in our organisation.

If you could see the video of the congress, you'll see that it was not an easy congress. You'll hear how people were debating and that they were really reflecting the interests of the working class. Each and every speaker was speaking on mandates. You speak because you say that you have met with the workers and these are the workers feelings, so when you speak you are speaking with the voice of the workers. And you have that confidence that if one comrade is raising an issue opposing yours, you just go to the mike with the feeling that the workers back home are saying, 'I must say this in this manner'. So the discussion was very healthy. ☆

• Rights for economic planning

# FORWARD, TO THE WORKERS' CHARTER



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• Basic worker rights • Trade union rights

• Basic worker rights • Trade union rights • Various rights