

SOUTH AFRICAN LABOUR BULLETIN

SUSTAINING THE WORKING CLASS

RENEE ROUX

STRIKING AT PENSIONS

INDUSTRIAL HEALTH RESEARCH GROUP

SICK PAY

CWIU

WORKERS' STRUGGLE AT COLGATE

BRIEFINGS

STRIKES IN THE MOTOR INDUSTRY

KEYAN TOMASELLI

FROM LASER TO THE CANDLE

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Comment

Wilson Rowntrees – a taste of what is to come?

The massive state crackdown on the Wilson Rowntree workers and their Union, SAAWU, is a matter of deep concern to the labour movement as a whole in South Africa. Over the past two months scores of workers and trade unionists have been detained in what has been the most intensive action against unionists since the bannings in 1976. Although the latest wave of repression has hit a number of sections of the labour movement, (those held include members of the Dorbyl shop steward committee in Uitenhage, five union officials and members of Macwusa and Joseph Mavi, president of the BMWU), its focus has been the East London-based SAAWU, which is currently engaged in a struggle for the reinstatement of 500 Wilson Rowntree workers. At the end of May, 36 of the dismissed workers were detained by the Ciskeian Intelligence Service. A further 33 were held two weeks later, and now leading officials of SAAWU, Thozamile Gqweta (held under Section 6 of the Terrorism Act), Xolani Kota and Sisa Njikalana are being detained by the South African Police.

The state crackdown has come in the wake of, inter alia, the intensifying Wilson Rowntree struggle – which was sparked off in February when three workers were dismissed by a foreman after demanding written authorisation for carrying out a job formally reserved for skilled workers. This demand was made after workers had been reprimanded for doing the same job in October last year. Forty-nine other workers in the department protested against the dismissal. However management stood by the decision of the foreman and went further by firing the protesting workers. The strike spread throughout the factory, and within 10 days, over 500 workers, including all members of the democratically-elected committee, had been unilaterally fired by management. After a period of 7 weeks, in the face of management's total intransigence, a nation-wide Wilson Rowntree boycott campaign was launched as a means of pressurising the company into reinstating the workers.

From the outset, the Wilson Rowntree workers have suffered a sustained attack on the part of management and the state. Wave after wave of detentions has removed the worker leadership from active participation in the struggle. Likewise, the state and management have consistently attempted to sabotage the strengthening boycott campaign; printing facilities have been cut off from the Union; workers have been threatened with detention, if found in possession of pamphlets; they have come under constant harassment from the Ciskeian police in the townships and the Union offices have been raided. Despite this, the Wilson Rowntree workers and the boycott campaign are receiving considerable support both in East London and other centres.

What does all this mean for the labour movement? State action against Wilson Rowntree workers has not occurred in isolation. The growing militancy of workers

in the Eastern Cape, accompanied by the dramatic strengthening of trade union organisation in the region has not been well received with the authorities. For a start, with the absence of other political organisations in the area, SAAWU has developed into an organisation which expresses certain political demands of the local population. This is particularly so with regard to the issue of Ciskei's proposed 'independence'. There is deep seated general resistance to the 'independence' plans, and SAAWU has come to articulate the growing antagonism towards the bantustan authorities. In part, this explains the highly active role of the Ciskeian government in the repressive wave unleashed against SAAWU. But it also brings into focus state opposition to what has become an increasingly prominent feature of trade unionism: that workers themselves are beginning to define the forms of activities of goals of their unions, and this definition does not include a rigid division between political and economic issues, or shop floor and broader-based activities. The new breed of unionism which has developed has chosen to boycott faltering government labour dispensation and operates entirely outside its parameters. It is clear that the state considers this form of unionism as a serious threat to its ability to implement a co-optive labour dispensation.

This is reflected in a memorandum reportedly*produced jointly by the Departments of Manpower Utilisation and Co-operation and Development, and the Security Police, which has been circulated to firms in East London. The memo (published in this edition of *SALB*) outlines a plan of action 'to break the power of SAAWU', and urges employers to fall in line with the proposed measures (which include efforts to promote TUCSA unions against SAAWU, and the replacement of striking workers by a readily available scab population).

Implicitly, at the expense of recognising genuine worker representatives employers are being encouraged to treat this new concrete and visible alliance between the government, police and management as the *principal* means of dealing with SAAWU. The nature of the alliance is significant. Although an open relationship of mutual support between management and the state is very much the norm in South Africa, we have not before witnessed the establishment of what is apparently a long term programme of joint repressive action. The carefully co-ordinated effort is aimed at the smashing not of an isolated show of resistance on the part of a single workforce, but of an entire organisation, deeply rooted in the communities and workplaces of the region. The broad nature of the repressive alliance, as well as the size and scope of its target, are factors which have serious implications not merely for the trade unions operating in the Eastern Cape, but for the course of trade unionism on a national basis. Should the state and management succeed in

This is reflected in an article which appeared in *The Star* (10/6/81) titled 'Government plan to break SAAWU is published'. The alliance referred to above is based on a claim made by SAAWU, this being supported by statements issued by the Minister of Manpower Utilisation himself, urging East London businessmen to resist SAAWU demands until the introduction of legislation to curb the Union.

crushing worker organisation in the Eastern Cape – and clearly the Wilson-Rowan-tree dispute is the latest site of such a struggle – *this would result in the long term weakening of the labour movement as a whole*. Such a defeat would be the signal for similar initiatives *wherever* militant worker action and trade unionism become manifest.

Unlike '76, however, the difficulties and contradictions facing the authorities in the implementation of a crudely repressive strategy are far more real. For the state, the credibility of its already scarred labour dispensation must seriously be at stake at a time when many sectors of capital are looking desperately around for an effective and coherent industrial relations system to facilitate industrial peace. While repression is certainly not precluded by the proposed 'reformist' dispensation – indeed it is an essential component of the scheme – each new act of repression serves to undermine further its credibility both internationally and locally. Moreover, the relative depth of trade union organisation, wide spread and spontaneous working class militancy and the relative sophistication of now common place demands for the recognition of worker-chosen representatives also serve to limit the effectiveness of such a repressive strategy. In short, the rising tide of worker militancy is not peculiar to East London, and the authorities cannot expect their action to meet with the silence and passivity of the democratic labour movement as a whole. To date, these unions have expressed their rejection of the state's action in the form of isolated public statements. It is clear, however, that what is demanded of the union movement is careful evaluation of the threats posed and a concrete joint programme of action to meet the situation.

LETTERS TO THE EDITOR

Dear Sir,

With reference to the Article, "The Cape Town Meat Strike – the Struggle for Democratically Elected Workers' Committees" in the December issue of the Labour Bulletin (1980), I wish to state, on behalf of the Caminploy organization mentioned in that article, that we were not involved in the issue of the Strike and the Meat Boycott at all.

Some of our Staff members, as individuals, did participate in the matter, and while not repudiating them or their actions, we stress that the above organization as such was not involved, nor were we ever appraised of the subsequent seminar for supporting organizations.

Yours faithfully,
Rev. R.D. Adendorff
Caminploy

Dear Editors,

re: Criticism of Veritas : SALB Vol. 6 No. 5 of Dec 1980;
Article: "The Cape Town Meat Strike".

The Joint Meeting of Veritas has authorised me in my capacity as Interim Chairperson to seek publication of this letter in response to the severe and damaging criticism of the role of Veritas in the recent meat boycott in the Western Province.

The Joint Meeting wishes to state that, though some of its members were personally involved in the meat boycott, it does not regard them as having acted on behalf of Veritas. In this respect the article is at fault.

Yours sincerely,
J.R. Cochrane
Interim Chairperson
Veritas

Dear Madam,

The Review by M.M. Molepo of Ilanga Lizo Phumela Abasebenzi (SALB 6/6 March 1981) should not go without comment.

While the importance of members of Junction Avenue players in producing the play is not disputed, it should be understood that the idea of the play originated within FOSATU and that the ideas and format of the play were "work shopped" up by workers from the factory depicted in the dispute and their organisers. It is not only "Witwatersrand University ex-students and other people working at the

University" who can produce a play. Indeed one of the purposes of play, ascribed to by those non-workers acting in it, was to show that the working class does have a cultural milieu; and can dramatise that milieu through plays, song and dance. On this level the play succeeded admirably and it will be used to take the message of worker drama and the cause of unionism in performances to workers.

The second problem with the review is the political lesson the reviewer tries to draw out in his concluding paragraphs. "Most unions" he says "are not willing to register because they believe that the respective legislation under which they register does not serve their interests (as workers)." On the contrary, most unions are willing to register some for entirely opportunist reasons. FOSATU representing the majority of the independent black labour movement, has decided to register *ON CERTAIN CONDITIONS*. Our reasons are complex, and are described in a pamphlet enclosed. It should be stressed that this pamphlet was written prior to the publication of the proposed amendment to the Industrial Conciliation Act and FOSATU's position might well change as a result of this new bill.

The play did not begin to canvass the issue of registration. It certainly brings up the question of effective shop floor representation and FOSATU and its affiliates have steadfastly stood for this right. It is singularly appropriate that a play which spells out the message of shop floor unity and plant based bargaining should be sponsored and developed by FOSATU and its affiliate the Metal and Allied Workers Union.

Yours faithfully

T. Adler
Regional Secretary

**Federation of South African Trade Unions
Transvaal Region
Registration**

1. Why Registration

FOSATU has never agreed to registration as a principle. FOSATU has always said that we will register only to get certain obstacles out of the way. These obstacles are:

- a) Employers refused to talk to unregistered unions.
- b) Employers and the government favoured registered unions. They tried to promote them actively against unregistered unions.
- c) The government threatened a major attack on unregistered Unions. The unregistered Union movement was not sufficiently united to fight against

those obstacles. FOSATU tried to get a united stand from all the unregistered unions, (CUSA, Western Province General Workers, Food and Canning), but this failed.

It has also become clear to FOSATU Unions that laws in South Africa will hamper them whether they are registered or not. As unregistered unions:

Our money was cut off

Our members were victimised

Our members out on strike were attacked by the police

Our books could be investigated

Our Unions could be banned

It has also become clear that some registered unions are able to remain militant, and committed to democratic trade union principles despite the fact that they are registered. NUMARWOSA, a FOSATU affiliate has always taken strong and militant action to serve its members. We saw this in Eveready, and in the motor plants in Uitenhage during the 1980 strikes. Out of those strikes came the call for a Living Wage.

The Food and Canning Workers Union, a registered union has remained true to trade union principles and been involved in committed action in its plants in Western Cape.

Finally, it must be clearly stated that the decision by the state and employers to register unions of black workers is a substantial victory for those workers. It represents a final acknowledgement that workers are now too powerful to be ignored. The new Industrial Conciliation Act is an attempt by the state to come to terms with the new power of black workers and represents a real shift in the power relationship between black unions, the government and employers.

2. Recognition and the ability to bargain effectively are the real issue.

FOSATU has never seen registration as the issue. The important issue is the ability of workers to bargain effectively with their employers. This demand is carried out daily in the struggle in the factories. FOSATU positions on shop stewards, in-company bargaining, recognition agreements and a living wage are well known.

FOSATU has agreed to register only on conditions that will not stop our ability to bargain effectively. We stated our terms when we agreed to register.

a) Non-racial constitution, so that we may organise who we like. This was granted by the Minister.

It must be noted that FOSATU was the only group of Unions of predominantly black workers who applied to put the principle, in practice forcing the state to agree that unions could have the constitutions they liked. Cusa unions, for example, stated that although in principle they were in favour of non-

racialism, have applied for racial constitutions. In doing so they have fallen into the trap of other trade unions in South Africa, and have agreed once more to the divisive policy of separating out workers according to race – a strategy which so far has benefited employers and a small minority of workers.

b) No union scope should be changed by the registrar

FOSATU stated that only workers should say who should be members of their union. The state should not have the right to say that this group or that group of workers should not be in the Union.

This too was a victory for FOSATU. No Union scope altered by the registrar.

c) Registration should not be on racial grounds

FOSATU stated that it would not accept racial registration. This the Registrar has refused and has registered us for separate race groups. He says he has done this because the Industrial Conciliation Act is Racist and he has to do so in terms of the law.

FOSATU does not accept that the law is racist and if it is, will not accept registration under a racist law. Indeed, the government already sees that it will have to go. A draft of the new I.C.A. has been published. Racial categories are not used in this draft Bill. FOSATU will challenge racism in the law by appealing against the registrar's decision. If racism in the law is upheld, FOSATU will recommend that its affiliates pull out of registration. On the issue of racist legislation, the struggle continues.

DOCUMENTS

The following document was circulated to firms in East London late last year. It is widely believed to have originated from government circles. The analysis presented in the paper contains numerous factual inaccuracies and should be seen in the light of the overall intention of the document.

Labour Situation – East London

To visualise and understand the current labour situation as a whole in East London, it is necessary to take a brief look at the history and background of the situation.

A. Labour Unrest and Contributory Causes

1. *Low wages and job reservation*

The strikes and labour unrest which has ravaged East London and other large centres in the Republic since 1972 can be attributed to an interaction of factors which includes, inter alia, the following:

- a) the urbanisation of the black worker after the 2nd World War accompanied by various socio-economic problems;
- b) the dramatisation of the real and supposed grievances of the black worker through pressure groups with political motives;
- c) after the initial wave of strikes in 1973, it was found during investigation into the causes, that employers were aware for a long time of the dissatisfaction but, in their quest for higher profits, employers took refuge in the minimum wage scale as determined by the Wage Act (Act 5/1957);
- d) although personal tax of whites and blacks cannot be compared, unequal pay for equal work leads to discontent amongst the non-white workers. Job reservation is a factor which is always used by agitators to create a suitable climate for unrest.

2. *Unsatisfactory working and living conditions*

During investigations it was found that the black worker often has to work and live in critical (very bad) conditions. In certain cases employers lose sight of the aspect of decent eating and relaxation facilities.

3. *Contract Labour*

Agitators exploit the family disruption which accompanies contract labour to fan the flames of discontent. The recruitment and importation of workers from neighbouring states whilst unemployment exists in South Africa, is also a factor which should be borne in mind.

4. *Union Involvement*

No evidence could be found after the 1972 and up to and including the 1977 strikes that black unions initiated any of the strikes. Workers were, however, in certain cases, informed by union representatives of their rights as workers either during or after the strikes. The situation which gave rise to certain of the incidents could probably have been caused by agitation. The fact that strikes did not escalate during the years 1977–79 could partly be attributed to the economic recession and accompanying unemployment.

5. *Ethnic Solidarity*

During large-scale labour unrest, ethnic solidarity was found to be a contributing factor to the snowball effect of strikes.

6. *Agitators*

The factors as mentioned in paragraphs 1–5 above do not only create a suitable climate for strikes and labour unrest but it also leaves the ideal gap for white agitators who, under the pretext of research, visit industrial premises and indirectly foment strikes. Evidence was gained which indeed showed that the 1972/73 wave of strikes was indirectly initiated by white agitators.

B. **The Role of the White Agitator in the Labour Framework**

1. *Students and Student Organisations*

During a NUSAS seminar on 28-4-71, the following was decided:

“NUSAS realises that, as such, it has little chance of achieving anything. An idea which emerged and survived was that NUSAS should try and create a Black Pressure Group. The system in South Africa is exploitation of one class (Black) by another (White). The wealthy have gained control to suppress Black Development. This control is both economic and political. In order to change this, the Blacks must pressurise. At the moment the Blacks cannot strike because it is illegal. If they do, they will be fired and replaced – if they do, they will soon starve as they have no surplus finance. However, if they could, they should, because the economy is dependent upon them. This is what NUSAS hopes to achieve. The idea then, a Black Pressure Group.” To implement this decision, the “Wages and Economic Commission” (W.C.), a branch of NUSAS which has functioned in Durban since March 1971, extended to other English language universities in July 1971 and then also became active. The W.C. did research in the different industries and co-operation was obtained from the “Bolton Hall” unions (also known as the left wing of TUCSA), SPROCAS and other organisations,

A poverty Datum Line and a minimum wage (Effective Minimum Level) were determined. During the second half of 1971, the WC started to distribute pamphlets in the region of Durban and Pietermaritzburg.

N.B. Wage comparisons were made between whites and non-whites and a request was made to workers to combine their efforts in establishing black unions. In April 1971, the WC distributed pamphlets amongst workers wherein the strikes of the Ovambo workers in South West Africa were discussed. There were said, amongst other things, that the prohibition on strikes was transgressed but that the strikers were not arrested. This was because too many workers went on strike and therefore the factories and mines would have come to a standstill. The pamphlet ended as follows: "We learn from this that if workers take decisions together, they will have power to get what they want." Further pamphlets were distributed in which workers' rights were explained and they pointed out that individuals cannot do much but, as a unit of a great number of workers, they will obtain more favourable results. After this, strikes for higher wages occurred sporadically at industries in Durban and Pietermaritzburg. In October 1972, the strikes increased and escalated to other centres such as Cape Town, Port Elizabeth and East London where it sporadically continued up to and including 1976 but with the peak in East London during 1974. During 1974/75, the WC of Cape Town and Grahamstown visited East London quite often and tried to establish a union which would function on an umbrella basis. Different unions would be started in the different industries, but one representative in each industry would have representation in the umbrella body, named the Regional Committee, wherein matters of common interest in every industry would be discussed. If it had been decided to strike to force one or other issue, all workers of the different industries would automatically be informed by his representative on the Regional Committee. In this way, at any point in time, a strike could be called which would affect 100% of the workers in East London. Management cannot dismiss the workers because it will not be only one or two firms involved, but the whole of East London. The result is very clear — one would have to give in to the demands of the workers however extravagant or ludicrous these may be. Various lectures were given by the WC to selected groups of intellectual black workers from East London in an effort to start this abovementioned union but, due to an interaction of various factors they could not manage to do this or to give this organisation momentum.

The WC and various other organisations are still busy throughout the whole country with their work amongst black workers. Research is still done and pamphlets are distributed in increasing numbers to inform workers about their rights, etc. and to encourage them to join black unions. In this process the system of Works and Liaison Committees are criticised and presented as suspect. The organisations work in such a way that existing legislation is not contravened.

2. *Other*

Various other white orientated organisations are working to change the existing structure and these include the SA Council of Churches, Christian Institute, Black Sash, Young Christian Workers and the SA Institute of Race Relations. Ample funds are then distributed to black organisations and unions.

C. **The Origins of Militant Black Unions on the Labour Level during the past decade**

1. *Urban training projects Alliance (UTP)*

- a) The UTP was established during 1971 in Johannesburg.
- b) The original aim was to inform the black workers about their rights, privileges and responsibilities and propaganda was made for Works and Liaison Committees.
- c) Since 1974, the UTP did their best to start establishing black unions and the unions were helped and encouraged to obtain recognition from the employers.
- d) The UTP was involved with and provided financial and other help for the establishment of various black unions, inter alia, the United Automobile and Rubber & Allied Workers Union which has its headquarters at CDA in East London.

2. *Black Allied Workers' Union*

- a) The BAWU was established during 1972 in Johannesburg and can be seen as the workers' wing of the BPC, an umbrella union for all black workers in the Republic. This organisation was relatively inactive during the beginning of the 70's, but has recently gained momentum and expanded tremendously.
- b) During the 63rd sitting of the International Labour Organisation on 10 and 11 June in Geneva, the BAWU presented a memorandum during this conference in which it declares that the BAWU is the movement for black workers in South Africa and had played a key role in the 1976 riot inspired strikes, shop boycotts and pamphlet distribution. The BAWU requested the ILO to grant it international union status and also requested international labour organisations to manipulate their governments by way of pressure so that they could try and change the views of the Republic.

3. *African Food and Canning Workers' Union*

- a) This union is part of the registered Food & Canning Workers' Union, a Coloured union.
- b) The Food & Canning Workers' Union was previously affiliated to SACTU and is currently indirectly controlled from Zambia by a listed Communist, Ray Simons.

D The General Position of Black Unions after the publication of the white paper

(The Report of the Commission of Investigation into Labour Legislation)

1. In this report, published about the middle of 1979, provision is made for the establishment and registration of black unions with certain provisos. Although black unions existed before the publication of the White Paper, they did not enjoy any recognition and also did not have any bargaining power. They can now, for the first time, openly organise themselves and register.
2. Above all expectations, however, the White Paper was rejected by all existing unions and the majority decided, out of protest against the stipulations of the White Paper, not to register their unions.
3. The only way in which they now could get de facto recognition of their unions is by way of confrontation with Management – “either recognise our union or we strike”.

E. The Local Situation: East London

1. At the end of 1978, a difference of opinion amongst the members of the BAWU in Durban which resulted in the resignation of 9 of the committee members as a splinter group and the SA Allied Workers' Union was born.
2. During November 1979, Sam Kikini, the President of SAAWU, visited East London and appointed Thozamile Gqweta as National Organiser of SAAWU. He asked Gqweta to establish a local branch of SAAWU and to organise it.
3. Gqweta appointed a secretary and immediately started issuing pamphlets which explained the aims of the union and he started to organise meetings. These meetings increased at a tremendous tempo and one followed the other in quick succession.
4. At about the same time that SAAWU started gaining ground in East London, Oscar Mpheta the national organiser for the African Food and Canning Workers' Union visited East London to establish a local branch of the AFCWU in East London. He persuaded Bonsile Norushe, the black personnel manager of Langeberg Co-op, to resign his post and act as local organiser for the union.
5. The two good friends Norushe and Gqweta, decided to combine their strength and to hold meetings and organise for the two unions. They obtained offices in the same complex from the SA Council of Churches, in the centre of town, from which they operate. The one meeting follows the other and daily they gain ground.
6. Their modus operandi is briefly as follows:
They contact a representative of the workers at the firm where they wish to infiltrate, invite him to a meeting and then request him, after the meeting, to do organisation for the union. After such a meeting, where they try to

- get the black man as emotionally involved as possible, he will normally do just about everything for the union and he feels honoured that he is the one chosen for the task. In other words, he tries his best to get members for the union at his firm. If he succeeds fairly well in conscripting members for the union and the interest is fairly great, a few of the workers at the firm will be invited to the next meeting where they will be indoctrinated. After this meeting they will go over to the selection of a committee for the union from the few that are present. This committee is then invited to conscript workers for the union at their specific firm and for this purpose they are issued with blank membership cards. When the committee of the union has then conscripted 60% or more of the workers at the factory as members of the union, they are now instructed to attack the Liaison Committee system and they must insist and persuade management to accept this committee chosen by the workers. If management rejects this request, they must be confronted with the threat of a strike. If this continues, they must actually go over to a strike. The assurance is normally given to the workers that management can dismiss one or two workers, but they cannot afford to dismiss all the workers because the company will then not be able to operate.
7. ~~The strategy of two unions~~ is not to demand any salary increases and the like at this stage, but its main object is to get acknowledgement at as many industries as possible. The day when they believe that they have 60% or more acceptance or acknowledgement of all the industries in East London, they will show how strong these unions are and will set their demands. At this stage one would have to give in to their demands however irrational these may be because East London cannot afford more than 60% of its industries inactive due to strikes.
 8. The plan of strategy of how they should react to get recognition of the unions started on 16 April 1980 when the workers of Special Organisation, Mdantsane went on strike and demanded that SAAWU be recognised as their union. The result of this was that Gqweta was arrested by the Ciskei police and was held under their "Noodregulasie R.292". He was freed after 40 days on bail of R500 and the court case is still pending.
 9. This strike was followed by the strike of Langeberg Co-op's workers on 19 June 1980, also not requesting higher wages but the acknowledgement of their union. After the strike had gone on for 6 hours, the management agreed to the demands and promised that negotiations could be held for acknowledgement of the AFCWU. After this, the workers resumed their duties.
 10. On 13 June 1980, a week before the strike at Langeberg, a total of 660 black workers went on strike at Western Province Preserving Co, also not for higher wages but for the acknowledgement of the AFCWU as a union. Also here management gave in to the demands and the union was recognised.

The strikers immediately started to work again.

- 11 On 1 July 1980, the workers of SATV confronted management and uttered threats of either the management accept SAAWU or they would go on strike. Management refused to recognise the union and presented a list of names of 800 applicants to the threatening strikers and informed them that these people would start the following day as soon as the present lot went on strike. The confrontation of the workers was not successful and they did not go over to a strike position.
- 12 On 4 July 1980, after the workers at Raylite Battery received a 17% salary increase, they still demanded that they would go on strike unless they received a wage of R2 per hour. Although this demand did not go hand in glove with acknowledgement of SAAWU as a union, it is clear that SAAWU was involved in this action because the wage of R2 per hour is one of the SAAWU objectives within their strategy. Raylite, on advice, refused to accede to this demand and informed prospective strikers that they had available the names and addresses of approximately 200 applicants who would all come to work on short notice if the so-called dissatisfied workers went on strike. No strike took place. Investigations carried out afterwards proved that Raylite workers were all members of SAAWU and that they do have a committee of the union.
- 13 On 8 July 1980, approximately 200 black workers of NCI confronted their management to demand acknowledgement of SAAWU and if not, they would go on strike. On certain recommendations given to Management, they decided not to give in to the demands of the workers and the latter consequently went on strike. The following day at about 7 o'clock, all 200 strikers turned up for work at NCI and told management that they were prepared to start work again on certain conditions. One was that the union must be acknowledged and the other was that all 9 committee members of the union must not be dismissed. The two demands were rejected by management and the workers were given 15 minutes to start work again or alternatively be regarded as finally dismissed after which they could come and collect their wages at 2pm on 10 July. The strikers rejected this suggestion of management and went home. During the afternoon they visited some houses of some of the loyal black workers who had continued working and these people's families were intimidated with threats of arson and death should they go to work on 11 July. They further threatened small groups of workers at NCI that they would be killed if they accepted a job at NCI. A few cases of assault occurred and it was consequently decided that on the morning of 11 July steps would be taken against all strikers who gathered in front of the gates of NCI. 128 Strikers were arrested on the Friday morning and charged. The case is still pending.
- 14 On Wednesday 16 July 1980, the offices of SAAWU at Duncan House, East

London were searched and for the first time it was really confirmed how far SAAWU had already progressed to reach its new aims. In practically every big industry or business in East London, SAAWU already has an agent or one, two or three people who could do the organisational work. It is only a question of time before a SAAWU committee would be appointed in these industries which will then demand acknowledgement of the union. This suspicion is further confirmed by the fact that dismissed black workers of SATV are prepared to at this stage, practically without any wage or compensation, voluntarily work in the SAAWU offices to try and get the aims of the union to come to fruition as soon as possible. In other words, one can expect that in the near future East London will be plagued by a wave of strikes which will all deal with the acknowledgement of SAAWU as a union.

Facts of grave concern is that SAAWU may, especially now after its two defeats by SATV and NCI, decide to rather organise all the firms properly and to then, on a given date, allow that confrontation to develop to thereby force acknowledgement of the union. Such a total assault of confrontation to force acknowledgement will not be withstood by any firm because it is clear that dismissed workers will not be easily replaced in such a situation as it is when strikers are isolated.

F What is seen as a possible solution to break the power of SAAWU/Unregistered black unions and to normalise labour unrest?

For practical reasons, two types of solution are available for this problem, namely:

1. The long-term solution
2. The short-term solution

1. Long-term Solution

- a) In this country there is no legislation which limits unregistered black unions insofar as registration and organisational work is concerned, and these unions are always staying just within the limits of current legislation and they therefore cannot be "touched". It was wrongly supposed, in the first part of the White Paper, that black unions would, within the foreseeable future, increase in numbers to such an extent that they would act competitively. In other words, that one union would serve black workers of one category and another union would serve black workers for another specific category of work. This is therefore the reason why legislation was not tabled to force unregistered black unions to register. In other words, there would have been unions which would serve the motor industry, carpenters, steel and iron workers, and the various trades. What was actually not foreseen was the fact one great union would emerge which would cater for the needs of

all types of workers as is currently the position in East London. The case with SAAWU is that even members of other existing registered black unions in East London, i.e. Garment Workers Union of Southern Africa, SA Distillers & Allied Workers Union and United Automobile Rubber & Allied Workers of South Africa are "stolen" and they are allowed to register or sign up with SAAWU. One of the long-term solutions would thus be to force the black unions, by way of legislation, to act on behalf of one specific type of industry only as is currently the case with registered unions. The alternative is, of course, to force the black unions, by way of legislation, to register after a certain time of existence because when it is registered, it cannot serve the needs of any type of worker as is currently the case with SAAWU. A further reason why the registration of black unions was not forced by legislation is the idea that such unions would have no bargaining power. No bargaining power is, however, greater and stronger than a union with 100% votes behind it if it approaches a firm, whether registered or not.

- b) An alternative long-term solution which can be thought about when forced legislation is found to be unacceptable, is to balance the basis of the inequality which currently exists between the FOSATU group unions on the one side and the TUCSA group unions on the other. FOSATU affiliated unions with SAAWU and AFCWU at the front in East London, control currently 90% of the black union interest locally as against 10% of TUCSA. The reason can be attributed to the fact that TUCSA follows a more moderate policy and is by far not so active as FOSATU.

To obtain a more even balance, one would have to activate and motivate TUCSA to show more interest and to be more active insofar as recruitment and organisation of workers is concerned.

2. *Short-term Solution*

- a) It is obvious that both the abovementioned long term solutions will take a long time before they bear fruit. In the meantime, one would have to think of a short term solution, even though it is not as effective, it could act as a milestone around the necks of SAAWU to prevent the acceleration of its successes. Here one must think of the success which SATV achieved in preventing a strike because the firm was in possession of a list of names of about 800 people unemployed who could start work at very short notice if required. The success of the action of SATV was mainly attributed to the fact that the workers or prospective strikers were aware of the authenticity of this list and that it was not only a rash threat. SATV conducts interviews regularly throughout the year with unemployed people and the unemployed people are told that they will be kept in mind when posts became vacant. Industry should be encouraged to keep such lists of employment seekers instead of just turning them away at the gate without taking down any of their parti-

culars. To take down only the bare essentials and keep this on record would help firms not to give in to ridiculous demands when their present workforce goes on strike. The big worry of firms today during labour unrest is the loss of production and time which normally goes hand in hand with strikes. Confrontation and the refusal to work can continue for days on end until the weaker of the two parties gives in and normally this is management, because time is money and the longer the confrontation the more management will be apt to give in to the demands as set by the strikers. With such a reserve list on record at any firm, it would be easier not to give in to pressure from the workers if they demand that SAAWU be recognised as a union.

- b) The list of names of unemployed people can be obtained through other means. An idea which one can think about is the compilation of a type of census form which would be completed by all unemployed people which then is posted to a central point after completion. Firms with labour differences or problems can be informed about these lists and the number of unemployed people looking for work, and therefore do not have to fear a strike.
- c) A third plan, which can be seen as a short term solution, is already operating in East London. The Chairmen of the Chamber of Industries, Chamber of Commerce and Afrikaanse Sakekamer are attending meetings where the aims of SAAWU are explained to them as well as the necessity of uniform action by industry in East London against SAAWU. These Chairmen promise to call meetings where various industries are represented, to discuss the matter and when they would press for uniform action of all industries. (SIC)

*DOCUMENTS***Workers' Struggle at Colgate****Chemical Workers Industrial Union****Introduction**

This is the story of our struggle at Colgate-Palmolive. The struggle for basic trade union rights. Colgate is a household name all over the world with its toothpaste, soap and detergent products. It justifies its presence in South Africa by declaring its 'sincere and ongoing commitment to the elimination of racial discrimination' and by claiming that multi-national business 'can play an important role in eliminating petty apartheid in business' (Colgate-Palmolive, Press Statement, 20 June 1978, New York).

However, despite such claims, it has taken a blatantly anti-union stand. It has resisted the requests by its black employees for recognition of their Union, the Chemical Workers Industrial Union, and has used a variety of tactics to do so.

This booklet tells the story of these tactics, and the workers' struggles to overcome the obstacles placed in their path to Union recognition in Colgate-Palmolive.

The Colgate Story

Workers at Colgate have many grievances. Despite Management denials in the press, black workers claim:

- * they are discriminated against
- * factory facilities remain racially segregated even though the signs have come down
- * there are unfair dismissals
- * they have no proper representation.

Against this background workers started joining the newly formed branch of the Chemical Workers Industrial Union, a FOSATU affiliate. In three months the Union signed up over half of the eligible employees. In February 1980 they instructed the Union to write to Colgate asking for recognition and for a meeting between Management and the Union to discuss this. Colgate refused to meet the Union. It continued to refuse for over a year.

Colgate's first response was to ask for detailed information from the Union. The Company pretended that this was a request for information to help them make a decision. But the decision had been taken two days earlier. The letter of the Union was dated 22 February 1980, but on 20 February 1980 the Liaison Committee was summoned to a 'special meeting' where the Personnel Director of Colgate asked 'whether the time was right for unionization' (Minutes, 20 February 1980). The meeting agreed that 'there was no justification at present for the establishment of a trade union within the workforce of Colgate-Palmolive'. This important issue was decided without consulting the workers. The decision itself was kept secret. The secretary was instructed 'to ensure that the minutes be confidential' (Minutes, 20 February 1980).

This demand for information included the names of all the Union members at Colgate.

The workers required an undertaking not to victimize. Colgate was indignant: 'We want to *emphatically* record that *no*, and we repeat *no*, employee of the Company has in the past, nor will any employee in the future, be victimized for any reason whatsoever' (Letter to CWIU, 17 March 1980). A petition was signed by 189 workers (over two-thirds) to show Colgate that the Union did indeed have the membership it claimed. Colgate responded by interrogating one by one those workers who signed the petition. New workers were told not to join the Union or they 'would be in trouble'.

On 12 May 1980 Colgate put its position clearly: 'As a company we are opposed to the unionization of our work-force' (Letter to CWIU, 12 May 1980). Then: 'It is the Colgate-Palmolive policy that we resist the establishment of trade unions in our factories throughout the world' (Letter to CWIU, 19 May 1980). This revealing statement was included in a press release issued by the Company. But then came a hasty retraction: 'On a *worldwide* basis Colgate-Palmolive Company policy neither resists nor encourages the formation of Trade Unions in its factories' (Letter to CWIU, 21 May 1980).

The correspondence continues:

Colgate to CWIU (19 May 1980)

'It is strongly emphasized that our refusal to meet with the CWIU prior to its official registration . . . in no way constitutes any deviation whatsoever from our sincere and ongoing commitment to the Sullivan Principles.'

Colgate to CWIU (21 May 1980)

'If the union is organized in accordance with the laws of that country, it has been Colgate's practice to deal with such a union.'

CWIU to Colgate (29 May 1980)

'The Chemical Workers' Industrial Union is a legally constituted body in accordance with the laws of this country. In support of this contention, we enclose a legal opinion.'

Colgate to CWIU (30 June 1980)

'The Management of this Company . . . will only recognize a Union or Unions which have been registered in terms of the laws of the country governing registration of Unions.'

CWIU to Colgate (15 September 1980)

'Dr Sullivan's statements . . . appear to have put the record straight. It is clear that signatory companies are required to recognize unregistered trade unions'

Colgate to CWIU (30 October 1980)

'My company is prepared to recognize your Union subject to compliance . . .' with the following:

1. Filing of an application for registration (which they conceded had been done).
2. Accept the principle of Freedom of Association. (This, they also conceded had been done.)
3. Agree to negotiate wages and working conditions *only* at industry level through an industrial council (even though less than seven percent of the workforce is covered by the Industrial council).
4. If unable (and presumably until able) to gain admission to such industrial council '*then the activity of the Union in our Company is confined to matters relating to Shop Floor grievances*'.
5. Proof of majority membership.

CWIU to Colgate (10 November 1980)

'We cannot commit ourselves to exclude Company negotiations as no representative industrial council exists in the Chemical Industry.'

Colgate to CWIU (10 December 1980)

'Our condition only to negotiate wages and working conditions on an industry basis through the vehicle of an industrial council is *not negotiable* . . . the Company intends to retain sole discretion in setting wages and working conditions.'

It is clear from these letters that the issue is not simply Union recognition as such, but the type of recognition. Colgate wishes to emasculate any union it recognizes by refusing to negotiate wages and working conditions directly. This the workers will not accept even though 'the contract negotiated with AE&CI with *other* unregistered trade unions . . . accepted' such restrictions (Letter to CWIU, 10 December 1980).

This Union will not sell out its basic right to negotiate wages and working conditions for its members. This is what is at issue. Colgate wants to turn the Union into another liaison committee dealing with 'shop floor grievances' only.

Workers at Colgate had now had enough. On 19 February 1981 the Union sent Colgate a letter of demand. Colgate responded by arranging its first meeting with the Union in over a year. A break through? Colgate confirmed its stand.

Colgate to CWIU (12 March 1981)

' . . . the Company is prepared to negotiate a recognition agreement of the Union as an interim measure, with respect to shop floor grievances, but specifically excluding wages and general conditions of employment, which must be negotiated

on an industry basis through the medium of an Industrial Council.'

Sowetan (13 April 1981)

'Only 23 out of 290 workers at Colgate presently fall under the Council. If we do not go to the Industrial Council, Colgate refuses to negotiate. If we do go, we only negotiate minimum wages which are well below those paid by Colgate, that is, again no wage negotiation for the workers.'

In a further attempt to resolve the dispute the Union applied for a Conciliation Board hearing in terms of the Industrial Conciliation Act. Colgate's first response to this was to declare,

Colgate to Department of Manpower Utilisation (7 April 1981)

'... we do not accede that a dispute exists between us and our workers ...'

Colgate believes that there is no dispute. The Union believes that the issue at stake for black workers is a crucial one – namely, the right to *meaningful negotiation* of wages and working conditions.

Colgate's Alternative – The Liaison Committee

Colgate has steadfastly refused to negotiate with the workers' representative body the CWIU. Instead the company clings to the undemocratic Liaison Committee system which the workers have rejected. The Liaison Committee is an institution of apartheid. In 1953, while the Nationalist Government recognized white unions, it tried to impose an inferior committee system on African workers. The Nationalist Ministers instituted the system to *bleed the African unions to death*. The committee at Colgate is one of these committees. It is made up of four elected members (two of whom are supervisors) and four management members. The Chairman is Mr Dyson, the Personnel Director. He has the casting vote.

Workers reject this second-class institution because:

1. *It is toothless.* The constitution only empowers the committee to 'consider matters of mutual interest' and 'to make recommendations'. It is merely 'a medium of communication' because 'Management still retains the right to make final decisions'. (Minutes, 21 May 1980).
2. *The workers have no say.* The meetings are in secret and the minutes are confidential. In the most important issue it has discussed, namely the issue of trade union recognition, the Liaison Committee discussions were confidential (Minutes, 20 February 1980). The Committee never asked the workers' opinion. Another example is the fact that the Committee alters its constitution without reference to workers (Minutes, 27 February 1980).
3. *It is used as a tool against the Union.* Colgate consistently used the liaison committee to block the Union in the factory.

MINUTES OF THE SPECIAL MEETING OF THE COLGATE-PALMOLIVE LIAISON COMMITTEE, HELD ON FEBRUARY 20th 1980, IN THE PERSONNEL TESTING CENTRE, AT 10.15 am

Present: Messrs C G Dyson (Chairman), D H Magid (Secretary),
C Bothma, D Mofammere, D Lekoape, D Selaole, S More,
P Sibaya

Distribution: Messrs J A Hunter, L Coetzer, G H P du Toit,
All members of the Liaison Committee

TRADE UNIONS

The Chairman requested that for the purpose of the meeting he felt that the nominated members should refrain from comments, in case such comments be construed as biased. This was agreed. He stated that he wished the elected members to confine their comments to the principle of unionisation rather than the merits or demerits of a particular union or unions. He confirmed that Management had received a request for recognition from a trade union. The Company had acknowledged receipt of the letter. He stated that Management was keen to discuss the issue with the employee representatives, in order to gauge their opinion for or against unionisation.

He instructed the secretary to ensure that the minutes be confidential, and that members sign receipt thereof.

Mr Sibaya stated that it was difficult to give a definite opinion, as the concept of unions was new. He would, however, want to know what, if any, practical advantages there would be in joining a union. He expressed his personal satisfaction with the liaison committee system and would remain satisfied until the union was able to show that it could produce better results.

Mr More stated that he too did not have much experience of trade unions. He did not know that some were not registered and he wanted to know how their funds were spent.

The Chairman enquired whether the time was right for unionisation, or whether the employees' best interests would be served by the Liaison Committee.

Mr More stated that at present he was in favour of the Liaison Committee.

Mr Selaole also stated his approval of the Liaison Committee system.

Mr Lekoape stated that he had investigated the union. He felt that people had joined without knowing the implications of membership.

It was recorded that the opinions expressed by the representatives were not influenced in any way by the Chairman. It was the unanimous agreement of the elected members that there was no need to change at this stage. The nominated members accepted and supported this agreement. The Liaison Committee then resolved that there was no justification at present for the establishment of a Trade Union within the workforce of Colgate-Palmolive, which is represented by the Liaison Committee.

The Chairman then read the letter received from the union, and the Company's intended reply.

Without reference to the workers 'the liaison committee then resolved that there was no justification at present for the establishment of a trade union within the workforce of Colgate Palmolive, which is represented by the liaison committee' (Minutes, 20 February 1980).

Management introduced a grievance procedure (one of the original Union demands) again without reference to the workers. The Minutes reveal 'that a committee member felt employees would join Trade Unions because of perceived grievances, that is where they felt they had been unfairly treated'. Mr Dyson stated that this was 'probably true and the Personnel Department was currently engaged in drawing up a Grievance Procedure' (Minutes, 27 February 1980).

At the introduction of the Grievance Procedure, which compelled workers to take their grievances through the Liaison Committee system, one of the members remarked 'that the Grievance Procedure would greatly improve the credibility of the Liaison Committee' (Minutes, 28 May 1980).

4. *It is undemocratic.* Workers sent petitions to their so-called 'representatives' and called upon them to resign. 198 Workers signed these petitions. Nevertheless 'the Committee unanimously resolved . . . that there was no valid reason to resign and that they were strongly of the opinion that the Liaison Committee serves a useful and effective means of communication (Minutes, 21 May 1980).
5. *It deals with trivial points.* This Committee will discuss 'Bins for Towels (Minutes, 21 May 1980) but will not deal with the specific grievances of individuals (Constitution). It will discuss 'Toothpowder in the Locker Rooms' (Minutes, 30 October 1979, 30 November 1979, 25 January 1980, 27 February 1980 and 26 March 1980) and yet on the question of wages, 'no comment' (Minutes, 30 April 1980).

The 'Enlightened Employer'

Is Colgate Palmolive really the enlightened employer it claims to be? Workers at Colgate spend at least eight hours a day at work. But they are denied the right to even the slightest say in their work conditions. *Management knows best:*

'We firmly believe that, as enlightened employers, offering equal opportunity employment practices, no Trade Union can do more for our employees than we can' (Letter to CWIU, 12 May 1980).

'First the foremost the members of your Union are employees of the Company and in the final analysis, regardless of any negotiations, it is the Company who has the final say in matters affecting its business' (Letter to CWIU, 30 October 1980).

Management's attitude to workers is patronizing. They are not consulted about alterations in their contracts of employment. When management introduced the

Grievance Procedure in an attempt to bolster its 'puppet' committee, workers rejected this outright.

'We, the workers at Colgate-Palmolive Ltd, wish to inform you that we do not accept the changes in our conditions of employment presented to us on 16 July 1980. We are therefore of the opinion that our conditions of employment remain unchanged, and we will act in accordance with this.' (Workers' letter to Colgate).

This angered Management:

'I am advised that (the workers) reject the Grievance and Disciplinary Procedures . . . There is no question of their being rejected. They are there and Management will insist on full compliance with them.' (Notice to workers, 23 July 1980.)

The notice ends:

' . . . I sincerely expect the fullest co-operation at all levels to ensure the continuance of the very fine spirit in labour relations, which, in the past, has been the justifiable high note of achievements in the Company.'

Management does not trust workers to make the 'right' decisions:

' . . . members are very unhappy about the 'lectures' given to them by members of the Personnel Department. In particular, they object to Mr Dyson's treating them like children – they give the example of My Dyson offering workers a stone and telling them it is bread. They wish to be allowed to make up their own minds, as adult men, about the Union, and not be subjected to childish 'tricks' to persuade them against the Union.' (Workers' letter to Colgate, 14 September 1980.)

Management refused to negotiate. Colgate knows best what is in the interests of its workers:

'No Trade Union can do more for our employees than we can' (Letter to CWIU, 12 May 1980).

Whether it be a trade union or a Liaison Committee, Colgate will not negotiate. ' . . . the Liaison Committee could only make recommendations. Mr Dyson stated that no other body could do anything other than make recommendations, as Management still retained the right to make final decisions' (Minutes of Special Meeting, 21 May 1980).

'Certainly the Company intends to retain sole discretion in setting of wages and working conditions' (Letter to CWIU, 10 December 1980).

This, then, is the attitude of the 'enlightened employer', which the Colgate workers have to live with every day. Here we have just one example of the way in which workers are normally treated:

'When the signs of discrimination were removed from the toilets, the Liaison Committee advised us that discrimination in the Company's facilities had been ended, so we had a right to use what was once only for whites.

So the building section demolished all the toilets and change rooms in the

factory, which were still for us and rebuilt them to match those for the whites. When the Company demolished the black change houses, we had no place to take a bath or a shower, so I went to the change room that used to be for whites only. While I was still having a shower, and naked with soap all over my body, a white engineering foreman came in and found me taking a shower and he caused a hell of a row with me and started fighting with me and telling me that I am not supposed to have a shower in that room. A fight started and we started punching but he could not get hold of me because my body was slippery with soap. Finally I had to run out, still naked with soap all over my body.

After going out of the change room, I had to wipe all the soap off my body with a towel. From there I went to report to the Liaison Committee which had told us before that Company facilities had been integrated and I asked them to take up the matter with management and they said they were not going to take it up because I did not get hurt. As long as I did not get hurt it did not matter as it could be sorted out as time goes on.

A representative, Joe, who has left the Company since, took it up with Mr Dyson, the Director of Employee and Industrial Relations. Mr Dyson called me in to explain everything that had happened and I related my story as I have told it now and he said that the integration of Company facilities would still be reviewed and he would let me know what management's final decision was.

I asked Mr Dyson to give me permission, should I be faced with such a position again, that I should have the right to have a punch-up with the foreman and Mr Dyson said it was not Company policy that workers should fight. Mr Dyson mentioned that he wouldn't like to take the matter up with the managing director, who knew that this foreman liked to beat up black people and that if the managing director heard about this, then the foreman would be out of a job. After a while all the white men working in my department knew that I had been in the white change room and they were all against me. They hated me for it and I was pressurized in my job. Once another foreman came up to me and said to me that his friend had hit me a little but that I should have been molested a lot and I said to him that it was the Company law that I should go and wash in those change rooms. After he left he informed the other foremen of what I had said and they all concluded that I was cheeky and I was kept under close watch at work.

All this happened to me in 1977. Up to now no black goes near what used to be the whites only change rooms, or uses their toilets.' — Simon Khumalo, Shop Steward.

The Union Grows

'We started going out and looking for a trade union. Fortunately a fellow worker

found the Union, which is the Chemical Workers Industrial Union. We as workers went out in search of the union, the union didn't come to us. From there I spread the rumour in the Company to the workers who I trusted would keep the secret to themselves, because the Liaison Committee was still in existence and we didn't want them to know about this matter before we had organised the majority of our workers. I then started organising workers and when I found a worker who would join in I would tell him not to tell the other people and then I would go on to all the other workers bit by bit, bit by bit, and tell them not to tell the others. It went on and on like this and the Liaison Committee guys, the ones who heard I was organising workers for the Union, did not like it for they did not care anything about them. I had one confidence that even if the Company could fire me, as long as the Union would be in the company then it would mean a lot of relief for all the workers because there would be a body to solve all their problems with the Company.'

Simon Khumalo

The Colgate shop stewards have played a leading role in the struggle in the factory.

Once more than 50% of the workforce had been recruited by worker leadership in the factory, a special general meeting was held to elect a shop stewards committee. Each department elected one or more representatives, depending on the shift system in their department and the membership distribution within shifts. This was to ensure maximum participation in decision making by membership and a proper report back system – difficult tasks given the disorganising effect of a rotating 3 shift system, and Management practices of moving workers out of their normal sequence of shifts. In addition, the elected committee comprised older, traditional leadership with long service in the Company, as well as younger workers, with a higher educational level, new to factory life. The committee was therefore well representative of the workforce, and was now recognised by workers as representing their interests in the plant, and as replacing the discredited Liaison Committee.

The committee started off cautiously – afraid of management; afraid of victimisation and loss of their jobs. However, as management's hostility to the Union became apparent, and various tactics of intimidation and co-option were used against members, so the Committee developed into a leadership grouping prepared to lead the struggle for trade union rights, and to face management as elected worker leaders.

Throughout the 15 month period of struggle, shop stewards met frequently to plan strategy, despite the difficulties posed by the shift system. They planned and held general membership meetings in the Union offices and in the township, every 4 to 6 weeks in order to involve members in every decision and to forge unity amongst the shifts.

They organised petitions and various acts of resistance such as a two month

canteen boycott. They pressed management constantly to talk to them by turning up *en masse* in the offices of the Personnel Director and the Managing Director himself. They handled press conferences and meetings with overseas contacts such as Sullivan (author of the Sullivan Codes) and a representative of the U.S. Sub-Committee on Southern Africa. On top of all this they carried out their every day trade union functions — recruiting new members; collecting subscriptions; advising workers; acting as worker spokesmen for their departmental membership.

Inside the Factory

The struggle for trade union recognition has not only taken the form of letters. The struggle has taken place in the factory itself.

19 April 1980: Workers send a petition to management calling for a meeting between the Union and Management to discuss Union recognition. Management interrogates workers who signed the petition and refuses to meet the Union. Such an interrogation would be *against the law* in the United States.

May 1980: The shop stewards confront Mr Dyson the Personnel Director. They demand the resignation of the committee and a general meeting between management and workers.

The Liaison Committee does not resign. Behind closed doors they decide: 'There was no valid reason to resign' and 'that it would forward the request for the general meeting to management with the recommendation that such a meeting would serve no good purpose' (Minutes of Special Meeting, 21 May 1980).

26 May 1980: Workers send a petition signed by 198 workers demanding the committee's resignation.

The Committee does not resign.

July 1980: Management tries to introduce a free burial scheme for workers with a benefit five times as big as that given by the Union.

Workers do not want a burial scheme, they want a Union.

Management interviews workers individually and tries to persuade them to agree to the scheme.

Workers refuse.

October 1980: "We believe you will be pleased to know that management have decided to introduce a group funeral assurance scheme . . ."

Management goes ahead with the scheme despite the workers' clear rejection.

Management cannot accept the workers' decision.

July 1980: Management introduces a new Grievance and Dismissal Procedure in an attempt to make the Union redundant and to bolster the Liaison Committee. They felt that: 'The Grievance Procedure would greatly improve the credibility of the Liaison Committee' (Minutes, 28 May 1980).

Workers refuse to accept these changes in their working conditions. Workers

tear up the acceptance forms.

July 1980: 'There is no question of their (the Grievance Procedures) being rejected. They are there and management will insist on full compliance with them . . . employees who fail to comply with laid down terms and conditions of employment . . . will lay themselves open to disciplinary action . . .' (Letter to workers, 23 July 1980).

Colgate and the Sullivan Principles

Colgate-Palmolive prides itself on being a model company and in carrying out the Sullivan Principles. It constantly stresses its 'sincere' commitment to the Principles.

Colgate to CWIU (30 June 1980)

'Management believes that its policies and attitudes are in complete compliance with the Sullivan Principles . . .'

Booklet – Colgate 50-Year Jubilee (July 1979)

'We agree to further implement these principles. Where implementation requires a modification of existing working condition, we will seek such modification . . . We believe that the implementation of the foregoing principles is consistent with respect for human dignity . . .'

Colgate to CWIU (10 December 1980)

' . . . the welfare of our employees (particularly the lower paid grades) has been a primary concern of Management for many years . . .'

Aunt Caroline Rice Mills to SFAWU (12 November 1980)

' . . . the welfare and interests of all our employees is of the utmost importance to us'.

The Union accused Colgate of violating the Sullivan Principles by not acknowledging '*the rights of black workers to form their own union to be represented by trade unions where unions already exist*' (Sullivan Principles – Principle 2, 2nd Amplification May 1979)

SOME MISUNDERSTANDING?

**CHEMICAL UNIONS COUNCIL TO COLGATE-PALMOLIVE, LONDON,
(1 October 1980)**

'We wish to raise with you the apparent refusal of Colgate (South Africa) to recognise the right of their employees to recognition through the Chemical Workers Industrial Union . . . a company which experiences goodwill amongst consumers in the UK should operate in line with normal ethics, social responsibility and human rights.'

COLGATE PALMOLIVE COMPANY, NEW YORK, TO CUC, (20 October 1980)
 'The apparent refusal of recognition in South Africa . . . was the result of a misunderstanding . . .'

Colgate Management denied this accusation to the Union and in the Press.

When Sullivan visited South Africa in September 1980 the Union asked him to clarify his position on the recognition of black trade unions. His reply was very clear:

' . . . Dr Sullivan said his Principles committed companies to recognize black trade unions – whether or not they were registered with the South African Government.' (*Rand Daily Mail*, 5 September 1980).

Colgate continued to stall.

If a Company, rated as one of the most progressive in terms of the Principles, can so blatantly resist the implementation of the most crucial Principle, the code is clearly useless to African workers.

Colgate demonstrates what trade unionists have been saying since Codes of Conduct and Principles for foreign companies have become fashionable.

The Codes assist Companies with their image overseas, and remove pressures to disinvest. The Companies benefit – not black workers.

The only way that workers can really improve their situation in South Africa is by organizing themselves into strong trade unions, and gaining recognition at factory level.

Colgate has therefore been guilty of breaking the most important principle and blocking real improvements for black workers in South Africa.
 Model employer' under union attack

Aunt Caroline Rice Workers Join the Struggle

While these events were taking place in the Colgate plant in the Transvaal, workers at Aunt Caroline Rice Mills in Pietermaritzburg, Natal began to organize themselves. They joined the SWEET FOOD AND ALLIED WORKERS UNION – another FOSATU affiliate.

In August 1980, with practically the whole workforce as members, the Union wrote a letter requesting a meeting to discuss union recognition.

It seemed at first as if Management was going to respond favourably, but then came the familiar delaying tactics and evasions.

A common stand between the two companies emerged. Aunt Caroline workers were given the same five conditions to accept. Aunt Caroline workers were not prepared to settle for toothless recognition. The Union was not prepared to sell

out the workers' basic right to negotiate wages and working conditions.

Mr Dyson in the role of 'Consultant – Employee and Industrial Relations' visited the Aunt Caroline factory. He attempted to persuade workers that the Union was no good for them, and later told them 'His firm could never recognize a Union until properly registered and the name of his firm appearing in the gazette . . .' (Workers Minutes of general meeting between workers and Mr Dyson, January 1981).

The workers at this meeting told Mr Dyson that:

' . . . if he had no intentions of recognizing the Union why had he bothered to come and hold a meeting with the workers . . . '

' . . . it appeared that he (Mr Dyson) was of the opinion that the Union was made out of people outside the factory, but it is not so, we workers are the Union. We are the members of this Union and we decide what we want. The Trade Union office merely carries out the work of the Union as decided by the workers . . . '

' . . . it was obvious that Mr Dyson had not come here to settle the dispute but to dictate to them what they should have . . . '

' . . . if it were whites who wanted the recognition of their Union in the Factory, he is certain that this would have been granted without all this fuss that is being made to them as black people. The whole question of this dispute he said was based on racism . . . '

' . . . At this stage the workers again asked that the meeting be closed as it served no purpose.'

What does recognition mean?

1. Recognition of the right of the Union to represent its members and negotiate on all matters affecting workers in the plant, including wages and working conditions.
2. Recognition of the Union shop stewards as worker representatives in the plant, with the right to take up issues on behalf of members.
3. Access to the factory for Union officials.
4. Stop order facilities for Union subscriptions.
5. The right to negotiate procedures such as grievance, dismissal, arbitration, health and safety procedures.

Appendix

6 AUGUST 1980:

NOTICE TO ALL EMPLOYEES – WORK ATTITUDES

From reports submitted to me it has become evident that, in certain areas, the following attitudes exist. There are deliberate attempts to:

1. WORK AS SLOWLY AS POSSIBLE, AND A RELUCTANCE TO GET ON WITH THE JOB.
2. WILFULLY DISREGARD LEGITIMATE INSTRUCTIONS AND REQUESTS GIVEN BY SUPERIORS IN THE COURSE OF THEIR DUTY.
3. REFUSE TO CLEAN IN GIVEN AREAS OF RESPONSIBILITY *i.e.* EQUIPMENT AND SURROUNDING AREAS.
4. CHALLENGE THE AUTHORITY OF AN IMMEDIATE SUPERIOR BY BEING HOSTILE AND USING ABUSIVE LANGUAGE.
5. DELIBERATELY DISREGARD CERTAIN STANDING RULES WHICH ARE NECESSARY FOR THE SAFETY AND PROPER FUNCTIONING OF THE FACTORY.
6. DELIBERATELY REMOVE NOTICES ISSUED BY OFFICERS OF THE COMPANY FROM THE OFFICIAL NOTICE BOARDS.
7. AFFIX NOTICES PERTAINING TO OUTSIDE ACTIVITIES AND RECENT PRESS ARTICLES TO NOTICE BOARDS.

IN FUTURE STRONG DISCIPLINARY ACTION WILL BE TAKEN . . .

I AM SURE MANY OF YOU WITH LONG SERVICE RECORDS WILL REMEMBER HOW, WITH THE HELP OF ALL, WE HAVE MANAGED TO MAKE THIS COMPANY GROW FROM A FEW MACHINES IN 1958 TO THE SIZE IT IS TODAY.

G.W. NOCKER – MANAGING DIRECTOR

COLGATE-PALMOLIVE LIMITED – SOUTH AFRICA

NOTICE TO ALL EMPLOYEES

INTERFERENCE WITH EQUIPMENT

DURING THE PAST WEEKS WE HAVE EXPERIENCED PLANT SHUTDOWNS IN SEVERAL OF THE PRODUCTION DEPARTMENTS DUE TO CERTAIN CAUSES. THE CAUSES, WHEN ANALYSED, REVEAL THAT THERE HAVE BEEN DELIBERATE ATTEMPTS TO INTERFERE WITH THE GOOD WORKING OF OUR EQUIPMENT. LISTED BELOW ARE A FEW OF THE SHUTDOWNS REFERRED TO:

- | | |
|-------------|--|
| June 24th | Refrigerated Plant, Toilet Soap Line 1. Switched off – night shift. |
| June 25th | Plug pulled out of Toilet Soap Line 1 Plodder nose – night shift. |
| June 30th | Refrigerated Plant, Toilet Soap Line 1. Switched off – afternoon shift. |
| July 4–14th | Sensors on Toilet Soap Line 1 giving continuous trouble – some of which was electrical, but some was due to probes being switched around or moved up and down. – Various shifts. |
| July 15th | Line 4 Toilet Soap. Refrigerated Plant switched off – morning shift. |
| July 21st | Oil or grease on wrapping machine wrapper brake Line 1 Toilet Soap – morning shift. |
| July 23rd | a) Air was deliberately switched off on Toilet Articles Line 7 on changeover to 40 ml APC at two separate valves: one of which is three metres above floor level.

b) Wet soap filter cover loosened during night shift. |
| July 24th | Oil or grease on wrapper brake Line 1 Toilet Soaps – afternoon shift and morning shift. |
| July 25th | Cutter plug half pulled out on Line 2 Toilet Soaps – morning shift. |

- July 27th
- a) Several times in the past, the timers on the shrink tunnels were interfered with, again on night shift 27th.
 - b) Mutton cloth was put on the main drive V-Belt of Line 2 Levy (Toilet Articles) in an obvious attempt to jam the machine.
 - c) Electrical wire for heat seal wire on Line 3 (Toilet Articles) shrink tunnel was pulled off.
- July 28th Grease on stiffener brake Line 3 (Toilet Soap) – night shift to morning shift.

I WANT IT CLEARLY UNDERSTOOD THAT UNDER NO CIRCUMSTANCES WILL A CONTINUATION OF THESE ACTIVITIES BE TOLERATED. FURTHERMORE, ANY PERSON OR PERSONS FOUND RESPONSIBLE FOR ANY UNAUTHORISED INTERFERENCE IN THE WORKING OF EQUIPMENT WILL NOT ONLY BE INSTANTLY DISMISSED' BUT WILL ALSO BE PROSECUTED TO THE FULLEST EXTENT UNDER THE LAW.

ALSO, ANY PERSON BEING AWARE OF SUCH INTERFERENCE AND NOT BRINGING IT TO THE ATTENTION OF HIS IMMEDIATE SUPERIOR WILL ALSO BE DEEMED GUILTY AS AN ACCOMPLICE.

THE EQUIPMENT OF THE FACTORY – ITS SMOOTH OPERATION AND SAFE FUNCTIONING – IS ESSENTIAL FOR THE CONTINUED GROWTH OF OUR COMPANY. DELIBERATE FORCED SHUTDOWNS DUE TO THE ABOVE CAUSES CAN ONLY BE COUNTER-PRODUCTIVE TO THE FUTURE WELL-BEING OF *ALL* EMPLOYEES'

I REQUEST THE CO-OPERATION OF ALL EMPLOYEES IN THIS IMPORTANT AND VITAL MATTER.

L. COETZER
DIRECTOR – MANUFACTURING
6th August, 1980

Striking for Pensions

Renee Roux

Introduction

During the last four years various agents – employers, insurance companies, and most recently the state – have moved towards the introduction of a national system of preserved pension funds. If this is done it will mean that no worker will be allowed to withdraw her/his contributions and accumulated pension rights before retirement age (between 60 and 65), even on dismissal. This will have profound effects for the majority of workers, taking into account the present rate of unemployment and the hardship suffered by unemployed workers. Furthermore, such a scheme would have implications for divisions within the working class.

In this article the following questions will be looked at: (1) The scope and meaning of pensions in capitalist society, and why the state does not carry the full cost of reproducing workers whose labour-power (ability to work) has become 'redundant'; (2) The interests of various fractions (parts) of capital and of the state in the growth of pensions, as well as the objective interests of workers – how are these different interests expressed?; (3) Why and how have *private* (as opposed to state) pensions been introduced for the working class in South Africa? Who initiates these schemes, and whom do they benefit?; (4) What class forces have brought us to the present situation, where sections of the organised working class are rejecting not only preservation of funds, but compulsory private pension schemes in general?

These questions will not be dealt with in a strict order, but it is worthwhile keeping them in mind while reading the article.

Pensions – their scope and meaning in capitalist society

In most capitalist countries with a developed working class, a complex set of pension schemes have come about, particularly during this century. Usually state provisions for the aged are made out of general state revenue (from taxation).

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The contribution has been re-written from an honours dissertation entitled '*Pensions and "social security" provisions: state, capital and the African working class, 1944–1981*' University of the Witwatersrand (1981). Readers are referred to this work for a full bibliography and an expanded argument.

Alongside this, the state in European countries has established national contributory schemes, into which workers and employers make specific contributions. These schemes usually involve substantial state subsidisation.

In addition, various private schemes, administered by employers or by insurance companies, supplement the incomes of retired workers. These involve deductions from workers' wages and cater primarily for higher-paid wage earners.

There is a difficulty for worker organisations in distinguishing between pensions as a right, won through workers' struggles and demands, and the exploitative relationships involved when workers themselves have to contribute towards their reproduction at a time when their labour power becomes redundant. In South Africa this problem is compounded by the inadequacies and bureaucratic implementation of old age pensions (see article in *WIP* 17).

Contributions by workers, employers and the state have come to be seen as 'savings' and insurance against the insecurity of unemployment that ageing brings. Capitalist production requires certain kinds of labour power: it has determined that at between 55 and 65 years of age workers no longer meet the requirements of capitalist production. From the capitalist's point of view, they insure themselves against worker resistance against redundancy, and against the costs of reproducing retired workers. For the capitalist class as a whole, pensions secure political subordination of aged people affected by unemployment.

Further, pensioners who are 'provided for' along specific separate institutional lines, are prevented from identifying with the working class struggle against exploitation. At 60 or 65 they are divided off into a separate category and incorporated into a whole new set of specialised state apparatuses, where their struggles are again diffused and individualised by the personnel who staff these apparatuses. In South Africa this is a particularly strict division, as the majority of workers are forced into the 'homelands' to receive their pensions.

The Interests of Different Classes and the State

The primary purpose of pension funds for finance and industrial capital is the actual implementation of the schemes during the worker's life. *For the employers* pension schemes mean, that specific forms of political subordination can be achieved *in production* – by convincing workers that this 'fringe benefit' is a significant concession, and that capital provides higher benefits than does the state. Thus, employers have been able to achieve two things: Firstly, workers' 'loyalty' to the firm means that their productive capacity increases and that their 'stability' reduces the costs for capital of a high labour turnover; Secondly, the surplus value (in the form of profits) extracted from workers' labour increases; contributions which amount to unpaid labour are rapidly reinvested by the capita-

lists to increase capital accumulation.

Workers' contributions to the 'savings' which would eventually secure their reproduction means that ultimately they are forced to feel responsible for their own survival and to carry the costs throughout. As employers' contributions are tax-deductible, workers' contributions constitute the largest part of investable funds. These funds are invested in areas where the rate of profit (and, therefore, the rate of return investment) is highest. These are not areas such as welfare, housing, transport, etc, which would improve 'the quality of life' of workers. Instead, investment goes precisely into those areas of capitalist production which intensify the exploitation of workers.

Finance capitalists are crucially involved in the distribution of surplus value (profits) in strategic areas of capitalist production. While industrial capital is able to raise its own finance for reinvestment in production, it is increasingly only the largest capitals which can do this. Even then, it is with the assistance of specialised financial institutions which provide credit, etc, such as banks, insurance companies, and building societies. Pension funds in the hands of insurance companies have become very important sources of finance as capitalist production requires ever greater amounts to be transformed into productive capital.

By their very nature, finance capitalist institutions want the growth of private pension funds and want to invest the funds as freely as possible in areas with a high rate of return. They also favour long-term investment and thus funds which cater for workers who remain with one employer and within a particular fund for long periods.

We saw above that there is a problem in distinguishing between a worker's right to a pension and the way in which it is provided in capitalist society. Workers' objective interests lie in remunerations which meet the full cost of their reproduction, in times of illness, unemployment and old age. The provision of 'pension benefits' have never been granted 'spontaneously' by the state or by employers, but have involved economic and political struggle. The nature of pension schemes has depended crucially on the strength and organisational unity of the various contending classes, the nature of the state's relation to different classes or fractions of classes; and the state's direct involvement in the production and distribution of profits. These factors determine the extent to which pension schemes take on directly 'welfare' functions.

The terms in which classes, fractions and the state fight out differences over pension strategy and implementation, is often confusing. Workers come to question the *forms* of the exchange of a part of the wage for a pension, rather than the social relations the exchange embodies. When demands for improved pensions are made, these are directed at capital rather than the state. The capitalists in

turn have many ways of manipulating taxation, wages and worker contributions, so that the cost of pensions appears to fall on both parties, where in fact the worker is footing the bill. Here the perspective of worker organisations is clearly important.

The recurring struggles between employers, financiers and the state over issues such as pensions can be equally confusing for the onlooker. They differ over: administration; sharing of costs; rates of interest and benefits in the calculation of pensions; areas of investment and the rate of return on investment. While in the long term, their interests in securing the conditions for expanded capital accumulation and political domination are the same, these differences reflect real disjunctures and weaknesses within the capitalist structure.

Within these struggles finance capital appears to be all-powerful and aloof from the crises which shake the state and industrial capital. In fact, as has been shown in the case of advanced capitalist countries, finance capital is crucially involved in these crises. Because finance, pension funds, etc, are in the sphere of circulation it is more difficult to point to these crises; furthermore, the capitalists who depend on finance and the state are forced to disguise the vulnerability of finance capital's activities.

Studies of advanced capitalist countries show that it is worker struggles and crises in production manifested as a falling rate of profit which squeeze some areas of finance capital's involvement – for example, in pension funds. Increasingly, then, the state is forced at stages to involve itself in reproduction where capital can't. At such times, political demands by the dominated classes have forced a shift from private-run pension schemes to state administered funds. This has always been followed by a struggle to regain control over funds by the capitalist classes.

With the rise to dominance by finance capital in the present monopoly phase, and the incorporation of working class struggles in some cases, the ability of the state to maintain control of these areas has become circumscribed. As the state has become more directly involved in production, it has increasingly been on capital's terms (De Brunhoff, 1976). Hence the massive cuts in welfare and other 'unproductive' state expenditure which we are witnessing in those countries today, and also the growing importance of 'capitalised' pension funds.

These issues will be clarified when we look at the struggle over pensions in South Africa in the late 1970s.

Pensions for the Working Class in South Africa

The political disorganisation and 'isolation' of the dominated classes in South Africa has meant that the arbitrary practices of the capitalist classes and the state have succeeded for much longer than they did in the advanced capitalist countries. Until very recently, both the state and capital denied responsibility for the repro-

duction of African workers after retirement. During the last two decades, however, the picture has begun to change, particularly with the growing 'private' interest in pension funds catering for black workers.

A Brief History of Pensions in South Africa

The first move to provide pensions for African workers was made by the state in 1944, though in extremely discriminatory and divisive ways (between white, African, 'coloured' and Indian, as well as between 'urbanised' and migrant workers).^{*} This concession (to provide pensions) must be seen in the context of (1) growing working class organisation around economic demands from the mid-1930s, (2) the decline of reserve production and the declining number of working class families who maintained productive links in the 'reserves', and (3) the relative 'liberalism' of the Smuts government, even though this was tenuous and aimed only at sections of the African population.

However, we saw that in line with the apartheid state's divisive and discriminatory strategies, old age pensions were implemented to reinforce the policy of coercing the old, the sick and the unemployed into the bantustans. It was argued that subsistence production could sustain these people. Bantu Authorities, and later authorities of 'self-governing' bantustans gained power from the central state's practice of placing the burden of such control and maintenance on them and away from the place of employment. Further, the 'isolation' of people thus divided in the bantustans prevented the unification of the working class, and prevented demands being made on the central state.

In 1976/7 only 24,6% of Africans of pensionable age received state pensions (one person in four); the number of Africans receiving a state pension fell from 208 413 in 1958 to 169 106 in 1975. The maximum that an African pensioner can get in 1980 is R33 a month. This is clearly inadequate considering that the maximum white pension of R109 a month. Pensions are funded out of general taxation. At the same time, an African worker is taxed at a lower income and at a higher rate than other groups.

The means test applies to assess pensions discriminates against African people who, for example, receive lower pensions if both husband and wife earn, if they let a room, if they receive 'gifts' on retirement from employers: none of these apply when white pensions are calculated. This explains in part why the number of pensioners has declined — that as soon as an African worker receives even a small private pension, he/she is no longer eligible for a state pension of any substance. For every R3 a year (25c a month) of income over R172,56 per year

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(R14,30 per month) an African pension declines by 25c per month (in 1980). *No pension* is payable to a retired African person who has an income plus means (pensions, allowances, rents, children and wife's contributions, farming income, property) of more than R23 per month!

Other reasons for the decline in the number of pensions received by Africans are the bureaucratic blockages experienced by Africans both in urban areas and in the bantustans. Pensions are only paid out every two months at the Bantu Affairs Commissioner's office, while whites receive them monthly at any post office or welfare organisation. For many old African people the long distances to be travelled, the long waits at the office, and the constant strict bureaucratic checking of their age, 'urban status', income and means, are almost too hard to take.

Private Pensions

During the boom of the early 1960s, some employers established pension funds for certain categories of black workers (mainly skilled and semi-skilled Indian and 'coloured' workers). Some workers were incorporated into industrial council funds or privately administered or underwritten funds, which covered the white labour force. There are a number of reasons for this development which cannot be explored in detail here. Essentially, these schemes were employer-initiated, not responding to worker demands. Thus they conformed closely with employer needs and those of the insurers, who were constantly prodding the employers to 'open up the black market'.

In exploring the reasons for the growing number of pension funds for black workers, we find two important factors at work: Firstly, the growth of advanced methods of production and the penetration of monopoly capitalist relations means that (a) a growing black semi-skilled labour force needed to be established; (b) workers were given incentives to raise their productive capacities.

After the mass resistance of the late 1950s and early 1960s, the capitalist class saw the need to win the loyalty of certain workers and prevent their identification with the majority. It was felt that such measures would spread beyond the workplace and create a group of 'moderate, loyal citizens' (Association of Pensions and Provident Fund, 1962; Bantu Wages and Productivity Assoc.). This was particularly true as, during this period, the apartheid state's strategy was to shift the responsibility for sections of the black dominated classes onto the urban employers. More specifically, African workers with section 10 rights were seen as the responsibility of the larger capitalist who had constantly argued against 'migrantization'. Thus, some urban employers took on the task of making sections of the

black working class feel 'more secure' in their work, and a 'part of the whole industrial complex'.

The second reason for the growth of pension funds catering for black workers, was the growth of specialised financial institutions in the 1960s, accompanying the concentration and centralisation of productive capital. Manufacturing required higher levels and a consistent flow of investable funds, loans, etc. These were crucial for investment in machinery and other capital equipment, particularly with the problem of reliance of a constant flow of foreign investment.

However, an examination of the policies and practices of urban employers in the fields of housing, transport, pensions, health, welfare, etc, during the 1960s and 1970s, shows that they were reluctant to commit themselves to the reproduction of a settled, urban working class. Their attempts at incorporation or creating loyalty were very selective and constituted few material concessions. As a result, they had little political effectivity vis-a-vis the African dominated classes, and the working class in particular. Any attempt to create an 'industrial citizen' was limited within the broader political strategy of outright political repression, influx control and the migrant labour system. There are limits to capital's ability to change the conditions and perceptions of workers by giving them 'rights as workers'. Black workers have no political rights in the broader society. More concerted attempts at co-option, disorganisation and division of the working class have been made during the last five to six years.

Private Funds by the Mid 1970s

By the mid 1970s, in the private provision of pensions, by far the majority of African workers were still excluded, deliberately or effectively through strict eligibility requirements. By 1977, there were 10 579 occupational funds with 4 159 193 members and 244 974 pensioners. This constituted about 42% of the economically active population, Africans constituting 70% of the total labour force. Thus, it is likely that the majority of Africans did not have access to these schemes.

There were, and still are, many shortcomings with the private schemes and generally the African workers' experience seems to have been that they are no more 'liberal' than the state old age scheme. We will return to this below.

By the mid 1970s:

- i) many funds were still racially exclusive;
- ii) by 1976, 82% of the private schemes available to African workers paid out pensions in lump sums on retirement rather than in monthly instalments (annuities);
- iii) the eligibility criteria were strict and usually excluded temporary, hourly/weekly and lower paid workers. Finance capital favours so-called fixed

benefit schemes which establish long-term liabilities and require long-term investment. Such schemes are considered inappropriate for less permanent workers, or those whom the capitalists fear will not return to the same employers.

The conventional scheme calculates benefits as a fraction of a worker's final wage multiplied by the number of years in continuous service.

(Eg $\frac{1}{60}$ of R1 200 p/a x 20 years or $\frac{R1\ 200 \times 20}{60}$)

Employers are reluctant to make benefits available to workers who do not remain with the firm, even though such employers are not keen to be tied to 'dead wood'. Insurers are reluctant to pay out accumulated contributions plus interest to a worker leaving a job before retirement, and encourage employers to 'stabilise' their workforce (Sanlam, Old Mutual interviews). Neither party has in the past wanted to take on the administrative duties involved in calculating pensionable service of migrant workers forced to take long leave in order to renew their contracts. They have also not been prepared to contribute during that period. In addition, they have not been willing to trace retired workers or their families and to ensure that their monthly pensions reach them.

On the other hand, throughout the 1970s, employers insurers and the state were increasingly clear about the benefits involved in incorporating the skilled and semi-skilled, 'stabilised' black labour force into private schemes. Concerted efforts were made to do this during the 1970s, by eliminating discrimination and giving higher benefits to these workers.

The following examples are instructive:

Roberts Construction: Their pension fund for African, Indian and 'coloured' hourly-paid workers provides for membership only after 10 years of service. Of their 25 000 black workers, 2 066 are members of the fund. It is non-contributory, requiring an employer contribution of 14% of a member's wage, which is only about 1% of the entire black payroll. Of the 351 pensioners in 1976, about 60% lived in the bantustans, and pension payments were made through the Bantu Affairs Commissioner or magistrate.

Fedmis: By 1976, Fedmis had separate funds for black and white workers which they do not intend integrating. Black workers earning R4 000 per year qualify immediately, while others have a two year waiting period. The company relies heavily on seasonal labour; effectively the majority of workers are excluded from pensions. The company 'hopes to retain employees who are likely to stay for a worthwhile period, and exclude those who are not'.

Calan Group: In Calan subsidiaries the norm is separate funds for African and white workers. Slowly, a two-tier system is being introduced, allowing all black workers

with a specified income to join the main group pension fund. Other workers will be included in an Old Mutual group pension fund which caters for unskilled and migrant workers in particular.

National Industrial Council for the Newspaper and Printing Industry: Their fund for unskilled workers has a standardised contribution level and is transferable within the industry. If a worker goes to a bantustan he/she is regarded as leaving the industry and receives past contributions.

Sandvik. In 1976, Sandvik employed 700 African workers, only 50 of whom were migrants. Labour turnover was less than 5% and urban African workers were preferred. These workers are included in the same scheme as whites and on the same basis. Sandvik places emphasis on semi-skilled workers. They argue that 'a lot depends on the selection procedure and on training African workers to understand the industrial society and the role they play in it'.

Premier Papers: During 1980, the old Premier Paper Bantu Pension Scheme was cancelled and African workers were included in the new AFC (benefit consultants) group pension fund which catered for all Premier Paper workers. While blatant racial discrimination has fallen away, the fund continues to discriminate in a number of ways:

- * hourly-paid staff and salaried staff have different qualifying periods; 12 and 6 months respectively.
- * while all workers contribute 6% of the basic wage, workers earning over R6 000 a year receive a pension which accumulates at a higher rate (2,5% of the final salary) than those earning less (2% of the final salary).
- * African workers contribute double the amount in the new scheme towards improved benefits which they do not usually use, eg voluntary early retirement and deferred pension benefits:

We can conclude that:

1. With the movement of black workers, and more specifically Africans, into skilled and semi-skilled jobs, there is a new emphasis on tying them to a job, and on the use of personnel management tactics.
2. Very little had been done by the mid 1970s to provide for the unskilled and migrant workers' 'insecurity of employment'. This was in part a function of the types of schemes introduced (fixed-end benefit schemes); but employers still had a ruthless attitude towards workers whom they did not really require to return.
3. In some cases, blatant discrimination has declined. (Sanlam claims that 76% of the largest funds provide for all races, 20% for whites only and 4% for all races except Africans.) However, new divisions along lines of skill and permanency have been reinforced.
4. It seems as if migrant workers would in many cases only benefit if and when

they worked with one employer long enough to qualify for section 10 rights. In this way, management's selection procedures would mean a selection too, of who qualifies for urban residential rights. Thus the workers with the highest 'insecurity of employment' are in most cases effectively excluded from pension benefits in the private sector.

The Struggle over pensions in the late 1970s

During the early 1970s the state was once again forced to confront the effects of its repressive policies. The spontaneous mass working class struggles in 1971 (Namibia) and 1973 (Durban), and the growth of unemployment (soaring to 2,3m in 1977), combined with a crisis in capitalist production forced the state to consider minimal concessions in order to stave off the worst for capitalist domination. This threat was intensified by the upsurge of popular-democratic demands, typified in the growth of black consciousness and other political organisations. Bantustan conditions had deteriorated further and the labour-absorptive capacity of industry had declined. This placed an increasing burden on the urban areas to provide for the unemployed and aged. In spite of influx controls and the lack of facilities, people with no other means of subsistence remained in the industrial centres. This included the unemployed and the aged.

In this context, the state had to consider the position of pensions, particularly as neither state nor private pensions were adequate (as was the case with unemployment insurance). By the mid 1970s, the state and capital were also reconsidering strategies vis-a-vis the incorporation of sections of the black dominated classes. These strategies were being formulated with regard to trade unions, urban and political rights, to cover sections of the African population which had no political or residential rights in 'white' South Africa, at the same time as having no material reasons to return to the bantustans. Clearly, any pension strategy would have to fit into this broader political strategy.

The state's intervention in 1976 in the face of competing proposals for a national contributory pension scheme, was precipitated by a crisis in the insurance industry and the growing burden on the state in providing pensions. Attention was increasingly being drawn to the corruption involved when the central state transfers money to the bantustan administrations.

Crisis in the Insurance Industry

While it is difficult to pinpoint a crisis in the insurance industry itself it is simpler when we consider a crisis in finance capital in relation to the crisis which hit capitalist production as a whole in the early 1970s. In the context of this crisis, there was a fall in the rate of profit.

It was in these circumstances that the rate of return on pension funds invested in ordinary shares and equities declined and investment in the public sector rose. During the previous decade the trend was the opposite. The state required a grow-

ing amount of assets to be invested in prescribed areas, government stock, bills, bonds and securities, as well as in public corporations such as Escom, Iscor, Sasol, Bonuskor, SABC and Armscor. It required 50% in 1976 (20% in government stock). This rose to 54% in 1977 and 55% in 1978. Increased investment in state securities and fixed-interest assets in the public sector were necessary both to finance growing state expenditure and to ensure that insurance companies could meet their liabilities to members of funds.

Private administered, state-controlled and foreign pension fund holdings in prescribed assets (as a % of total assets).

Year	Government stock	Fixed-interest bearing
1971	13,7	61,7
1973	18,9	56,2
1975	21,2	57,4
1976	22,9	49,1
1977	24,1	47,4

Compiled from the registrar of pension funds annual reports 1973-1979

Other indications that insurance companies were being 'squeezed' are:

1. Their resistance to the payment of monthly pensions and preference for lump sums on retirement;
2. The termination of many funds;
3. The inadequacy of pensions and the increased state expenditure on old aged pensions (R88m in 1973 to R109m in 1974 to R160m in 1975) for black and white pensioners,
4. The inability of funds to adjust to inflation, high wages, and higher pensions. Funds did not anticipate that workers would win wage increases and thus the returns on investment compared unfavourably with the 'rate of inflation' (according to actuarial calculations) between 1973 and 1979;
5. The problems some funds faced in paying pensions (Financial Mail, 05.10.76).

Options for Restructuring the Pensions System

When we consider the way in which the state could restructure the pensions system, we are once again faced with the question of how responsive the South African state is to various contradictory class demands. Because of growing working class and popular struggles, the inadequacy of state and private funds, and the crisis experienced by the insurance industry, the state was forced to take more responsibility for the reproduction of the dominated classes. During the mid

1970s the option of shifting the burden wholly onto the 'private sector' and the workers, as had been attempted before, came up against political and economic limits. This did not, however, necessarily imply the choice of a more worker oriented policy.

On the other hand, the dominant class interests of monopoly capital required large numbers of settled black skilled and semi-skilled workers. A concerted move to gain support for the state from the black petty bourgeoisie and sections of the working class was initiated by the organisations of monopoly capital (eg. Urban Foundation). Material concessions had to be made in these people's work situation, in the townships and in society in general. The Urban Foundation has stressed the fact that this 'incorporation' should go as far as the 'urban Black aged', not least because they are a drain on the incomes of the working class and the petty bourgeoisie.

In order to make these concessions, however, the state would have to impose tighter controls on the majority of workers. This has led to stricter influx control (tied closely to the availability of jobs and accommodation) and the separation of millions of people by making them 'non citizens' of South Africa. The state has also needed to make this division more concrete. It has argued that the payment of pensions has provided an 'inflow of income' to the bantustans. Bourgeois economists have welcomed this 'inflow' and seen it as crucial to the economic viability of the bantustan strategy.

The state's response in 1976 related to complex political class forces. We should also remember that white wage earners and the growing number of unemployed amongst them also demanded the state's attention. Much of the increased state expenditure on old age pensions went to white pensioners. Since 1973/4, TUCSA and various politicians have demanded improved *state* pensions.

We turn now to look at the various options presented for the establishment of a restructured 'South African Pension System' between 1976 and 1980, the class responses to the options and their effects on workers:

The options discussed here are:

- a) The National Contributory Scheme proposed in 1976;
- b) Old Mutual's Group Pension Plan, meant specifically for contract and migrant workers;
- c) SEIFSA's Preserved Metal Industry Group Pension Scheme; and finally
- d) The recent proposals for a national system of compulsory, preserved pension funds, administered by employers and insurance companies.

State Proposals for a National Contributory Scheme (NCS)

In mid 1976 the Department of Social Welfare and Pensions produced a report proposing the establishment of a National Contributory Scheme.

The following recommendations were made:

- 1) All economically active people who do not belong to any private pension fund

or who belonged to funds with benefits lower than those of the proposed scheme, would become members;

- 2) Occupational (private) funds with equal benefits could contract out, ie employers and members would not have to contribute to the NCS;
- 3) The scheme would be funded by a contribution of 7% of a worker's wage, to be divided between the employer and the worker; the pension would be an equivalent of 75% of a worker's final wage; the scheme would also provide an ill-health or early-retirement pension. Funding would be on a pay-as-you-earn basis and contributions would be deducted from payrolls (as with taxation);
- 4) Private funds would become transferable, that is, a worker would be able to transfer her/his pension rights between different companies. This did not involve preservation, as workers would still have the right to withdraw their contributions;
- 5) There would be central control over pension funds though it still had to be decided whether this would be state administered, or administered through a consortium in the 'private sector'.

In spite of this last point, the state met with a barrage of attacks from the capitalist class. The only worker representatives consulted were the TUCSA unions. Some of these unions had been calling for such a scheme since 1957. No representatives of the African trade unions were consulted, and in fact the proposals were soon hushed up or debated in terms which had little to do with the implications for workers.

The attacks on the proposed schemes were significant in revealing the resolute stand taken by capital against any form of 'welfare statism'. The main areas of attack were the following:

- a. The state was removing crucial investable capital from the private sector which would lead to the nationalisation of part of the insurance industry, 'just when industries needed investment'. The ideological assumption behind this attack is that the state does not invest in production. It can be shown that during the 1970s this type of state expenditure has grown. But the state must also invest in areas where capital does not, in order to maintain a supply of labour at as low a cost as possible.
- b. The method of funding was called 'unsound' by bourgeois economists. They could not see that 'non-capitalised' pay-as-you-earn schemes were as sound (or vulnerable) as private 'capitalised' schemes. They rejected the method of funding 'present expenditure through present income' on principle. The possibility that allocations would be made in part through collective political decisions rather than the market was seen as a socialist measure. Further, economists cannot accept the fact that the state might have partly to subsidise such a scheme. (interview, Federated Chamber of Industries economist.)
- c. Employers objected to what amounted to increased taxation and to the promotion of labour mobility, through not tying workers to their jobs with the promise of a maximum pension after long, continuous service.

d. Employers argued that employers and workers, and not the state, should control funds and that private administration would be cheaper and involve less bureaucracy for the worker and the pensioner.

We have seen that while the racially-explosive state is bureaucratic and repressive, this is not untrue of capitalist practices either. Workers have never been given any form of control over funds in South Africa. Further, as with state pensions, private funds pay out only in areas where pensions are 'legally resident'. Workers have difficulties in getting what is due to them. Some of the reasons for this are the complicated calculations and arbitrary deductions made by employers. Pensioners also have to wait months before receiving their pension payments and often have to deal with apparatuses such as Bantu Commissioners' offices, magistrates, etc.

It is true that in the workplace 'consent' can be created more effectively amongst certain groups of workers than in the broader, racially-divided society. However, this only works by drawing increasingly rigid distinctions between workers; between permanent and temporary workers, between skill categories, between members of the funds and non-members.

It is not known whether a NCS would also impose these divisions or exploit new ones. It is probable that the scheme would be implemented to reinforce the state's insider/outsider divisive strategy. Bigger pensions would provide a stronger attraction to workers to return to their respective bantustans and thus give a material basis to this political division. It would also increase pensioners' dependence on the state bureaucratic apparatuses. Nevertheless, the NCS proposals clearly hold potential material concessions for the working class.

Alternatives in the 'Private Sector'

1. *The Old Mutual option:* During 1976 the Old Mutual Group produced the most divisive 'social security' strategy yet. It was a pension plan designed specifically for migrant workers who had proved their 'loyalty' to their firms. Its advantage to capital is the 'stabilisation' of the people it wishes to divide (ie. migrant/ section 10 people).

Old Mutual and Sanlam, in consultation with state corporations such as Iscor and Bonuskor, were eager to cater for unskilled and particularly migrant workers in this specific way. They were quite aware at this time that 'the lack of security is one of the major reasons for black unrest' (People and Profits, October 1976). Old Mutual drew from Bonuskor and Iscor experiences, as both these corporations have schemes catering specifically for migrant workers. These are 'not seen in a philanthropic light, but are designed to encourage loyalty to the company', that is, to lure workers back. At Bonuskor, for example, after workers are stringently tested for a 5 year qualification period, the scheme demands 'recognised service' rather than 'continuous service'. It hopes 'to exclude won't-works and vagrants' and benefit migrant workers who are encouraged to return. After 5 years, these workers have the 'freedom' to return to the bantustans for periods up to 6 months

without being disqualified.

The Old Mutual plan is similarly attuned to the state's political strategy. The plan provides for a migrant worker and/or the employer to contribute to a fund. This continues over the worker's full working life, regardless of changing employers. The fund ties membership to the individual rather than to the employer or the company, and contributions are preserved until retirement. Each worker carries his/her fund and is 'attached' only to a Board of Trustees established by the Old Mutual 'for each ethnic group . . . and made up of prominent individuals and leaders'. Old Mutual 'co-operates with the relevant departments and uses the detailed pass registration system' to trace pensioners and conducts an extensive 'marketing effort' in the bantustans.

Old Mutual managers claim that the scheme meets workers' basic needs for security. According to the managers, these workers return to the same employers and their productive capacity has increased. On the other hand, Old Mutual has been forced to withdraw from two companies 'because of strike action and threats of violence'.

Old Mutual administrators argue that the scheme is a necessary component of a national system of preserved pension funds, and that it is only a matter of time and education before African workers accept the concept of preservation. This scheme has been a powerful alternative for migrant workers until now excluded from conventional schemes. The stevedores, for example, have been wanting a scheme for some time, and this plan is the only one to which all stevedores can belong. This raises the question of the ability of organisations to overcome the divisions imposed by the state and its allies.

2. *The Industrial Council – Employers' Organisation option:* During 1975, the Metal Industries Group Life Pension and provident Fund was converted into a contributory fund administered by SEIFSA, the massive employers' organisation. The new scheme was designed to improve on the old Industrial Council one. It caused some friction between SEIFSA and the insurers of funds which had been established in individual companies to complement the old scheme, but this cannot be dealt with here. Suffice it to say, that SEIFSA has gained immense control over investment of funds.

Subsequently the SEIFSA-administered scheme has preserved all workers' contributions, and accumulated pension rights, and made them transferable within the metal, iron, steel and engineering industry.

What has been achieved by this preserved fund, according to SEIFSA managers, is greater stability of sections of the labour force, particularly semi-skilled workers with urban residential rights and the right to move freely between different administration board areas. This central fund holds onto a book which records all contributions. Workers who resign or are dismissed are given 12 months to find work in the same industry, after which they lose their pension rights.

The implications of this type of system, that is preservation within an industry, are significant. SEIFSA is able to control the 'more qualified' workers and allocate labour more efficiently between member-companies. It can also offer higher benefits, as fewer withdrawals are made before retirement. Administrators argue that workers are happier to deal with employers in this regard rather than with the state.

However, from all available evidence, the SEIFSA scheme has not been beneficial for workers, particularly those who leave before retirement. Their experience is that the fund is reluctant to pay out what a worker is owed. Workers have to wait for up to 12 months, even if they have no intention of returning to the industry. Thus it seems that the fund is tied up in investments in the metal industry itself, which it is reluctant to forfeit.

What the two schemes discussed above show is that various agents, financiers and employers have been grappling with alternatives to a national contributory scheme. In the light of this, it appears that the 1976 proposals were a significant state intervention, in the sense that they served to encourage employers and insurers to devise new capitalist solutions to workers' insecurity of employment. It seems that the state was not resolved to provide an alternative.

The option of a national contributory scheme was successfully hushed up so that workers' organisations could not take it up as a serious option. This silencing has, until recently, aided capital's task.

3. Preservation and transferability of pension rights – the state's compromise with finance capital: Between 1976 and 1980, the demands of finance and industrial capital for a privately funded and administered scheme have been heard. Furthermore, the specific ways in which insurers want pensions to be restructured, have also been heard. Rather than increased state regulation, the state is being inserted into capital's circuit on the latter's terms. We mentioned in the introduction that this process has been successful in advanced capitalist countries.

By 1980 the conditions for expanded accumulation had been created as a result of both the 'recovery' of the rate of profit on a world scale as well as the state's political and economic intervention since 1976 in all spheres of society. As a result monopoly capitalist needs for skilled and semi-skilled labour and 'stabilisation' of the working class became more urgent. Finance capitalists have also pushed harder for decreased state regulation and their policy which would 'stimulate the pension fund industry as a mobiliser of personal savings and therefore net domestic savings' (Interdepartmental Committee of Enquiry into certain specific pension matters, first report, 1980:6). The state was also being urged to cooperate with insurers to devise a scheme which did not 'benefit pensioners in isolation from the rest of society' (Urban Foundation).

The recommendations for an improved national system are in two parts, and only the first report has appeared. It deals with (a) preservation and transferability of pension rights, and (b) the substitution of a part of lump sum benefits for

monthly annuities. The second report, and in many ways the more important, has yet to be published. This deals with 'the provision of pension benefits for that section of the community not covered in this respect'. As it stands, the proposals are aimed more directly at skilled workers and the professional-managerial class. When these people resign and withdraw their contributions the effect on pension funds is more severe than when low paid workers resign; however, if these proposals are implemented they will have enormous consequences for the majority of workers. This is particularly clear if we consider how various agents have been paving the way for preservation amongst semi-skilled and unskilled workers (eg Bonuskor, Old Mutual, SEIFSA).

The main recommendations of the proposed legislation are:

1. The post office, banks and building societies should become part of the 'pension enclosure'. Insurance companies are resisting this proposal;
2. The operations of insurance brokers (the people who sell policies) should be restricted as far as pension funds are concerned, in order to minimise their share of funds' assets;
3. No withdrawals from existing private funds should be made, except on retirement, death, disablement, emigration and marriage (the latter applying to women). The arguments put forward in favour of preservation are:
 - it would allow funds to accumulate for longer periods. The insurers claim that this will enable them to offer higher benefits. However, they are resisting another proposal which specifies that all funds should offer minimum benefits of twice (four times in the case of a married male pensioner) the current maximum old age pension paid by the state (then R97 a month for whites and R27,50 for Africans);
 - their main interest is not to offer higher benefits to pensioners, but to provide more long term capital to be invested in the economy;
 - workers would be prevented from resigning to withdraw their contributions plus interest.

They would accumulate a *full* pension (something which insurers claim employers have prevented) in spite of resignation, dismissal, etc. They would thus be 'less of a burden on the state'.
4. All pension rights should be transferable between places of work, thus giving workers the 'freedom of movement which will stimulate the economy'. This was seen as a concession to the workers who live in constant fear of becoming 'redundant', in a company before retirement age. Also, transferability, in a sense, is 'the other side of the coin' of preservation. The question is how this should be administered and whether it should apply on a national or industrial level (eg the metal industry's fund).

Implications and Responses to the Proposals

The implications of this report have already been profound, even though legis-

lation has not yet been passed; this is indicative of the way in which funds have operated in the past for the majority of workers. Their experience is that funds have not benefitted them, or the generation before them, and that they are used as a method of control. If a worker enquires about the state of his/her contributions, this is seldom treated as a right. With the majority of workers the 'personnel management' approach, it seems, has lasted only as long as it took to institute a scheme; after that they were threatened with dismissal if ever the fund was questioned. Often deductions are arbitrary – sometimes including overtime (particularly when the worker does a long stretch of overtime), and sometimes not.

The context in which workers came to hear of the new proposals was outrightly repressive. In the case of workers at Wilson-Rowntree, management raised the issue when workers demanded a refund of their contributions into an Industrial Council fund which had, on the decision of employers, been changed into a private, under-written fund.

Insurers and pension fund managers are convinced that it is only a matter of time until workers 'accept the notion of preservation and realise that it is for their own good' (Wood, Old Mutual). What employers are most concerned about is the cost involved for them – in increased contributions and administration; like the insurers, they are convinced that the cost will fall on their backs. They are also reluctant to institute a scheme which would meet with resistance. At the moment there are quite marked contradictions between them and the finance capitalists who, being removed from the production process 'are not very concerned about the worker' (Hammond-Tooke, FCI economist).

Thus far, the major demands of workers are that they should be able to withdraw contributions before retirement. In the absence of adequate wages, workers demand that money should be available to them when they need it. This is important during periods of unemployment when it is difficult to get either work or unemployment benefits. Workers are aware that pension money is reinvested to accumulate, while they suffer greater exploitation. Also, benefits due to them on retirement are usually too small to sustain them and they cannot be *sure* of receiving such benefits.

Finance capital is only prepared to meet the requirement for improved pensions if, eventually, all pension rights are preserved. Industrial capitalists, on the other hand, faced with increased costs and worker resistance, are not uniformly in favour of a compulsory preserved scheme. Predictions are that, unless they are forced to establish funds or maintain them and to accept preservation, many employers will withdraw.

Other companies have become 'testing grounds' for preservation. Workers have come to hear about the proposed legislation through management or from their unions and in some factories it has been strongly resisted.

Initially employers took a hard line against striking workers, for example: at Wilson-Rowntree in October and at Firestone in January. But as industrial capital

itself was unsure of whether or not to support the proposals, individual employers were encouraged (by FCI) to take a conciliatory stand and regard it as 'an industrial relations issue'. As a result, management made three proposals to workers at Firestone, which seem to have been followed by other companies:

1. Workers could resign and withdraw their contributions within 7 weeks. They could take a chance in getting re-employed, but they would lose their bus service bonus, holiday pay and have to requalify for medical aid and pension benefits;
2. Workers could remain in the scheme until Firestone received exemption from the proposed preservation requirements;
3. If workers resigned only from the *scheme*, they could get their contributions by 30 April, but would have to wait for one year to requalify.

Since January the response of management to these strikes at Dunlop (East London), Sparrat Electronics (East London), SATV Manufacturing Company, Federate Electronics and Murray and Stewart (Port Elizabeth and Uitenhage) has been equally ambivalent and manipulative. In most cases, workers have been dismissed on the grounds that pension contributions are a condition of service, and the evidence is that they have been re-employing selectively. Management's attitude towards striking workers and their organisations, is that workers are being 'misled', that they do not understand the legislation, and that they are 'using it as a political weapon'. The insurers support this viewpoint.

In other cases, for example in the food and canning industry, workers have withdrawn their pension contributions without taking strike action. Langeberg Co-operative is one company which has been prepared to negotiate this with worker representatives.

Furthermore, some workers have begun to question the pension set-up as a whole: the inadequacy of state old age pensions; compulsory membership of pension schemes as a part of the employment contract; and the fact that workers are forced to contribute when taxation already takes a large proportion of their low wages. Preservation is seen as a means of extracting larger contributions, controlling and dividing workers. If implemented, the national system will increasingly provide benefits only for people in continuous productive employment and state old age pensions will gradually fall away.

There is evidence to suggest that capital wants to turn the workers' demands against them. They have suggested that everyone earning below a certain wage (it cannot be a 'racial' classification) will not be included in the scheme, or it will be optional for them. On the other hand it has been suggested, that individual employers should be allowed to apply for exemption of certain categories of workers. Workers reject this, as their experience is that in such cases, employers have a degree of autonomy which enables them to manipulate divisions (eg between those 'in' and those 'out' of schemes).

The chances are that employers will be able to decide when *they* want all their

workers to belong to a uniform, preserved scheme, and to threaten workers who resist such a scheme (with dismissal). This method has always been more widely used than 'persuasion and education'. It has also been suggested that the present withdrawals are 'playing into the Insurance Companies' hands'. This enables them to hold onto the employers' contributions which will in future be transferred to other funds.

Conclusion

The attitude of the state has always been that:

'The government is opposed to the Republic's developing into a welfare state as it is understood and manifested itself in other parts of the world, but is committed to a policy which is aimed at the independence of the individual and of the community and is conducive to optimal social functioning (Department of Social Welfare and Pensions' report, RP 91/1975:1).

We have seen, that in this context 'capitalist solutions' emerged during the 1960s and 1970s, though still overlaid by the political and ideological relations of domination which have characterised all spheres of this society. Attempts at creating 'industrial citizens' were not concerted and had little political effect. With the consolidation of monopoly capitalist relations and growing working class and popular struggles during the 1970s, certain fractions of capital began a new effort at extending minimal concessions to parts of the African working class along with the urban petty bourgeoisie.

A crucial gap in this analysis is an examination of just how successful the industrial bourgeoisie has been at manufacturing consent at the point of production. This will have to be done at some later stage. However, the present situation is throwing into question the state's attempts to grant selective concessions, the costs of which are ultimately falling upon the working class. It is in this context that struggles against the so-called concession of preserved pension rights must be seen; for there are definite limits to capital's success in convincing workers that they have rights as *workers* in capitalist society, when everything is done to maintain them as a politically disorganised force.

The following statement remains true in our situation:

No protest that capital is his friend reassures him. Terror has made him deaf and experience unbelieving.

We can conclude with a few crucial points which need to be explored further:

1. We have seen that the implementation of private pensions is barely more 'liberal' than state old age pensions for the majority of workers, contrary to the claims of capital's ideologues. It can also be shown that the material benefits are not much greater, in fact often they are smaller and workers are disqualified for old age pensions in terms of the means test.

The price that workers have to pay for improved pensions is a single inflexible system of *preserved* funds. On the other hand, it is true that there are ways in

which workers can challenge capital more easily than the state can be challenged, eg by suing them.

2. It has been shown that the cost of simultaneously raising all state pensions to the average amount that a white pensioner receives would approximately double state expenditure on old age pensions. (The cost calculated for 1977 was the difference between R188m and R349m, ie R162m (Urban Foundation)). At the moment, the state claims to be doing this by phasing out the differences in *percentage* terms (to be completed in about 2020), while the differences in *money* terms are increasing.
3. There is a wide-spread belief that a demand for improved *state* benefits is *symbolic* rather than an actual and viable option. This should be questioned. On the other hand, some unions are adopting the approach that workers should demand the best conditions within the existing pension system. This would involve rejection of preservation as a first step. It is suggested that workers should then demand representation on the management boards of pension funds. This strategy should be questioned. Firstly, we suggest that management would coerce workers to accept preservation. Secondly, the wide experience of US trade unionism, where workers are represented on Boards of Trustees and attempt to influence investment policies, should be examined critically. Apart from the limits to their influence, worker representatives have become embroiled in bureaucratic and hierarchical structures and the basic relations involved remain unquestioned.

Sick Pay and the Factories Act

Industrial Health Research Group

Sick Pay Funds and the Sick Pay Provisions of the Factories Act

Many people assume that sick pay benefits through sick pay funds are better than those laid down under the Factories Act.¹ In fact, all gazetted industrial agreements (under which these funds may be established) carry a statement by the Minister of Manpower that the provisions in the agreement are on the whole 'not less favourable' to the workers than the relevant provisions in the Factories Act. But analysis of one sick pay fund reveals that not all its provisions are more favourable to all workers.

The Factories Act

The main provisions in the Factories Act about sick pay are as follows: a worker who works a five-day week is entitled to not less than 10 days of sick leave on full pay a year, while one who works a six-day or seven-day week is entitled to not less than 12 days of sick leave on full pay a year.

In the first year of employment, a worker who works a five-day week is entitled to one day of sick leave for every five weeks he or she has worked, and a worker who works six days or more in a week is entitled to one day sick leave for every month he or she has worked. Workers can claim sick pay from the first day of illness, and are only obliged to produce a doctor's certificate if they are ill for three days or more. The employer administers sick pay and bears the full cost.

We compared these benefits with the benefits to workers under one particular sick pay fund.

The Sick Pay Fund

Under this sick pay fund, the workers pay between 5 cents and 28 cents a week depending on their wages, which vary from about R20 to about R75 a week. The great majority of the workers earn less than R30 a week. Employers pay a flat rate of 4c for each contribution made by the workers in their factories; that is, they

The Industrial Health Research Group aims to provide a service to worker organisations on matters related to health and safety. It is based at the University of Cape Town's Sociology Department. This article was collectively written by members of the group Jud Cornell, Aide Kooy and Jonny Myers.

pay 4/9 or less of the total joint contributions from employers and workers. More recently the employers have been paying equal contributions to those of the workers, but for the period from which these statistics were drawn the above contribution structure was operative.

Workers are entitled to 15 days of sick leave a year, paid at 70% of their wages. In exceptional circumstances (illness lasting several months) they may be granted an additional 15 days at the same rate. Workers may only claim sick leave after they have worked for two months; after this time they may claim up to the full amount even if they have not worked a full year.

Sick pay is paid from the day on which the worker sees the doctor. If a worker is sick for 3 days but only visits the doctor on the second day he or she is only paid for 2 days sick leave.

Workers cannot claim for illnesses lasting one day. The only time they receive 1 day's sick pay (see Table 1), is when they visit the doctor on the last day of an illness of more than one day's duration. To receive sick pay, workers must produce a doctor's certificate.

It should be pointed out that the industry in which this fund exists has an agreement with slightly better conditions than the Factories Act provisions. In particular, workers may claim up to the full period of sick leave after working for one month. In this agreement it is specifically stated that any sick pay fund in the industry should not be less favourable to workers than the provisions of the agreement.

Consequently our comparison of the fund with the Factories Act is if anything an understatement of the disadvantages workers experience in the fund.

The distribution of sick claims

We looked at a random sample, stratified by factory, of claims by 200 sick pay fund members over a one year period in 1979. The results of this survey are contained in the tables. The vast majority (88 percent) of the workers claimed for one illness only during the period.

All these workers work a five-day week. Under the Factories Act they would be entitled to 10 days a year; under the sick fund they are entitled to 15 days a year. This looks like an improvement on the Factories Act provisions. However, the Factories Act lays down that workers be paid their full wages while sick, but under the sick fund workers are only paid 70% of their wages.

This means that a worker does not necessarily benefit from being able to draw sick leave for more than 10 days. For example, a worker earning R25 a week who claims for 11 days would be entitled to R38,50 under the sick fund, for 12 days R42,00, for 13 days R45,50 and for 14 days R49,00.

In all these cases the worker would have received more money – R50 – under the Factories Act (which entitled him or her to 10 days on full pay). It is only if the worker claims for 15 days (when he or she would get R52,50 under the sick

fund) or longer, that the sick fund pays out fractionally more.

Very few workers (13 percent) claimed for longer than the 10 days to which they would have been entitled under the Factories Act. 87 percent of workers claimed for 10 days or less under the sick fund for which they would have been entitled to full pay under the Factories Act. Less than 10% claimed for 15 days. Only one worker drew sick pay for more than 15 days, under the provision for exceptional circumstances.

Thus almost all workers do not seem to have benefitted under the sick pay fund as much as they would have under the Factories Act.

We noted that many workers had not claimed at all in 1979, but the recording system did not enable us to quantify those not claiming, nor the sickness absence rate.

It is important to note that most claims are for a short period of time. Nearly 70 percent of workers claimed for five days or less. One third claimed for three days or less, and a quarter for three days.

The benefit paid out – Sick Pay Fund versus Factories Act

The way the fund works, paying out only 70 percent of wages, excluding one day illnesses, means a substantial loss of earnings for sick workers. This might explain, particularly for workers who are in any case low paid, why so many workers claimed so little sick leave or none at all.

Columns 6 and 7 of Table I show the comparative sick benefits under the sick fund and the Factories Act respectively. In the case of an average worker claiming for three days, the average sick fund payment was R11, while the average under the Factories Act would have been nearly R16. For workers claiming for four days, the difference would be between R16 and nearly R23 and for those claiming five days leave between R17 and more than R24. The averages under the Factories Act are always larger except in the case of workers claiming 15 or 30 days sick leave.

Of the 200 claims only 18 were for 15 days, while only 1 (0,5%) was for 30 days. In any case, the advantages to them of being able to claim 15 or 30 days instead of the Factories Act 10 days were very small in money terms. Only the single worker who was awarded 30 days sick leave under the sick fund can be said to have benefitted in any important way.

Who pays for the sick benefits to workers?

These differences between the sick fund and the Factories Act sick pay provisions are intensified by the fact that the workers as a group pay more than half of the contributions to the sick fund, while under the Factories Act the employer bears the full cost. For example, in 1980 the employers contributions amounted to only some 41 percent of combined worker and employer contributions.

Column 8 shows the percentage increase in benefit that workers would receive under the Factories Act on the sum they actually receive from the sick fund, for

each claim category. Only 9,5 percent of the claims are not lower under the sick fund. For the 9 percent claiming for 15 days, the benefits are only higher by 5 percent.

Since the workers themselves pay half or more of the contributions to the fund the real percentage increase under the Factories Act benefits (for which the employers are fully liable) on the actual benefits paid by the employers (half or less of the claim money) is even greater.

Table II, column 4 shows the percentage increase in benefit for each claim category. Now it can be seen that real benefits under the sick pay fund are substantially lower *including* the one claim for 30 days. The great majority of benefits, which are for short periods are very significantly lower. The real benefits to the workers are never higher than the Factories Act provisions, not even for a long period of illness. It is also noticeable that the shorter the claim period, the greater the loss of benefit to the worker.

What conclusions can be drawn?

In this article we have only looked at the financial implications of sick pay funds and Factories Act sick leave provisions. There may be a number of other considerations which affect decisions about the advisability of a sick pay fund. For instance it is often trade unions as well as employers who agree to enter into sick pay funds, where often it is only the unions which have the workers' interests at heart. These considerations may include the benefits of worker control over sick payments and the disadvantage of the fund bearing the administrative costs. But it is clear from this short analysis that there are some questions which must be considered in working out whether a sick fund offers real financial benefits to members.

- 1) Any fund which pays out a maximum amount which is less than or equal to 10 days at full pay for five-day a week workers, no matter how much longer than 10 days sick leave is paid, cannot improve on the Factories Act benefits for members as a group or individually. For example, under this fund a worker earning R10 a day would claim in a year a maximum amount of R105 (15 days @ R7 a day). Under the Factories Act the same worker could claim R100 (10 days @ R10 a day). In other words, the maximum amounts claimable are much the same; under the sick fund the amount is simply spread over a longer period. Moreover, the workers pay more than half of this amount themselves in contributions.
- 2) The question of worker contributions is important as under the Factories Act the workers do not contribute at all to sick pay. This means that under the sick fund a part of the employers' financial obligations under the Factories Act are paid by the workers in the fund. For example, the employers should be paying R5378 (Table I col. 7) in *toto* to the 200 sick workers. Under the fund they

pay only R1895 (Table II col. 2). This represents a saving to the employer of R3483 (see Table III).

- 3) It is important to find out the proportion of workers claiming sick pay for each claim category. If most claims are for periods shorter than the Factories Act 10 days, it is unlikely that workers will benefit from such a sick fund.
- 4) In general, the percentage benefits paid out in each claim category should be roughly equivalent to the percentage of claims in that category. For example, in the fund 26 percent of all claims, those in the three day category, are getting only 14 percent of the money paid out.
Since not all workers claim sick pay in a year, their contributions subsidise those who make claims. It is not right that the majority who are sick for shorter periods should subsidise those few who are sick for much longer periods.
- 5) A fund which pays out less than the full amount tends to make it difficult for workers to take time off to recover from the commonest and shortest ailments such as 'flu. This could be expected to damage their health. Such an effect is intensified when as in the sick fund, workers who are ill for one working day (including those who have a two or three day illness spanning a weekend, and those who have to visit a clinic or hospital) do not get paid at all.
- 6) If there is no medical benefit scheme in the industry, and doctor's certificates are required from the first claimable day, this means that workers are obliged to pay fees to a doctor or clinic, even for illnesses which are so short that the sick leave paid is very little. This cost can offset the sick leave payable.
- 7) In the case of this particular sick fund it seems that the effect of all these provisions is to make it difficult for low paid workers in particular, to take time off sick, which is their legal right under the Factories Act.

Notes to Table I

Column 1: Number of days off sick claimed for in terms of the Sick Pay Fund.

Column 2: Number of days which would be paid under the Factories Act.

Column 3: Number of claims made by members during 1979 in each claim category. Multiple claims have been added to produce a yearly claim.

Column 4: % distribution of claims according to time off sick.

Column 5: Total amount paid out by the Sick Fund for members in each claim category.

Column 6: Average Sick Fund pay received by a member in each claim category.

Column 7: Estimate of what the average member in each claim category would receive from the employer if the provisions of the Factories Act were

applicable.

Column 8: Percentage increase in benefit to members of Factories Act Pay (Col. 7) on Sick Fund pay received (Col. 6).

Notes to Table II

Since employers contributions in 1979 were 4/9 or less of total contributions, we have assumed that all income and expenditure from the fund can be divided up in this way:

Column 2: then represents the share of the employer in benefits paid out (Col. 6 Table I)

Column 3: Estimates of what the average member in each claim category would receive from the employer if the provisions of the Factories Act were applicable.

Column 4: Percentage increase in benefit to members of Factories Act pay (Col. 7 Table I) on employers share of sick fund pay (Col. 2).

TABLE I : Distribution of claims according to days off sick over a one year period (1979) in a sample of 200 members of the Sick Fund							
1	2	3	4	5	6	7	8
Days off sick fund	Sick claimed FA	No. of total annual claims per category	Percentage of all claims in sample	Total sick fund pay per claim category	Average individual sick fund pay per claim category	Estimated individual average pay under FA per claim category	Percentage increase in FA benefit on sick fund benefit
1	1	5	2,5	R 16,51	3,30	R 4,71	43
2	2	12	6,0	99,75	8,31	11,87	43
3	3	52	26,0	572,24	11,00	15,71	43
4	4	32	16,0	511,58	15,99	22,84	43
5	5	38	19,0	646,40	17,01	24,30	43
6	6	12	6,0	250,11	20,84	29,78	43
7	7	9	4,5	235,85	26,21	37,44	43
8	8	4	2,0	145,92	36,48	52,11	43
9	9	6	3,0	187,90	31,32	49,71	43
10	10	4	2,0	147,80	36,95	52,79	43
11	10	3	1,5	114,41	38,14	49,53	30
12	10	1	0,5	38,40	38,40	45,71	19
13	10	2	1,0	90,96	45,48	49,98	10
14	10	1	0,5	44,30	44,30	45,20	2
15	10	18	9,0	996,49	55,36	52,72	-5
30	10	1	0,5	84,10	84,10	40,05	-52
TOTALS:		200	100,0	4182,72		5377,84	
WEIGHTED AVERAGES:					20,91	28,66	137
							5,6 DAYS

TABLE II : Employers' Contribution to Sick Pay under the Sick Pay Fund and Factories Act Sick Pay			
1 Claimed Days of F Sick	2 Employers' Share of Sick Fund Pay (4/9) for average claim	3 Sick Pay under the FA paid 100 percent by the employers for average claim	4 Percentage Increase in FA benefit employers' share of Sick Fund P
	R	R	
1	1,47	4,71	222
2	3,69	11,87	222
3	4,89	15,71	222
4	7,11	22,84	222
5	7,56	24,30	222
6	9,26	29,78	222
7	11,65	37,44	222
8	16,21	52,11	222
9	13,95	44,74	222
10	16,42	52,79	222
11	16,95	49,53	192
12	17,07	45,71	168
13	20,18	49,98	148
14	19,69	45,20	130
15	26,60	52,73	98
30	37,38	40,05	7
TOTALS:	1895,05	5371,75	
WEIGHTED AVERAGES:	9.29	28,66	208

TABLE III : Total Benefits to the 200 Workers in 1979		
Total amount that would be paid by employers under the Factories Act	R5377,84	
Total amount paid in sick benefits by Sick Pay Fund (employers and worker contributions)	R4182,72	
Amount lost in benefits to workers under Sick Pay Fund compared to the Factories Act	R1195,12	
Total amount actually paid by employers in sick benefits under the Sick Pay Fund	R1895,05	**
Actual amount lost in benefits to workers under the Sick Pay Fund	R3482,79	**
<p>** This amount is calculated at 4/9 of the benefits paid out. When one considers that in 1980 the employers' share of contributions was less than 4/9 these figures underestimate the losses to the workers slightly.</p>		

Footnotes:

- 1) Factories, Machinery and Building Work Act, 1941.

From Laser to the Candle

**ILANGA LE SO PHONELA ABASEBENZI:
An Example of the Devolution of Theatre.**

Keyan Tomaselli

South African society is unique. Politically it is complex, socially it is contradictory, economically it is divided by class and artistically it is still in a state of becoming. Televisually, we are a controlled media experiment, cinematically we are ideologically guided, and artistically we are escapist and safe in our landscapes and wildlife, or brutal and superficial in our tortured political sculpture and contorted images. On a theatrical level, the dominant class is bereft of ideas as is indicated by the continual resurrections of Shakespeare who is generally refined beyond redemption, or we plunder the surface of reality of biographical and psychological detail, encoding them into bedroom farces or the endless permutations of Alan Auckbourn. The result is "thee-tah" rather than theatre, esoterica rather than life and escape rather than confrontation. Theatre in Western consumer society has lost sight of its roots, it has become a commodity and willingly trades off its integrity for profit. Its educational function as identified by the ancient Greeks is lost and replaced by the gladiatorial competition of Roman circuses where the audiences are fed the gory ostentatious results of their social system consequent upon the economic interests of big business. What was horror to the gladiators and Christians being devoured by the lions was normal to the Romans who, morally corrupt, elevated such inhumanity to the level of 'entertainment'. In South Africa, for example, where there was once the inviolate ancestral grounds of Chief Pilane's tribe, there is now 'Sun City', populated not by Roman lions, but with 'Mangope's (wild) pets', and frequented by gauche white South African 'foreigners',¹ armed with their 'passport to pleasure' who are aspiring to enter the glittering gateways of the *international set*.

It is this concept of 'entertainment' which has bedevilled dramatic criticism since capitalism subsumed the dramatic form as a commodity. Theatre is now measured in terms of its entertainment value and box office returns. Performance *per se* has been replaced by the performance of the box office, an inevitable consequence when 'art' is penetrated by capital and transformed into a commodity. As such, it is accessible mainly to the privileged strata of society since it is unlikely that the working class is able to afford the admission prices or be able to identify with what goes on on the stage. This type of theatre is thought to have something to do with 'refining the senses', with 'intellectual development' and with 'cultural advancement'. All of these functions appear to be necessarily esoteric, requiring a

divorce from the very life from which theatre draws its origin and sustenance. This dislocation is further enhanced by Western technology which has removed us from our roots substituting a mediated reality by rarifying experience into metaphor, offering relations of likeness rather than connecting the spectator through metonymy where he/she becomes a participant in the performance itself. In such cases the emphasis is on the part-whole relationship of art and life. Technology has many forms: architecture, interior design, computers, lasers, revolving stages, overhead lighting grids, cranes, spotlights, houselights etc. A corollary of this type of technology and theatre architecture can be found in the linguistic structures of everyday life which seek to separate out 'backstage' from the 'frontstage', performers from audience, and real life from 'settings'.

While technology can assist the artist or dramatist to explore new horizons, to reflect new concepts and hitherto undiscovered depths of molecular realities, it can also distance, obfuscate and make opaque the actual social experiences that dramatists might be trying to unravel. That technology is able to blend art with function and machine to enhance the quality of life can be seen from the work of Walter Gropius and his Bauhaus architects. One of the results of his designs was that technology becomes a form of sense-experience and experience a form of technology which work synergetically to blur the distinction between art and life. As used by Western capitalist society, however, technology serves primarily to exploit and to re-produce the dominant relations of production. Theatre thus becomes an ideological tool in the hands of capital. It educates an audience of passive consumers, spoon-fed with 'entertainment' which mediates social roles and delimits class experience. The machine and technology, implemented by the working class, are thus used against them to persuade an audience drawn from the dominant classes that their very dominance is a God given task that is natural, inevitable and desirable. One has only to look at the State Theatre in Pretoria and the Nico Malan Theatre in Cape Town to see these relations in operation. Initially opened to whites only, they are crammed with sophisticated technology which demands a content derived from the capitalist relations of production. Technology then, in capitalist society, far from extending the range of signs available to the artist, restricts them in terms of the inherent ideological implications of the technological process. Technology thus functions to break down the unconscious, reorganise it and recombine it in ideological forms that structure the external world. As humanity and, by implication theatre, become more technomorphic, performance outside of a building specifically designed for the purpose is either ignored or prepackaged as 'street' or 'guerilla' theatre. Whereas the theatre building functions to separate the audience from the players and entrench the distinction between art and life, these latter styles of theatre are an attempt to overcome this distinction, to draw attention to specific problems in society and to conscientise the public to alternative everyday forms of theatre. Such theatre, however, remains a novelty unless it is a spontaneous expression of discontent such as the

war dance enacted by the striking workers in front of Department of Labour officials at an iron foundry which later coalesced into the play, *Ilanga*.

The very strengths of dramatic art are sublimated by technology which constrains 'art' to reflection only. The essence of theatre, however, is that it not only reflects reality but is able to mediate reality, to cause a change in the quality of life and to interact with society at large. The nature of this mediation will become clearer in the discussion to follow on actor and audience participation in *Ilanga*.

Authentic black theatre stands almost alone in its consistent achievements as a medium of working class expression. It has largely been able to resist the bland homonegizing influences of capital, but often what starts out as working class theatre, is coopted by capital into an alliance, albeit an uneasy one, where content might reflect decontextualised aspects of conditions of existence without alluding to the causes of those conditions (eg Gibsen Kente's *Mama and the Load*). The cogency of art, therefore, may be determined by the degree to which it exposes actual conditions of existence, their origins, how they are conformed ideologically and what their social effects are. Working class theatre in South Africa is thriving and is, moreover, nourished by the very social formation and ideology which suppresses so brutally the majority of people who live and work in the country. Generally found in countries with long standing social problems where there are harsh class conflicts, this type of theatre thrives under political despotism. The content of such theatre is endemic to the specific social formation: it is there waiting to be discovered, given form and communicated to a participant audience who are themselves part of that content. This interaction with actors is a cathartic experience which works to mitigate their lot in a performance which sees no separation or distinction between actor and viewer, stage and life or performance and reality: they are all part of the whole (through metonymy), playing interchangeable roles which inter-connects art with life. This relationship is succinctly stated by Shakespeare's Jaques:

All the world's a stage
And all the men and women merely players
They have their exists and entrances
And one man in his time plays many parts.

Computer technology, as it is employed in much theatre, particularly PACT for example, vitiates this relationship and has redefined it to "All the world's a computerised stage". This is the title of a conference to be held in August this year by the Institute of Theatre Technology at the (whites only) State Theatre in Pretoria.² It is a prime example of where technology serves the interests of ideology and mediates a reality contingent upon the economic and political interests of state.

Third World theatre is a reaction against this technological fantisation and seeks to rediscover history from the point of view of working class culture. Almost

independently, it has traversed the path of early Greek theatre working as an information processing centre which spreads outwards from the group of performers into the wider community sensitizing workers to their lot and suggesting ways of improvement. This type of theatre, which I have elsewhere labelled committed theatre, seeks to make the viewer perceive, from the inside, the ideology which has brought about existing conditions of existence. *Ilanga* may be conceptualised as committed worker theatre. This play arose out of the frustrations of a trade union lawyer (Halton Cheadle) who devised a role playing exercise to facilitate successful communication with fifty-five black iron foundry workers who had been arrested and assaulted by the police for allegedly striking illegally. During the pre-trial period it became clear to the lawyer that his clients had no understanding of courtroom procedure, the desirability of corroborative evidence, accurate statements and the importance of witnesses. Halton Cheadle outlines how the play arose out of the capital-labour conflict so characteristic of worker theatre in South Africa:

In preparing their defence, the meetings (between the Metal and Allied Workers Union shopstewards and management) and the strike were reconstructed in order to get proper statements from the accused strikers. During this reconstruction, the workers did not merely restate what was said, but started assuming roles. The idea of the play arose out of this. The Junction Avenue Theatre Group assisted in setting up a theatre workshop with some of the strikers. The play grew from the workshop. The plot closely followed the events of the foundry – the worker-actors strongly resisted any alteration of reality.

The plot of *Ilanga* has been described in a previous issue³ so I will confine myself to a discussion of the play's genesis and how its structure has been altered to suit different audiences to whom it has played.

In *Ilanga* we are dealing with the concept of theatre in its widest sense. This idea assumes that most of human social activity can be regarded as types of performance and that such performance does not need to be located on a stage to be termed theatre. Since reality is experienced through the mediating structures of language, it may be defined as a complex system of signs through which the real is *made*. The individual's perception of the meanings of these signs is ideologically determined. All actions, whether on a stage or anywhere else, are encoded with signs, and this definition of performance goes beyond metaphor, where the world is like a stage or stands for a stage, but instead uses the metonymic device of stating that the world *is* a stage. This allows us to considerably expand the notion of 'theatre' to include the expression of everyday events such as the actions of iron foundry workers, miners (eg *Egoli – City of Gold*) or prison farm labourers (*Imbumba*).

The play, *Ilanga*, was derived from the initial role playing exercise which formed

the basis of the courtroom evidence in the defence of the alleged strikers. *Ilanga* went through a four-stage transformation in its development from strike to theatre. All of these stages, however, were types of performance and are contributors to the structure of the play. The four stages were:

1. The initial trade union activity which took the form of meetings with management over a period of time. The last of these meetings was interpreted as a strike by management. By calling the police, this led to the second stage.
2. The trade union lawyer was called in to defend the accused and obtained information about the event through a re-enactment by the workers who had been arrested.
3. Communication of events leading to the meeting or strike was performed in court for the magistrate. At this pre-theatrical level, that is during the performance in court, the actors (iron foundry workers) and director (Lawyer) articulated their positions and contradictions to the audience (the magistrate). At this level, performance is a mediation rather than a reflection, for the outcome of the judgement has obvious implications for the lives of the individual defendants.
4. Once the idea arose to perform the incidents outlined in court in front of a worker audience in a union hall, the performance becomes a play. This brings the transformation to the final stage: The enactment of aspects of the previous events in a union hall. It now becomes theatre. The common denominator through all these stages then, is the notion of performance.

In *Ilanga*, the performers are the same people who were arrested, tried and convicted. Their original audiences were drawn from workers on the East Rand who had all experienced similar industrial conflicts and who comprised the same class. Under these conditions the performers are both actors and actants, dramatists and characters; their roles are interchangeable: the characters play themselves and enact their lives before a participant audience which is drawn into the structure of the play. They are consulted about strike issues, they are sworn at, they denounce the black Department of Labour character as a sellout etc. This metonymic relation between the performers and the audience is further facilitated by the architecture of a union hall which is not deliberately designed to separate the actors from the audience. Cheadle explains the case with *Ilanga*:

Part of the problem with a stage is that you don't get a sense of the activity or ambience of a working environment. We wanted to make the audience a part of the performance. Originally, we had the petty bourgeois SEIFSA recruiter sellout come on and face the actor-workers. We changed that. Now he addresses the whole audience and the workers, who were on the stage, "go and sit in the front row." The crucial thing was to get the audience to participate in rejecting

this character. Two of the performers never go on stage but sit in different places in the audience and would heckle and shout. They would be seen as part of the audience. Well, the response was absolutely spontaneous. We didn't even need those actors to sit in the audience because the whole audience just booed the petty bourgeois sellout as soon as he appeared. He tries to speak to the audience, saying "My black brothers I come from SEIFSA, an employers organization, my name is Msibi . . ." Then one of the audience actors says, "Can I ask you a question Mr 'Thebehali'?" Msibi retorts, "My name's not Thebehali, it's Msibi." By this time the audience is thoroughly involved, and they all shout out their sellout's names which causes endless hilarity. And then we began to find out all the in-jokes amongst the workers and the union committee. And the petty bourgeois SEIFA representative keeps denying that these are his names: "I'm one of you," he pleads.

Other incidents which are acted out in the play are all drawn from worker experiences which have occurred in the foundry. Without this participant audience the play loses its essence and vigour. During the actor-audience debate of whether to strike or not the argument may go on for up to half an hour. There are a number of monologues by different workers who would describe life in the foundry and the misery of hostel accommodation. The first character is fatalistic, the second is a 'joller' who 'ducks and dives', and the third is a union representative who complains "You have given up and you are just ducking and diving. The real answer to our problem is a collective struggle". Cheadle thus describes *Ilanga* as "a totally didactic and propagandist play".

While the play is performed for a participant audience drawn from the same social class as the actors it functions metonymically, connecting actors and audience to each other thereby integrating them with the everyday experiences of life itself. Once the play is moved from this organic environment and transplanted into a more conventional theatre such as The Box on the Wits University campus, architecture, technology and functional divisions suppress the spontaneous metonymic components which are replaced with a more controlled metaphorical mediation of the play. The audience remains the audience, the actors are only actors and the content is interpreted as something separate from everyday life. This discontinuity is further strengthened by the fact that the original participant-actors, having lost their jobs, were endorsed out of the area, since they were not allowed to remain there for more than 72 hours after dismissal. Some continued in the play, their incomes being supplied by an entrance charge, while vacant roles were filled by members of the Junction Avenue Theatre Group. Once this process began, the original intention of the play was diluted and a degree of institutionalization began to be introduced.

The composition of the audience also contributes to this art-life dislocation for there is now a class conflict as it is unlikely that the petty bourgeois (mainly white) elements of South African society who would see the play in this environ-

ment would relate to calls for strike action. They certainly would not participate as the black working class audience did for they have nothing to relate to. Most, if not all of what the play dealt with would be outside their social experience. Thus, when the play was staged on the Wits campus, it had to be considerably restructured to meet the conventions expected by the now predominantly white audience. As Cheadle remarks, white audiences would probably be opposed to striking and rarely think of such action, whereas black workers consistently discuss whether, where and when they might strike. In order to resolve these issues where a white audience was present, one of the actors in the audience would say that it is better to go back to work and threaten to go on strike in a week's time unless In the conventional theatre the play is uncomfortable and uneasy. The lack of a participant audience, the loss of metonymy and the fact that much of the play is in Zulu reduces its subtlety and techniques which worked in a union hall become crudely propagandistic and amateurish. The monologues where the three workers address the audience look contrived where they were previously spontaneous; where the audience in the union hall joined the actors on stage in discussion and argument during tea time (interval) now the play runs continuously without a break for the petty bourgeois audience wouldn't know what to talk about and would more likely escape into the fresh air outside for a coke and a smoke. These observations, of course, raise the question of whether or not this kind of theatre should be staged for the benefit of whites at all. The dramatic changes which are required to make the play sensible to such an audience definitely vitiates the structure of the play and affects performances.

Ilanga has done its job. It has run its course and finished its cycle. To try to resurrect it under alien circumstances will ultimately destroy it and force it into the very world of theatrical convention and commodity exchange it is seeking to overcome. Yet elsewhere other plots are bubbling as worker theatre rides the sea of labour discontent. Certain incidents stand out, for example, the issue of pension funds provides one possible 'story line'. Cheadle elaborates:

Black workers are being coopted into the total strategy through management who are trying to compel workers to belong to pension funds. This raises the issue of where pension funds invest their capital. They invest it in government stocks. The irony of it all is that workers are providing a form of capital accumulation at the expense of their exploitation.

The issues are multiple. The theatrical challenge is whether the candle of liberation can overcome the slavery of apartheid based capitalist technology. The final question: will worker theatre be able to supercede the anaethitizing effects of the State Theatre technocracy and hasten its disintegration, as this symbol of white supremacy falls prey to the destructive energy of its own lasers and remote controlled computers?

References and Notes

1. 'foreign' in the reciprocal sense that Tswanas are 'foreign' in South Africa.
2. *The Star* (Tonight) 25.6.1981 aptly reports: "The use of the new State Theatre is appropriate as its architectural design and modern equipment lend themselves to the symposium theme".
3. See Molepo, M.M. 1981 for a review of the play. *South African Labour Bulletin*, Vol. 6, No. 6, pp.49-51.

LABOUR BRIEFINGS

Strikes in the Motor Industry

The recent strikes at Sigma in April and Leyland in May, although at opposite ends of the country, in Pretoria and the Western Cape respectively, follow a similar pattern. Although seemingly spontaneous, this resemblance may be due to their later direction by the same Union, the FOSATU-affiliated National Union of Motor Assembly and Rubber Workers (Numarwosa). They were both triggered off by dissatisfaction over wages, intensified by the introduction of the living wage concept as a result of struggles in the motor industry in the Eastern Cape. After the workers staged a work stoppage, capital's response was consistent; in each case, management refused to negotiate until workers returned to their jobs, and when their ultimatum was rejected, dismissed the workforce *en mass*. Management justified their non-negotiation stand in both strikes by reminding the Union of its previous agreements. At Sigma, the Union had accepted to participate in the Liaison Committee, and recognition was delayed until it could prove majority support. At Leyland, Numarwosa had accepted minimal increases in December 1980 which were only to be implemented in July, given that the Company was in 'dire straits'.

Both worker struggles included campaigns in the local communities to discourage scabbing, and appeals to international labour bodies to exert pressure on the Companies. Neither Company conceded wage increases that exceeded their original offers. In the Sigma case, while the Union won recognition and the reinstatement of the majority of its workers, its factory committee was destroyed and the wage increase implemented did not even measure up to the unsatisfactory levels that initially triggered off the strike. The Leyland struggle continues, while the Company attempts to replace the majority of workers who remain on strike. Those recruited are being paid the present wage rate, and management stands by its decision to introduce the previously negotiated increase on July 1. The greater length of the Leyland struggle and the Company's stronger reluctance to make any concessions are differences that require probing.

Sigma

4 500 workers downed tools at the Sigma Motor Corporation's Pretoria plant on the 9th April. They demanded: (1) an across the board wage increase of R2 an hour, raising the minimum wage from R1,04 to R3 an hour; (2) recognition of Numarwosa, and (3) the suspension of the in-plant Liaison Committee and its replacement in negotiations by a workers 'committee of 20', democratically elected

by Union members at Sigma the day before the strike.

The Sigma workstoppage must be seen in the wake of a strike wave engulfing Pretoria. It began in November, triggered off by dissatisfaction of workers in the Motor Industry over discrepancies between wage levels in Rosslyn and surrounding areas (Datsun-Nissan and BMW) and those in the Eastern Cape. In the Volkswagen strike in July 1980, Eastern Cape workers introduced the principle of a 'living wage' and, after claiming R2 an hour, won a minimum wage of R1,48 an hour for all motor workers in the region. In the Transvaal, there is no binding Industrial Council agreement, and hence no uniform wage structure. So, for example, the 28% increase won by BMW workers bringing their minimum wage to the Eastern Cape level, was not automatically forthcoming for Sigma workers. Management at Sigma, conscious of its lagging wage rates, was adamant that 'we will not raise wages unilaterally as others have done . . . our increase will be decided in negotiation with majority worker representatives'.

At the beginning of April, the Company negotiated its wage and salary scales with a 12-man Liaison Committee. It rejected Numarwosa as unrepresentative, estimating its membership at 20%. The negotiations with the Liaison Committee were defended as being 'effective' because the Company had flown in an 'outside expert' to help the Committee prepare its case. The Committee requested a 50c an hour increase for all categories of workers, stressing the realistic basis of the demand. This would only cost the firm an additional R7m on its year-end wage bill, in contrast to the 'unrealistic' R2 an hour Union demand which meant an additional outlay of R28m.

At the outset of the strike, management refused to negotiate with the new Committee, maintaining that it intended to abide by only a transitional recognition agreement it had signed with Numarwosa at the end of 1980. The agreement allowed the Union immediate access to the plant and provided stop order facilities. In return, Numarwosa agreed to participate in the Liaison Committee system. When it had recruited 35% of the workforce, it could nominate two members onto the Liaison Committee, selecting a further one member for every 5% increase in membership. Once it had majority support, Sigma would recognise it as the sole negotiating partner. Management met Union officials on April 10th, requiring proof of its majority support before it was prepared to enter into negotiations.

Following the meeting, management distributed pamphlets warning workers that 'wage negotiations will only restart when employees are back at work, and normal production resumes'. However, the strike continued after the weekend.

On Tuesday the 14th, Numarwosa claimed majority support, submitting signed stop order forms as proof. The Union expected two issues to be resolved immediately: Union recognition and the suspension of the Liaison Committee. The same day, management gave workers an ultimatum to be back on the job on the 15th or face dismissal. While Numarwosa considered management strategy to be a breach of the agreement, Sigma viewed the resolution of the strike on the one

hand and the question of Union recognition as 'separate issues'. They viewed the strike issue as a priority, and only on the 16th did they formally announce that Numarwosa had failed to achieve recognition, having just over 40% support. The Union's response was to accuse Sigma of 'hiding behind formalities regarding representivity'.

On the 15th April, about 2 000 strikers gathered outside the factory for a report-back meeting on last minute attempts by the Union to persuade management to change its confrontation stance. These workers resolved to defy the Company's ultimatum: 'We will not touch a tool until they decide to consider our demands'. Very few workers went back to work. Management was equally adamant; the workers were said to have 'terminated their services by their own actions'. They would be paid off the next day and the recruitment of new labour would begin the following Tuesday. Striking workers could re-apply for their jobs without losing their service benefits (such as leave due, pensions, medical aid and sick pay) if rehired. However, after Friday 17th April, they would be treated as new applicants.

After the mass meeting, most workers dispersed peacefully as instructed by the Union. However, a number of strikers, en route to the township, rocked and stoned passing vehicles. One worker Paulus Mahlangu, was shot dead when a woman motorist, said to be a Sigma employee, fired gun shots into a group of workers. Trade unionists condemned Sigma for 'helping to create a situation in which this tragic incident could occur'. Sigma would not comment, as the incident had happened 'outside our premises and our jurisdiction'.

Numarwosa made a further demand on behalf of the dismissed workers for their reinstatement, rather than re-employment. However, this was conditional on management first agreeing to negotiate the wage demand with the worker committee. The Union called on management to re-open negotiations.

During the weekend, the Union took the workers' case to the local community. A pamphlet campaign was waged in Mamelodi, Atteridgeville and Mabopane aimed at generating broad solidarity with Sigma workers. The pamphlet urged members of the community not to seek employment at the firm until the wage dispute had been settled. The campaign seems largely to have failed, as hundreds of workers queued for jobs on the 21st. They were protected by Company security guards and the riot police. The Company claims to have re-employed about 2 000 former employees. The number of new workers employed is difficult to ascertain. Many of the new workers were women, taken on at equal pay rates. At a mass meeting, about 2 000 workers once again decided not to re-apply for their jobs.

International labour intervened at this crucial moment. The International Metal Workers Federation (IMF) cabled Sigma management, demanding that it recognise Numarwosa and enter into immediate negotiations with the Union. It challenged Anglo-American, the controlling corporation, demanding that its Chairman, Mr Oppenheimer, 'put his policy decisions where his mouth has so often been in the

Finally, the 'waiting game', with both sides holding out in anticipation of the weakening of the other, was over. On 23rd April, management and the Union hammered out an agreement, which, when put to the workers, was accepted. The strikers streamed back into the plant singing freedom songs. Sigma had conceded to end negotiations with the Liaison Committee. It recognised Numarwosa on 28th April. Recruitment was then halted and the Union expected all workers to be reinstated. Management, however, refused to dismiss the unspecified number of new workers, hence several hundred strikers were not re-hired. The latter included 18 of the 'Committee of 20'. Numarwosa then demanded the reinstatement of all victimised workers before engaging in negotiations. However, discussions seem to have gone ahead without the re-hiring of any of the victimised. The disillusioned worker leaders who were formerly on the Committee have since approached the Motor Assembly and Component Workers Union (MACWUSA), a rival Union to Numarwosa, for assistance.

no agreement between the Union and management on wage rates could be reached. The Company, in line with its undertaking to announce wage increases by Friday, 8th May, declared minimum increases between 38c and 60c an hour depending on the worker's grade. Despite the Union having won recognition, the wage increase granted to workers is no greater than that demanded by the Liaison Committee (in fact, the latter demanded an across the board 50c increase per hour) which initially triggered off the strike. At the end of May, negotiations were still continuing over unsatisfactory wages.

Leyland

Within a month of the Sigma strike, while wage negotiations continued between Sigma and Numarwosa, another strike occurred in the Motor Industry. About 2000 workers, the majority of whom were Numarwosa members, went on strike at two plants of the Leyland Motor Company in the Western Cape. The Blackheath plant was brought to a halt on the 14th May, followed shortly thereafter by the plant at Elsie's River. The strike was triggered off after last minute negotiation attempts by shopstewards and the Union's secretary failed to gain higher wages.

Unlike the Sigma case, the Leyland strike focussed purely on wages; no other demands seem to have been raised. Moreover, rather than demanding a clearly stipulated wage increase, as was the case in Pretoria, the workers initially reacted against a 9c an hour increase due on July 1. This increase was granted as a result of a wage agreement reached with Numarwosa in December 1980. The Union maintains that it only accepted this small increase because it was persuaded that the Company had financial problems. It had warned the Company at the time that workers were not satisfied with the proposed increases.

Early in May, the Union notified management that the increase was 'too little, too late' and that workers were demanding higher wages due to rising costs. Numarwosa stated that they believed that Leyland could now afford such increases as

it was simultaneously hiring new workers. Management 'refused to budge' on the terms of the agreement. It called on the Union likewise to abide by the contract.

With this stalemate in negotiations, the workers took the matter into their own hands. On the 14th May they downed tools. The next day, the Company announced that it would not negotiate until all workers had resumed work, and it suspended workers for three days expecting them back on Wednesday, the 20th. According to management, this suspension was an agreed upon disciplinary procedure. The Union rejected this claim.

Numarwosa took a different approach to that adopted during the Sigma strike when workers stayed out. It advised workers to return to the factory on Monday the 18th, not to work, but to hold a meeting on the premises 'as a sign that we don't recognise management's suspension and are still employees'. The workers streamed into the Blackheath plant (they stayed away at Elsie's River), clocked in and changed into work clothes. At their meeting, they accused management of keeping the factory inoperative by refusing to negotiate.

On the 19th, the day before management's ultimatum expired, the workers decided to continue the strike until the Company agreed to immediate wage adjustments. Those few workers who did return on the 20th refused to operate their machines. Management declared the strike 'illegal'; accused the Union of being unable to represent workers effectively, as it had not honoured its agreement; claimed that the wages it paid were the highest in Cape Town and dismissed its entire workforce. It assured those dismissed 'who have shown a willingness to work' that they would be re-employed without loss of benefits, and announced that recruitment of new workers would begin immediately. Numarwosa retaliated by charging management with a lack of understanding of workers' grievances and acting 'incompetently throughout'; it rejected that Leyland's wages were the highest in Cape Town, and maintained that the Company would battle to hire new workers as there was already a shortage of skilled workers in particular before the strike.

Numarwosa organised meetings on the 21st and 22nd of May. Here workers resolved to continue the strike until their demands were met. A clearly stated demand for a 25c an hour increase was presented at this point, and the Union committed itself to establishing a R2 an hour minimum wage. A publicity campaign, as in the Sigma struggle, was organised to discourage the local community from applying for the assembly line jobs that Leyland had advertised. The Union also called for international support, but maintained that the success of the strike depended on the workers themselves, rather than the impact of such a campaign.

The International Confederation of Free Trade Unions (ICFTU) sent a cable of support and solidarity from its members. It also contacted Leyland, urging the reinstatement of all workers. Discussions were held between the ICFTU, the ILO and IMF on ways of co-ordinating pressure to be brought against South Africa. The Trade Union Congress (TUC) was to investigate whether pressure could be

exerted on British Leyland over its profit-making subsidiary on which the parent Company heavily relied. A deputation would be sent to the British Government which has a financial stake in Leyland, demanding a reason for its non-compliance with the EEC code of conduct. Later, on the 6th June, a meeting of the Combined Committee of Leyland Unions in Britain sent protest telegrams concerning the strike to Leyland management in Britain and South Africa.

Despite these efforts to force Leyland to negotiate with Numarwosa and to reinstate workers, the Company continued to take a hard line. It published a series of reports on its progress in recruiting workers, alleging that a quarter of the workforce had been replaced by the 22nd May, and three-quarters by the 27th. Leyland only seemed concerned that senior workers had not returned to their jobs. It was admitted that the Company had sent telegrams to these workers imploring them to return by June 1, and threatening that if they delayed beyond this date, they would forfeit their benefits. All workers had been taken on at existing wage rates. Leyland announced at the end of May that it had produced 250 vehicles during the strike and was confident of full production being reached early in June.

The Union rejected management's claim that currently it had 80 more workers employed than before the strike and that 1500 of these had been on strike; only 250 of the striking workers had returned. A number of these scabbing workers apologised publically for having gone back to the factory. They had left as soon as they realised that they had been tricked into returning. One skilled worker described how he was fetched in a 'shining white Rover', another stated that he had been offered three days pay to work on a Saturday. All asserted that 'the bosses are hard-up for skilled workers'.

The striking workers are now actively campaigning for community support. Other trade unions, religious organisations, students and the broader community have pledged solidarity with the Leyland workers. Support committees have been formed in areas where the workers live, and house visits and general meetings continue in an attempt to maintain the unity of the workers and discourage scabbing.

At present, the situation with regard to the motor strikes sees the continuation of negotiations over a wage increase in excess of the unsatisfactory rise granted (between Sigma and Numarwosa). A few hundred workers, including 18 of the 'Committee of 20' have not as yet been reinstated. Leyland management, on the other hand, have refused to negotiate with the Union, and attempts to replace the whole workforce has left Numarwosa and the dismissed workers seeking to maintain support for their continuing strike.

*BOOK REVIEW***Corporate Collaboration****P. M. Jackson**

Elizabeth Schmidt "Decoding Corporate Camouflage : U.S. Business Support for Apartheid," Institute for Policy Studies, Washington, 1980.

This monograph deserves far more attention than it is likely to receive. It is of particular importance to those analysts of South African affairs, such as Merle Lipton, who argue in favour of "constructive engagement", i.e., that economic growth in South Africa is leading to a consequential and significant change in the attitude and behaviour of important groups of capitalists. She claims that many are increasingly conscious of the fact that they lose from, and are thus tending to oppose key features of apartheid. Proponents of this view argue that change can be effected by cajoling so-called "progressive capital, both domestic and foreign, into co-operating with and supporting a programme for black advance."¹

In early 1977, the black civil rights activist, the Reverend Leon Sullivan, introduced his code for corporate reform. If implemented, the six "Sullivan principles" would lead to major changes in the industrial practices of companies operating in South Africa. The principles were heralded by business and U.S. Government leaders as a positive step in the direction of much needed change – a peaceful, non-disruptive solution to the South African problem.

Elizabeth Schmidt, a young American researcher deserves our thanks for her pioneering work in monitoring the impact of the Sullivan Code. On the basis of the evidence, it is difficult to deny her conclusions that the code's implementation is leading not so much to an elimination of apartheid, but to its modernisation and a perpetuation of its continuance.

The Sullivan Code is based on six principles:

- 1) The elimination of segregation in all dining, comfort and work facilities.
- 2) Equal and fair employment practices for all employees irrespective of race.
- 3) Equal pay for all employees doing equal or comparable work.
- 4) The introduction and development of training programmes to prepare blacks and other "non-whites" for supervisory, administrative, clerical and technical jobs.
- 5) A substantial increase in the number of blacks and other "non-whites" in management and supervisory positions.
- 6) Improvement in the quality of employee's lives outside the work environment in such areas as housing, transportation, education, recreation and health facilities.

Schmidt quotes a compliance report of the companies concerned claiming that 75% of the 244 companies had complied with the first principle on non-segregation of amenities and that the provision of such facilities was now "common" to all racial groups. As the author points out, such assertions are "extremely misleading". For the simple reason that while the majority of companies no longer post signs that segregate their amenities according to race, in point of fact, such amenities were still segregated. Segregation still takes place but under another name. 71% of the black workers employed by the companies concerned work in segregated workplaces — not because they are black, but because of the nature of their work. Most are employed in either menial or semi-skilled occupations, in job categories where there is not a single white worker. The changes initiated by adherence to the Sullivan code were purely cosmetic; dining rooms, toilets, and lockerrooms that were previously assigned for the use of black workers were redesignated, henceforth they were assigned to hourly paid workers; those previously reserved for white workers were set aside for salaried staff. Schmidt draws the only possible conclusion: "In effect, the system of discrimination on the basis of race has been perpetuated."

She is equally condemnatory in her review of the code's provisions in respect of equal pay: the majority of black workers were effectively prevented from undertaking work that was "equal" to that of the white worker, "equal pay for equal work" she insists was simply an empty slogan. The author draws attention to the "extremely grim" wage data provided by the Sullivan signatories. She notes that 95% of the reporting companies "paid their entry-level workers less than the Minimum Effective Level of subsistence for Johannesburg."

The extent to which the companies concerned had sought to enlarge job opportunities for black employees is revealed by the fact that 76% of the workers in the lowest job category were black; a mere 2% white, while 99% of the workers employed in the top job category were white, less than 1% being black. Of the 21 000 plus blacks working in the 244 reporting companies, 52 were being trained as managers and 103 as professional workers. In other words, only 0,7% of the blacks in signatory companies were involved in professional or managerial training programmes.

Schmidt draws attention to the fact that the compliance reports from the companies are misleading in their comparison of the benefits derived from the various training programmes. Her comment is apposite; she notes that "by choosing to report the number of black and white employees trained rather than the amount of money spent in training them, the compliance reports obscure the discriminatory nature of company practices."

By October 1979, over two years since the Code was introduced and ratified by companies, approximately one half of those reporting back to the monitoring agency were without blacks in either supervisory let alone managerial roles. As the author notes, the problem is complex: "White trade union opposition con-

stitutes a major obstacle to the employment of blacks in skilled, supervisory or managerial roles.” She insists that through seeking to ignore trade union legal obstacles to reform, the compliance reports “drastically misrepresent the potential for change in the black employment situation.”

Turning to the “Amplified Guidelines” of July 1978 which urged companies to acknowledge “the right of black workers to form their own unions,” Schmidt reports that by October, 84% of the signatory companies had failed to negotiate with any union — white, black or multi-racial — and only one company had signed a contract with a trade union.

The Sullivan Code also requires companies to assist their employees outside the working environment. Housing is one such area. The latest compliance report suggests that housing aid recipients received a token amount of assistance. The record in respect of educational assistance is equally dismal. She reveals that three-quarters of the scholarships distributed by the signatory companies had gone to white children.

Schmidt argues that the Sullivan Code “has smoothed the path of American companies who want to profit from the cheap labour economy of South Africa without interference from dissatisfied black workers or a critical American public” and points to the fact that the idea of adapting apartheid in an increasingly critical world by means of employment reform is not unique. She insists that similar techniques were used to smooth over the inequities of the American economic system throughout the 1960’s and 1970’s. Despite the climate of change, the passage of Civil Rights Acts, and the various attempts to turn the Equal Employment Opportunities Commission into an effective enforcement agency, the policy failed: there are few who would argue against the proposition that the inequities of American life are still found to be distributed largely according to race.

She concludes: “If signatory companies will not implement progressive practices on their own factory floor, it is preposterous to think that they will serve as a ‘progressive force’ in South Africa”. On the evidence contained in the various compliance reports the proponents of “constructive engagement” will be hard pressed to sustain their case. The employment practices of signatory companies belie their words. There are no equal employment practices in the South African subsidiaries of signatory companies. Equal pay for equal work, black trade union rights as generally understood, non-discriminatory hiring and promotion practices — all are virtually non-existent. As the author demonstrates, as long as the issue of citizenship is side-stepped and the question of economic justice ignored, American corporations and their European counterparts will continue to sustain the system of white minority rule. Their employment reforms like those recently announced in the South African Government’s Industrial Conciliation Bill will remain a sham — and the Sullivan Code together with other similar codes, a charade to disguise corporate collaboration with the apartheid regime.

1. See M. Lipton, “The Debate about South Africa: Neo-Marxists vs Neo-Liberals” *African Affairs*, Vol. 78, No. 310, January, 1979.