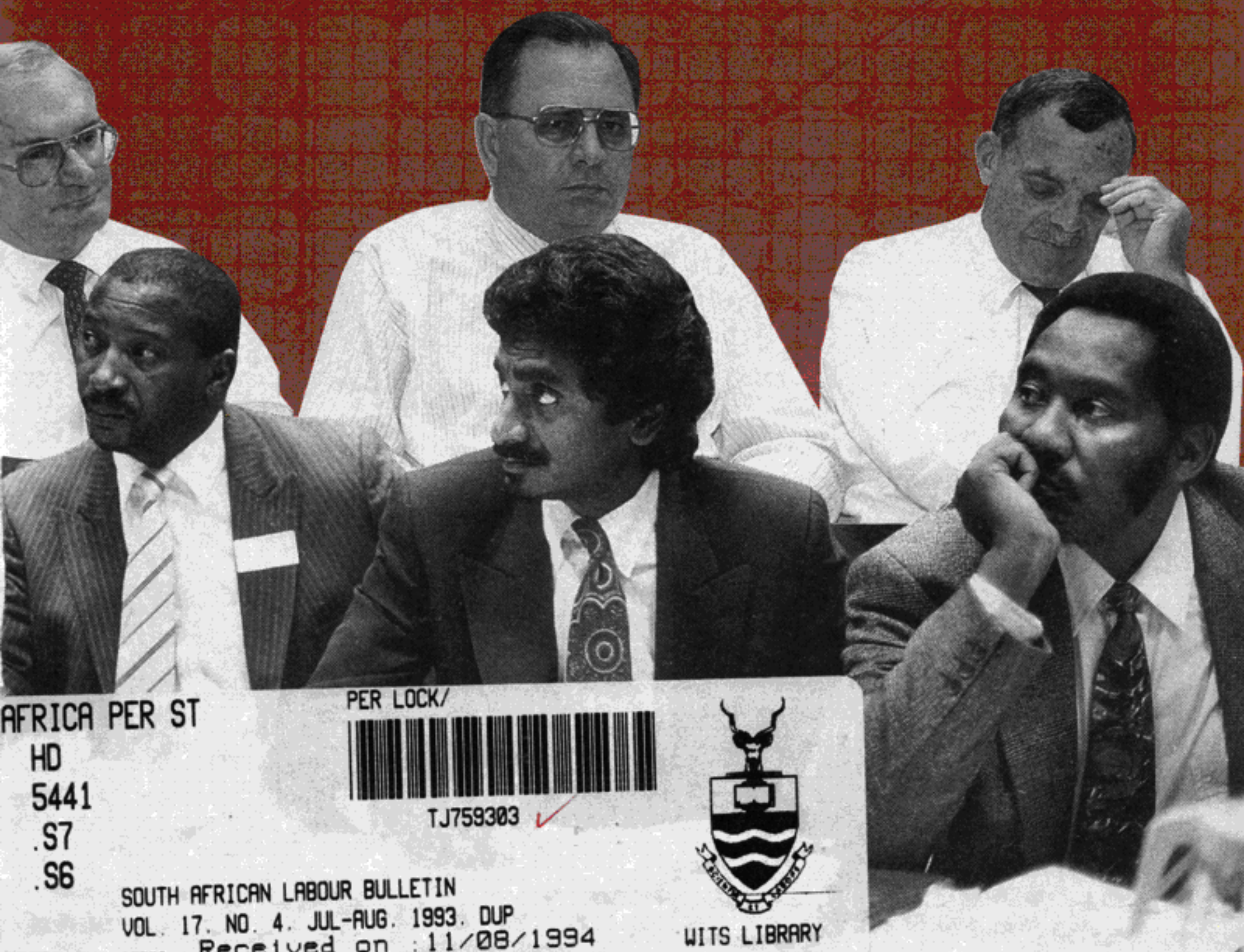


SOUTH AFRICAN
**LABOUR
BULLETIN**


Mayekiso
on NUMSA policy
Profit-sharing

July/August 1993 Volume 17 Number 4

The Rise of Co-determination?



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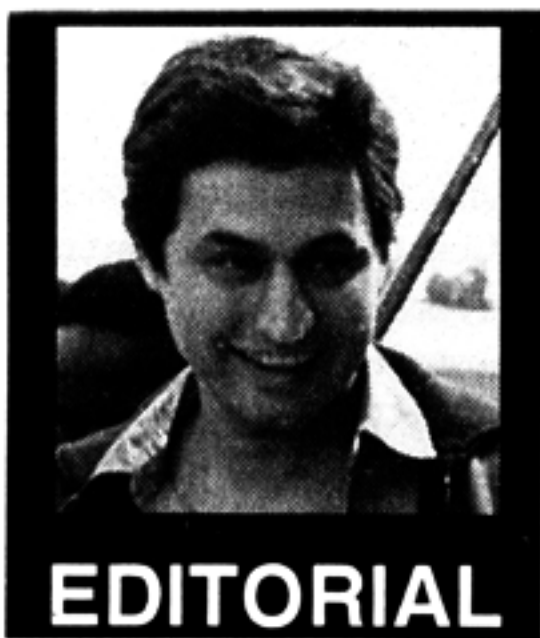
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Cover photos

William Matlala

Design and layout of this issue

MANIK DESIGN



SOUTH AFRICAN
LABOUR
BULLETIN

There is a trend towards co-determination in industrial relations. This doesn't mean the end of conflict between management and labour; merely that conflict is supplemented by the need for practical agreements to address common problems. A number of articles in this edition touch on this point.

NUM's Martin Nicol examines the profit-sharing schemes on the gold mines and what impact they are having on ordinary workers. These schemes are being closely watched by employers and workers in other industries, eager to see if they are worth imitating. Unionists Apollis and Ntshangase explore what participatory management means to workers and unions. It suggests ways for unions to respond; participating without losing their identity and organisation. And a piece by myself explores the disparity between the trend towards co-determination (or corporatism or concertation or tripartism) and why our existing industrial relations framework may make progress impossible to achieve.

These articles all reflect on where industrial relations is going. A piece by Macun on union membership reveals that growth has slowed down dramatically. While public sector unionism is still on the rise, manufacturing unions are generally declining in size. This has massive implications for the future, and for the balance of forces within the union movement.

★ ★ ★

Without a clear vision of the future the union movement is directionless in dealing with the practical problems of the day. The broader political and economic outlook of labour is the subject of the second theme of this edition.

NUMSA general secretary Moses Mayekiso, explains the background to the controversy

which has recently surrounded the union. Why has it hardened its economic policy outlook, calling for nationalisation without compensation? And what is its thinking about building unity on the left and the future of the tripartite alliance? His article is accompanied by a number of alternative viewpoints, from right to left, with the aim of giving readers an idea of the emerging debate on these issues.

The article from SACTWU presents a different view of economic policy; explicitly rejecting nationalisation as a useful instrument and opting instead for a co-determination approach. The economic debate within COSATU is clearly not over. But, in practice, the SACTWU position is increasingly predominant within the federation.

The debate over the future role of COSATU within the tripartite alliance is begun in this issue. While SACTWU and NUMSA call for an end to the alliance once ANC forms part of government, other unions do not foresee a parting of the ways... at least not yet. Perhaps understandably, the emphasis prior to April's elections will be on unity. But what happens afterwards?

There are clearly real problems to being in alliance with the party of government. What does it mean for trade union unity? And what happens when a predominantly ANC government offers public sector workers a low increase, as has happened this year?

On the other hand unions cannot expect to shape the ANC's election list and develop a reconstruction accord... and then withdraw from responsibility for implementation.

This is a crucial debate and the LABOUR BULLETIN hopes to carry contributions from across the spectrum in future issues. ☆

JEREMY BASKIN (guest editor)

Dear Editor

I was pleased to see the item on 'COSATU, the ICFTU and Dictatorship in Asia' alongside my own article in SA LABOUR BULLETIN for May/June 1993. But whilst my item allowed for the possibility of COSATU joining the ICFTU without conditions, the other one suggested it should not do so except on certain conditions. So I would like to add five points.

1. The proposal from the Asians/Australians that the ICFTU practice in Asia the 'free trade unionism' it preaches before COSATU considers joining the organisation seems to me both a principled position and a practical one. It rests on an understanding of globalisation and suggests how the ethical principle of global labour solidarity increasingly combines with the defence of worker living conditions.
2. The very fact that these unionists are appealing 'horizontally' across the Third World to COSATU represents an innovation in international trade-union politics. Relations, previously, have tended to be channelled 'vertically', via the international centres (Brussels, Prague, etc) or the continental ones (Accra, Washington or wherever).
3. Another innovation is in making such an appeal



- public. Traditionally relations between ICFTU member organisations, or between ICFTU and other bodies, take place out of sight (and out of control) of their own members and of national and international civil society.
4. Most important for me would be not the precise conditions on which COSATU (or any other such organisation) joins or refuses to join the ICFTU. It would be that the whole process take place in front of the workers concerned (in this case, those of South Africa, Asia, Australia – and the rest of the world!), and that it should increase their understanding of, involvement in, and control over their own international relations.
5. Finally, this. If 'free trade unionism' also means 'open trade unionism', the ICFTU must be prepared to enter into public dialogue with its critics – something it appears to fear as the devil does holy water. SALB has shown

itself to be the most open international labour forum for such discussion and debate. Unless and until the ICFTU enters such fora suspicion will remain that 'free' does not mean 'democratic'.

Peter Waterman

Institute of Social Studies
Netherlands

Dear Editor

There are at least two serious inaccuracies and one important omission in the article on Asian unions in the May/June issue. Firstly, whatever the historic roots of the Malaysian Trades Union Congress (MTUC), it is now carrying out a principled and progressive struggle for worker rights in Malaysia. Its president and general secretary have been publicly attacked by the Malaysian government for their outspoken advocacy of trade unionism especially in the electronics sectors in export processing zones. Zainal Rampak, the MTUC president, in particular, has carried out a courageous battle in Malaysian and international forums against massive pressure from his government and multinational employers. The last MTUC general secretary was imprisoned for several months in 1987 for his outspoken political opposition to the government – hardly a sign of yellow, collaborationist unionism. (Incidentally, am I your only

LETTERS

reader won't find offensive and racist the use of the term "yellow" when discussing Japanese and other Asian unions?). The comments about Malaysia reflect differences such as existed 20 or more years ago but are wholly wrong today. The ICFTU has been very forceful in its condemnation of the Malaysian government.

Secondly, Brian Fraser is the president of the Australian Metal and Engineering Workers Union, not Keith Peckham.

The omission is that no mention is made of the official state-controlled

unions in countries such as China and Vietnam which are now seeking to ingratiate themselves with foreign capital and consistently attack independent worker activity and organisation. US, Japanese and European multinationals are extremely happy with the pliant trade union organisations that are now acting as overseers of labour in China and Vietnam. The Chinese state's repression in Tianamen Square was aimed principally at the autonomous Workers Federations which in Beijing and other Chinese cities were being created by workers on

their own initiative. Today, it is workers who suffer most heavily from repression in China. China's forced labour camps contain up to 10 million prisoners. The Vietnamese government is still imprisoning people who publicly criticise its policies. Brutal Korean employers in Vietnam are allowed to beat up their workers without any protest from the state-controlled Vietnamese Labour Confederation.

Most big multinationals are now extending operations in Asia. Volkswagen has a plant in China and BMW will open one shortly in Vietnam. Robert Bosch is opening two new plants in Malaysia. McDonnell Douglas aircraft are assembled in Shanghai. Global capital is now working hand in glove with authoritarian and communist regimes in Asia and their puppet unions in a world wide campaign to drive down living standards and workers' rights.

Whatever your readers' views on the ICFTU, there is simply no other organisation existing, or about to come into existence, that links trade unions internationally at the level of national centres. The best way to push ICFTU (or any other trade union federation) in a desired political direction is to be part of it, working to achieve progress and workers' rights and support for independent worker organisation.

Denis MacShane
Geneva

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Soul music

The key issue for the left, as you all know, is "the battle for the soul of the ANC". Names are circulating of who the ANC should include on its election list in return for COSATU support.

Names put forward include, we hear, Jay Naidoo, Sam Shilowa, Chris Dlamini, Alec Erwin, Bernie Faneroff, Moses Mayekiso and many, many more. Now this is all very well. But REDEYE wonders what will happen if all of them do get elected. It seems there'll be not a soul left in COSATU! ♦

Learning fast

First Inkatha members started calling each other 'comrade'. Now the words on National Party lips are 'viva' – and its not the scratch card game, you understand!

When Dr Frik van Heerden, the National Party's MP for Bloemfontein North and its constitutional expert, arrived at SACTWU's recent conference on labour rights he was met by a group of toyi-toying workers. REDEYE hears that van Heerden scurried over to the only other white person in the vicinity. "Are they being stirred up?" he asked, anxiously.

He was told not to worry but apparently took the lesson to heart. When his time came



to speak he went up to the podium. His cry of "Viva National Party" was, we hear, met with great mirth ... and then a round of applause. ♦

Learning faster

The only problem is that the fashion-leaders in revolutionary terminology are changing even faster than the NP and IFP are catching up!

REDEYE visited Shell House recently for over an hour. Throughout the time there people called each other "chief", sometimes "doctor" (everyone's a doctor these days) and there were even a couple of "your excellencies" (not addressed at visiting ambassadors). Where have all the "comrades" gone?

And try phoning the Communist Party offices – "OK chief I'll give him your message" is the standard response. Is there a hidden CONTRALESA caucus we know nothing about? ♦

Snort en trane

REDEYE has been following the misfortunes which have befallen Brian Cutler, a well-known

management labour lawyer. Cutler was recently arrested and faces charges of dealing in cocaine. The highly-publicised arrest allegedly followed a shootout between police and his co-accused – also a well-known Durban lawyer.

Cutler was a union activist in the early '70s, went on to become a labour lawyer, began acting for management, and then developed a reputation as something of a 'union-basher' – your typical rags-to-riches nightmare.

REDEYE can only lament the way insensitive unionists seem gleeful at the misfortunes which have befallen their former comrade. One understands that, for unionists, the one thing worse than a company lawyer, is a company lawyer who used to work for the unions. However, celebratory parties are really most inappropriate comrades! ♦

Getting the message across

Do the National Party really think the boring Namibian flag will win them votes? Or perhaps they're planning to withdraw their forces to Walvis Bay when there's nowhere else to go?

Their latest effort is a poster campaign. Underneath the Namibian flag is the slogan – "For your place in the sun – vote NP". Their new image requires a Zulu version – "Ukuze uthole indawo ethi

wena, votela iNP". Only problem is this translates as "if you want your own place/property/piece of land, vote NP".

We don't know whether to award them the Peter Mokaba Trophy for Translating Your Way Into A Difficult Corner; or the Clarence Makwetu Prize for Contributions To Solving The Land Question. ♦

Lemmer's dilemma

REDEYE was having a drink the other day with Krisjan Lemmer over at the Dorsbult Bar. It's hard to believe some of the things he was saying.

Can it really be true that Weekly Mail staff are retrenched on the spot, without notice, hearings or severance pay? And surely it is only a rumour that contracts of employment are thin on the ground; and that staff frequently have to work public holidays, even when not chasing a deadline, and without the required overtime pay?

Nasty rumours I'm sure. The Mail would never commit an unfair labour practice or contravene the Basic Conditions of Employment Act! ♦

Language and liberation

Njabulo Ndebele is not the only one having trouble finding his way around the SABC and its language

policies.

Apparently black faces (and voices) are now desirable on SATV but only if their accents are white. It goes as far as black reporters covering stories which get screened on CCV, but are not good enough for TV1 until they have been given a 'white' voiceover.

Now, REDEYE hears, this

cultural equivalent of ethnic cleansing' has met its match at Radio Metro. Some black DJs at the station have been told to drop the private-school potatoes from their mouths (what about the pseudo-American drawls?) and speak in a way their township audiences can understand. ☆

COSATU RESEARCH CENTRE



COSATU is in the process of establishing a research centre. This will conduct and commission research of relevance to the labour movement.

The centre will be autonomous, publishing findings in its own name. It will encourage critical, original thinking on a range of topics in the industrial relations field and beyond. A key area of activity will be the analysis of the policies of other key players and policy development in all areas of interest to labour.

The centre hopes to employ a core of people able to conduct and manage a variety of research projects. A number of these posts will be very senior ones, calling for experienced and highly-skilled individuals. Other posts call for researchers with some experience in fields such as economic policy, industrial relations, labour law etc. Posts will become available over the next twelve months.

The centre will be an affirmative action employer, but will consider applications from suitable people of all races. The centre may also require international expertise where appropriate. The centre will pay decent (and negotiable) salaries to the right individuals. However these are unlikely to match the extremely high salaries currently being offered by the corporate sector.

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Congress Season

It's union congress time. Many of the major unions met in the last two months. LABOUR BULLETIN takes a quick look at some of the decisions which emerged.

New leadership

New faces can be seen at the helm of a number of unions. The Chemical Workers' Industrial Union (CWIU) elected Abram Agulhas, a worker at a Western Cape oil company, as its new president. And the Paper, Wood & Allied Workers' Union (PPWAWU) saw general secretary Sipho Kubheka replaced by Obed Zimande; and a SAPPI employee from the Eastern Cape, Pasco Dyani, elected as union

president. All these changes were expected as the incumbents had indicated a desire to stand down.

After internal dissension over the past two years, the South African Railways and Harbours Workers Union (SARHWU) elected a Germiston ticket collector, Nelson Ndinisa, as its new president. Derrick Simoko was elected general secretary and Tsediso Moshao his deputy.

In the National Union of Metalworkers of South Africa (NUMSA) the major surprise was that there were no surprises. Moses Mayekiso was re-elected general secretary despite widespread speculation

that another candidate was being sought by a number of the regions. More surprising was that the congress also vetoed a proposal to elect an assistant general secretary, leaving NUMSA as possibly the only major union in the country without one.

The Metal and Electrical Workers Union (MEWUSA) elected a new president, Western Cape-based Russell Sabor.

Elections in the Food and Allied Workers Union (FAWU), and in the South African Commercial, Catering and Allied Workers Union (SACCAWU) were less than cordial – see boxes.





FAWU congresses have been conflict-ridden for a number of years and this one was no exception. The agenda was not completed, key decisions were deferred to a later conference, and two senior leaders were defeated in elections.

A ballot for the position of union president resulted in Ernest Theron defeating incumbent Chris Dlamini. And assistant general secretary Mike Madlala unsuccessfully challenged Mandla Gxanyana for the position of general secretary, before losing the race for his own post to Ernest Buthelezi.

The ousting of Dlamini was particularly significant. An active unionist since the



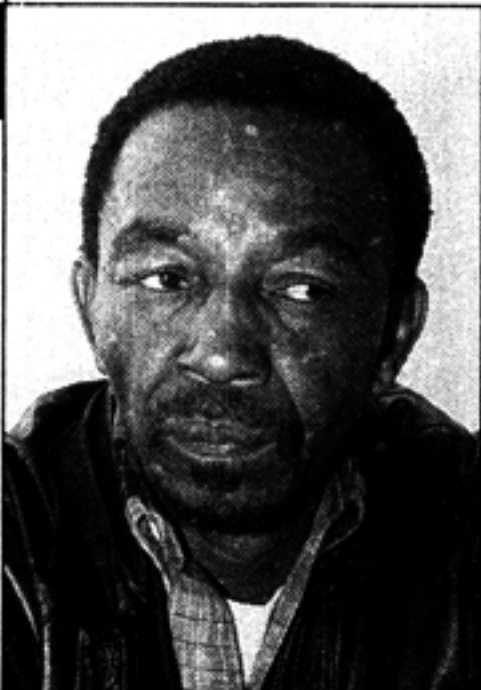
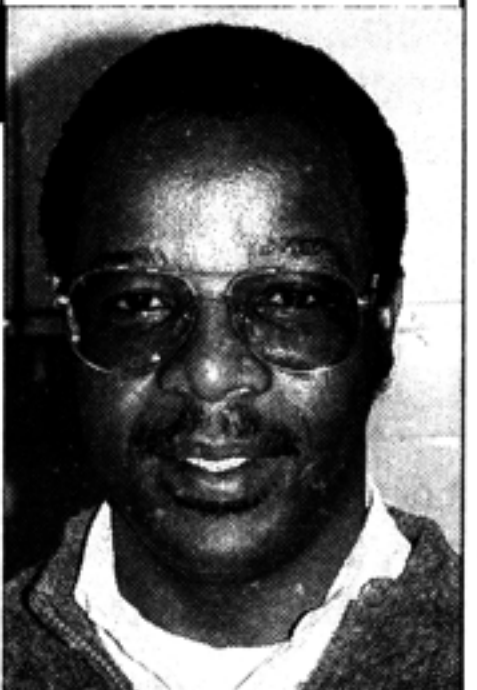
**Dlamini
and
Madlala
not
re-elected
by
FAWU**

1970s, and former president of the Federation of South African Trade Unions (FOSATU), Dlamini is

currently COSATU's 1st vice-president. He retains this position – the 1991 COSATU congress elected him for a three year term. He also remains a shopsteward at Kellogs in Springs, a precondition for retaining national office in COSATU.

Mike Madlala's failure to win re-election will also impact on COSATU. He currently heads the federation's team on the National Manpower Commission. Whether he will continue in this position is still uncertain.

The leadership changes do not appear to be political in any way. Rather they reflect organisational dissatisfaction with the leadership.

	IN Ernest Buthelezi		IN Mandla Gxanyana
OUT Chris Dlamini		OUT Mike Madlala	

The SACCAWU congress saw the re-emergence of long-standing differences within the union. Prior to the congress conflicts had emerged around allegations of financial irregularities at head office, and the suspension of the Witwatersrand regional leadership by the union's national executive.

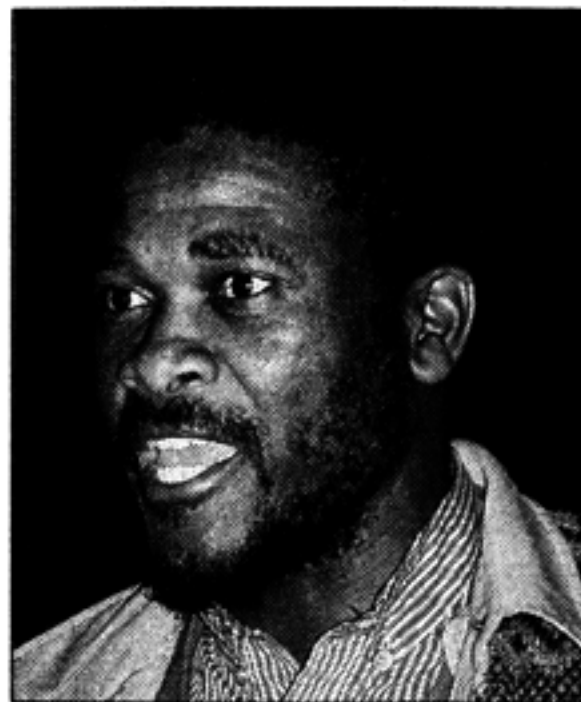
The underlying problem, however, was political with delegates and regions being split according to their sympathies for, on the one hand, the ANC, or for a 'coalition' of PAC and a variety of socialist groupings, on the other.

The Congress elected a new treasurer, restricted the powers of the financial co-ordinator, and called for a re-audit covering the last two years. But it accepted the bona fides of general secretary Papi Kganare, clearing him of corruption charges.

Congress also confirmed the suspension of the union's Wits regional leadership. But it is unclear what this means in practice. Constitutionally a regional congress must be held to elect new leadership. But the balance of forces within the Wits region is such that the ousted leadership is likely to be re-elected.

The Congress also elected a new assistant general secretary, 'Bones' Skulu from the Eastern Cape to replace

Tensions within SACCAWU



Kaiser Thibedi – no longer holding national office

Kaiser Thibedi; and replaced the national treasurer, Amos Mthapo with Alinah Rantsolase. Technically, both Skulu and Rantsolase were elected unopposed. But the incumbents refused to make themselves available for nomination, perhaps realising that had they stood they would undoubtedly have been outvoted.

The outcome is that all six

of SACCAWU's national office-bearers are ANC sympathisers. In the past the office-bearers had represented a broader spectrum of views. There was talk, especially prior to the congress, that a Wits and Eastern Transvaal-based breakaway union might be established. This, potentially, could take away up to 20% of the union's membership and would largely be a re-run of the divisions which plagued the union in the late 1980s.

A split has not materialised and now seems unlikely to. The consequences would have been disastrous, giving management greater flexibility to implement dramatic restructuring and slash employee complements.

Since the last division within the union, the balance of forces has clearly shifted towards ANC-aligned workers, perhaps reflecting national trends. At that time the union was split almost 50:50. Today the majority grouping commands about 65% support; and faces a minority not always internally united.

While a formal split seems unlikely in the short-term, the tensions may well deprive the union of much-needed cohesion. In trying to rebuild unity it remains to be seen if the newly-elected national leadership can rise above political differences and act as a truly unifying force.

Support for the reconstruction accord

In general the union congresses supported the idea of a reconstruction accord between COSATU and its alliance partners – although they did so with varying degrees of enthusiasm. COSATU's special congress can be expected to support the federation putting its full weight behind the ANC election campaign. A number of unions questioned how long the tripartite alliance should last after elections. These questions are examined in a longer article elsewhere in this issue of *LABOUR BULLETIN*.

COSATU's alliance with the ANC and SACP was an issue in two other union congresses. The South African Democratic Teachers Union (SADTU) postponed, yet again, its long-awaited decision to affiliate to COSATU. Despite most delegates to the SADTU congress being overwhelmingly supportive of the ANC, the union decided to remain politically independent and non-aligned.

Two concerns emerged. Firstly, it was felt important to accommodate a significant minority of members who opposed affiliation, believing that COSATU's membership of the tripartite alliance would imply SADTU's support for the ANC. Secondly, as



public servants teachers have to deal with government. What would being in alliance with the ANC (as political movement) mean when negotiating with ANC (as future government)?

The union is looking for clarity from COSATU on these questions, and has postponed its decision for a few months. But, as its general secretary Randall van der Heever points out, "there is a strong feeling we should affiliate. It's a matter of time".

The NACTU-affiliated MEWUSA also debated the possibility of merging with its COSATU counterpart, NUMSA. But it decided to first concentrate on concluding the merger process among metal unions within NACTU. According to newly-elected assistant general secretary

Zithulele Cindi, the issue of COSATU being part of the tripartite alliance did not come up directly. But it is something "at the back of people's minds". "Our affiliation to different federations," says Cindi, "is a hiccup which needs to be addressed."

Economic policy

A number of the unions discussed economic policy. NUMSA's congress called for extensive nationalisation, without compensation, of the "leading heights" of the economy. SACTWU, by contrast, developed a more pragmatic and moderate approach, becoming the first South African union to explicitly call for a social market economy. The economic policy positions of both SACTWU and NUMSA are explored

LABOUR ACTION

elsewhere in this issue of the LABOUR BULLETIN.

SACTWU's congress was significant in other respects. The union has now formally changed its name to cover Southern Africa, rather than only South Africa. The goal of building a regional union has been part of SACTWU's agenda for years, with the union arguing that worker organisation should mirror the single regional economy which exists in practice. The name-change resolution was supported by delegates from the Lesotho Amalgamated Clothing and Textile Workers Union. It remains to be seen how governments in the region will respond.

Women in the unions

SACTWU can also claim a first on the issue of women's leadership. The majority of its worker office-bearers – both vice-presidents and the national treasurer – are women. However, while three out of four worker office-bearers are women, the three full-time secretariat posts were retained by the incumbents, all of them men.

SACCAWU also spent some time at its congress trying to integrate issues of gender into its broader programme of action. It decided to appoint a

Inflation		
	Consumer Price Index (1990=100)	Annual rate of inflation (%increase over 1 year)
Area	May 1993	May 92 – 93
Cape Town	145.5	10.8%
Port Elizabeth	142.9	10.2%
East London	144.4	10.7%
Durban	140.5	9.9%
Pietermaritzburg	145.8	10.4%
Witwatersrand	143.7	10.4%
Vaal Triangle	138.3	10.1%
Pretoria	143.9	10.6%
Klerksdorp	143.3	10.4%
Bloemfontein	140.4	11.9%
OFS Goldfields	145.7	13.2%
Kimberley	145.7	13.0%
South Africa	143.7	10.6%
Area	June 1992	June 92 – 93
Cape Town	146.1	10.3%
Port Elizabeth	142.9	9.5%
East London	144.4	10.4%
Durban	141.1	8.7%
Pietermaritzburg	146.6	10.0%
Witwatersrand	144.4	10.1%
Vaal Triangle	138.8	9.4%
Pretoria	144.4	10.0%
Klerksdorp	144.0	9.9%
Bloemfontein	140.9	11.1%
OFS Goldfields	146.4	13.0%
Kimberley	146.8	12.8%
South Africa	144.3	10.0%

Source: Labour Research Service/CSS

full-time national gender co-ordinator and establish a gender commission within the union.

The South African Domestic Workers Union (SADWU), whose

membership and leadership is overwhelmingly comprised of women, held its congress in May. This sector is notoriously difficult to organise; there

is little supportive legislation and most domestic workers face their employers as isolated individuals.

The SADWU congress decided, in line with discussions within COSATU, that it could "never be a viable union

without legislation..." Unable to develop a core of members on stop-orders it would always be financially dependent. SADWU has decided to enter into merger talks with a number of other unions aimed at establishing a service sector union which

could accommodate domestic workers around a more stable, organised core. The major problem expressed by delegates was that, as women, they would end up in a union dominated by men. *(Labour Bulletin correspondents)*

The auto industry has broken new ground, being the first to agree to implement an agency shop. Workers who are not members of the unions which bargain with management will, in future, have a bargaining fee of R4,75 deducted from their pay weekly. This money will be paid over to the unions on a proportional basis, depending on their membership in the industry.

The agency shop provision forms part of the auto industry's annual agreement which provides for a 10% wage increase. The agreement also contains some path-breaking decisions regarding training, grading and certification in the sector – which we hope to examine in a later issue of LABOUR BULLETIN.

The agency shop is an attempt to deal with 'free riders' – workers who benefit from bargaining without paying for it. It is an implicit acceptance by the auto employers of the majoritarian principle in the industry.

In practice the agreement

Agency shop – auto industry first

will affect workers belonging to non-party unions (in this case a handful of UWUSA members at Toyota in Durban, and a few United African Motor Workers Union members at Nissan); as well as workers who are not members of either party union.

Approximately 26 000 employees fall within the relevant bargaining unit. 20 000 of these belong to the party unions – approximately 18 500 to the National Union of Metalworkers (NUMSA), and the remaining 1 500 to Yster en Staal (a union of white, skilled workers). Apart from a few hundred workers belonging to other unions, the remaining 6 000 workers are

not union members. They will not be forced to join any union. But they will have to pay the bargaining fee.

In practice the money will be forwarded to the auto industry's bi-partite National Bargaining Forum, and will then be distributed on a quarterly basis to the unions. Close to R1,5 million per annum is expected. NUMSA should receive over 90% of this, with the balance going to Yster en Staal.

It is not yet clear if the funds will go into NUMSA's general pool or whether the money will be earmarked for special uses – such as an industry fund or for use in research or development work.

The agreement is also subject to employers obtaining exemption from the Basic Conditions of Employment Act, to make the agreed deductions legal. Many unions are exploring the agency shop notion and demanding it from management. The progress of this pathbreaking agreement will be closely followed. ☆

Nationalisation, socialism *and the alliance*

A number of resolutions adopted by the National Union of Metalworkers (NUMSA) at its recent congress provoked enormous media interest.

MOSES MAYEKISO* explains why the union calls, unfashionably, for nationalisation without compensation, and why it wants broader unity on the left and an end to COSATU's alliance with the ANC.



Following the NUMSA congress in July there was a great deal of speculation and comment in the press as to the crudeness of NUMSA's economic policy, and its intention to break the Alliance and start a new Workers' Party.

This uninformed comment also caused a degree of confusion among rank and file members of the ANC and SACP.

The NUMSA national office-bearers have therefore, in the light of the controversies and national interest sparked by the resolutions at our congress, decided to release a more comprehensive communique on key decisions of that congress.

NUMSA is a very strong supporter of freedom of expression and freedom of the

* Moses Mayekiso is general secretary of NUMSA

COUNTERPOINT**Finance
Week****“NUMSA’s capacity for national harm”**

Numsa’s claim to be taken seriously in the debate on SA’s future has... been hugely undermined by the alarming fatuity of the economic policy statement – not that it deserves such dignification – which was accepted at its congress.

Simply, Numsa demands wholesale nationalisation, and without compensation for good measure. What a message to be sending in the 1990s...

Economic policies in post-apartheid SA must necessarily be critical, as must the general climate facing business. So when one of the most powerful trade unions in SA effectively comes out in favour of the far-left socialism which destroyed the economies of Eastern Europe, it must be a negative for the economy.

Thankfully, though, Numsa has made one positive contribution, even if it were not intended that way. The union wants Cosatu to break formal links with the ANC once there is an interim government. For the sake of that government, the economy, the ANC and SA in general, it will indeed be best if this does happen. Numsa’s capacity for national harm will then be appreciably reduced.

from: Finance Week editorial, July 1993

press. In keeping with this viewpoint we decided to open our national congress in its entirety so that the media could hear first hand what was said and why. This commitment to transparency made little impact. The media chose, with isolated exceptions, not to hear the key debates that they were so quick to comment on afterwards.

Uninformed media comment

This is a great pity since our congress was an important expression of democratic practice. It is a tradition in NUMSA that full-time paid officials do not participate in the congress debate. This approach arises from our view that the value of a policy lies in its support, understanding and participation by worker leaders. Carefully managed congresses may please the media but they don’t reflect workers’ views.

The debates were robust, reflective of an active membership in a democratic union. All manner of issues were discussed and those that were ‘hot’ ended in votes. The general

secretary’s report was also debated and amended. This gives an extensive background to many decisions in Congress, but has received scant attention from the media.

The conference itself was a culmination of six months of preparation. In the process, resolutions were discussed on the factory floor, in local general councils, in regional councils, and finally in the national congress. There were 780 delegates in congress representing eleven regions, and covering the whole of South Africa. In our assessment a significant majority of the delegates would be supporters or members of the ANC and SACP; many of them in fact being local office bearers of these organisations.

The congress discussed a range of resolutions and adopted detailed policy positions on industry restructuring and a reconstruction accord. These documents are every bit as important to South Africa’s future as the issues which the media concentrated on. We make the above points to alert our society to the dangers of superficial analysis and



reporting. Those reading the media reports, or at least most of them, would be badly misinformed about NUMSA as an organisation.

Now is the time to increase the kind of knowledge and understanding about different views held by organisations. If we are going to meaningfully interact we need to do so on the basis of knowledge, not ideological distortion. The full text of the resolutions, general secretary's report and minutes of debate are available from NUMSA. However, here we wish to briefly address certain key areas.

NUMSA has endorsed the idea of a reconstruction accord. The accord is seen both as our perspective on the transition and the basis of our support for the ANC in the coming elections. Two qualifications should be mentioned.

Firstly, the reconstruction accord was supported on condition "that the ANC achieves in the constitutional negotiations a bottom line of a strong and democratic unitary state based on majority rule without any minority veto."

Secondly, that two important issues need to be part of the reconstruction programme; the need for land redistribution, and nationalisation of the leading heights of the economy. The

land question is central for redistribution and housing provision, as well as for the development of policies that would protect our natural resources.

Why nationalise?

Controversy has emerged on the question of nationalisation – particularly our emphasis that it should be without compensation and should focus on the leading heights of the economy.

These are no doubt newsworthy items, but isolated from other issues this focus is also a distortion. Nonetheless some fairly basic points need to be made for a better understanding of those decisions.

These demands are not new having been stated in the Freedom Charter, and in previous COSATU and NUMSA resolutions. What was controversial was the insertion of the two words "without compensation". NUMSA's congress had in fact debated this in 1991, but decided then to remain silent on that key issue. However this year regions chose to raise the same issue again. After nearly three hours of debate the matter was put to the vote and adopted by the relatively narrow margin of 455 to 312 votes.

COUNTERPOINT



“The costs of nationalisation would be immense”

A programme of extensive nationalisation entails taking over the commanding heights of the economy – banks, industry, farms and mines – and placing it under public ownership. A policy of nationalisation would appear attractive to many people who see the massive imbalances in economic power, ownership and incomes in South Africa. It would appear to give an opportunity for the masses to shape economic policy. It would deprive the current holders of power of their ill-gotten gains. Importantly, it asserts the moral superiority of public ownership against private ownership.

The costs of nationalisation would however be immense. In practice this would have to be done with compensation – the international balance of forces would make any alternative impossible. Compensation would be beyond the resources of a democratic state. The international isolation which would follow, together with the flight of skills, and crucially in a world of open financial markets, of capital, would cause major damage to the economy.

The inefficiencies associated with state-owned enterprises elsewhere in the world would be difficult to avoid. The goal of greater economic democracy in state-owned enterprises has been elusive elsewhere, and no concrete proposals have been advanced to suggest that we can achieve these...

But an alternative to large scale nationalisation of banks, industries, farms and mines is possible. Through our struggles we can create a system of co-determination, where capital or government is unable to act in a unilateral manner.

from: SACTWU's economic policy, adopted July 1993

The debate on the merits and demerits of nationalisation had largely subsided before this resolution was adopted by NUMSA. This is not surprising given the total onslaught mounted by the majority of the media.

However, nationalisation has been and will remain a necessary and legitimate instrument of economic policy. We need to remind white South Africa that they were not slow in nationalising to achieve similar objectives that we now say are central to the eradication of apartheid's socio-economic legacy.

Need for an active state

What in essence is being addressed is the size, character and function of the public sector. That this is a very necessary and important debate is now widely conceded. The state must

and will play a role in socio-economic reconstruction.

The question of land is complex and emotive in South Africa. There can be no doubt that both urban and rural development require land reform if they are to succeed and be equitable. How can anyone possibly consider a situation where existing white landowners are allowed to profit from the need to use the land for development to meet the needs of the majority?

Racist legislation and forceful confiscation form the basis of existing land ownership patterns. It is immoral that as we now try and address the consequences of racism, landowners should enjoy a second round of benefit in the form of a rent emerging from development. People may not agree with the

Nationalisation without compensation?

A summary of the debate at NUMSA's congress

Border: We would like to delete "without compensation". (Western Cape seconds).

Southern Natal: We need to add to the call for nationalisation that those companies found guilty of union-bashing should be nationalised. Also, no South African workers should have to fight for rights in foreign companies which workers in those countries have already won.

Wits Central-West: There is no point in rewarding people who have robbed us in broad daylight. We oppose compensation. Why must we pay thrice? We paid with our forceful removal from the land. Then we paid by being super-exploited in the capitalist industries, and now we pay them by buying the commanding heights of the economy!

Border: It's nice to say these things, but where are they possible? We don't know. We need to be practical, scientific and strategic. We don't know what the future holds. Negotiations are taking place. We don't know what the balance of forces will be, but now we are coming with a lot of rhetoric which will run us into problems. We agreed in 1991 that there is a need for some nationalisation. To discuss compensation is still premature.

Eastern Cape: We re-emphasise that we have an existing congress position on the issue. We should leave the issue of compensation – there is no point in putting forward empty statements. To be safe let us remain silent.

Northern Natal: We are convinced that we should scrap the words "without compensation". Also, on union-bashing: who is going to find companies guilty of union-bashing?

Wits Central-West: In 1991 we were silent. Now we say that this should be open. NUMSA proposes solving the housing problem within the next ten years. We are saying this will not be possible without nationalising cement, bricks etc.

Wits East: Nationalisation is not a punishment, it's a necessity to address imbalances caused by apartheid. We should not compromise.

Border: Comrades from both Wits regions do have some justification for thinking the way they

do. But we need not be led by what we have suffered, and then reach conclusions which might be right but are not practical. Do they have historical justification for their arguments? We may be in a position to make these decisions when we have political power, but to take this position now will only make getting power more difficult. Perhaps in our 1996 congress we will be able to adopt such a position.

Wits East: We are aware that our comrades are very much worried. But all in all this is South Africa not Germany. We need to say now what we need for the future, otherwise we will be very late. Those who are going to parliament and those who are now rich must know that this is our stand. We have no money, how can we compensate?

Wits Central West: We agree. We want to ask another question. It is a question of power. Are we saying that if we don't have the power we can't nationalise anyway?

Northern Transvaal: We want to be Charles Nupen here and mediate. We understand the imbalances we have. It's like in the ANC we have Peter Mokaba shouting slogans that the NEC has distanced itself from. We understand that anger. But we need to ask where has this worked before? Perhaps we should play with words and say "nationalisation, with or without compensation", and continue to discuss the matter in our ranks. (Northern Natal seconds this).

Eastern Cape: We must be careful not to commit ourselves to something we do not understand. Material conditions will determine this issue. We will make a mockery of ourselves calling for no compensation. We need resolutions that we are going to be able to defend.

The matter was then put to the vote:

455 in favour of "nationalisation without compensation"

312 in favour of "nationalisation"

1 abstention

proposal but it is a perfectly legitimate demand from those that have been dispossessed.

The prevailing complacency around development is dangerous. If existing landowners were to become wealthy at the expense of those who have suffered it could create massive political pressures. Land reform is essential and the nationalisation of land could well be the most effective means of achieving this.

The resolution on nationalisation also maintained that this should be done without compensation. This was a hotly debated issue in the congress – see box for a summary of the debate.

Unity of the left

The need to build political unity on the left was another important consideration at the congress.

The resolution adopted, recommended that “COSATU should now already look at strengthening and uniting the working class inside and outside the factories; in urban and rural areas.” It reiterated our 1991 call for a “conference on socialism” as well as a “conference of civil society”.

The dramatic events of the fall of ‘actually existing socialism’ in Eastern Europe need to be soberly looked at by the left movement in the country. To date only the SA Communist Party (SACP) and to a limited extent the

Workers Organisation for Socialist Action (WOSA) and the International Socialists of South Africa (ISSA) have done some reflection on the crisis of existing socialism. Yet this issue has implications for everyone not least COSATU, which is committed to socialism, and the ANC with its anti-imperialist traditions.

We need both a sober assessment of this crisis as well as the charting of a programme to take us out of this abyss. Such a process cannot be the monopoly of one organisation or individual, but must be a heterogenous project of the entire left movement.

NUMSA’s congress resolved to:

- “Look at new forms of organisation that will unify the working class organisations and parties, that will take forward a programme to implement socialism. This could take the form of a Working Class Party.
- Set into motion a concrete programme of action to address the needs of the unemployed and underemployed.
- Instead of simply calling conferences, we want a mechanism to be put in place to monitor the decisions implemented after these two conferences. This mechanism must be based regionally and nationally.
- Implement the 1991 resolution on the unity of the left. The left (is) defined as those organisations with a programme reflecting

COUNTERPOINT



“Return to the path of class struggle”

The way forward for organised labour and the mass movement is to say to the Alliance: let go our hands! We are returning to the path of direct mass action, to the road of class struggle.

In order to struggle successfully, union members need first to strive to reassert the class independence of their federations and strive to sever any links with class collaborationist formations...

...Direct action will be assisted by the formation of a mass workers party based on clear class demands (Workers' Charter, etc). This would enable workers to move leftward and find a new political home without having to split their unions and mass formations.

from: WOSA, 3rd National Conference, April 1993

COUNTERPOINT

The place for socialists is not out on the margins

An independent, trade-union based workers' party... is premised on the belief that the ANC will soon be 'the government', and nothing but the government. Once in power the ANC will do exactly what certain other liberation movements have done – wave goodbye to popular aspirations. Could this happen?

It certainly could. But to simply assume it will, is to walk away from the most important strategic challenge of our time: the battle for the life and soul of the ANC...

The ANC must remain a broad, mass-based national liberation movement. The place of socialist, left and working class formations is within this broad, ANC-led movement – not out on the margins... The workers' party idea prepares workers for permanent opposition, permanent defence, permanent marginalisation.

from: Jeremy Cronin, SACP, Weekly Mail 23 July

the following:

- commitment to control the means of production by the working class for the benefit of society as a whole
- democracy
- internationalism
- anti imperialism
- non racialism ... “

Anyone familiar with the South African left will attest to the fact that it is divided. The divisions are at times ideological, otherwise theoretical or on strategic questions. In NUMSA we have all these left traditions within our ranks. That diversity has been a resource and has made our organisation a robust weapon in the struggle against capital. We are the living proof that diversity is healthy.

New forms of organisation

It is within this context that we are calling for the left forces to unite. Our resolution stresses the need to look at “new forms of organisation”. We then say that “this could take the form of a Working Class Party”. But we are not wedded to any particular form at this stage. Possibilities include a front of left

forces or one organisation. Much depends on the agreement reached with various left forces. The “Working Class Party” is but one form.

The delegates, who were mainly supporters of the SACP, felt that the SACP should play a leading role in this process together with left sections of the ANC as well as other left forces like WOSA and many independent socialists and social democrats. The essential objective of unity would be to begin to grapple with the struggle for socialism within the unfolding democratisation process; as well as the developing of socialist positions and programmes on concrete issues such as development policy, industrial efficiency, trade and so on.

This is not a call for movement by the left forces from the ANC, but as looking at the possibilities of strengthening the left as a class force within the multiclass ANC. The struggle for the soul of the ANC is not in contradiction to the consolidation of the left as a force.

The resolution must therefore be seen as a challenge to working class forces in the ANC to reappraise the strategic meaning of the Alliance, to seek ways of consolidating what has been achieved through the liberation

movement and to relate it to the strategic goal of socialism. Our position is therefore not backward looking but is forward looking; it is attempting to look at the challenges of the left in the 1990s, not in the 1980s.

New thinking needed

The present situation demands new thinking from the left. We live in an era in which the post-1917 revolution process of transformation has to be relooked at. The unfolding democratisation process raises the question of how we will move towards socialism. Is socialism a far away goal that awaits the storming of Pretoria? Or is it a moment in the deepening of the unfolding democratisation process?

We also need to re-examine and review the method and institutions (and their relationship) for socialism. Critically important is how we advance towards socialism. How useful in the present context is the concept of a vanguard? If it is no longer useful what should replace it, and simultaneously be an effective organ?

Can a working class-biased party or movement be effective without at the same time falling into the trap of substitutionism,

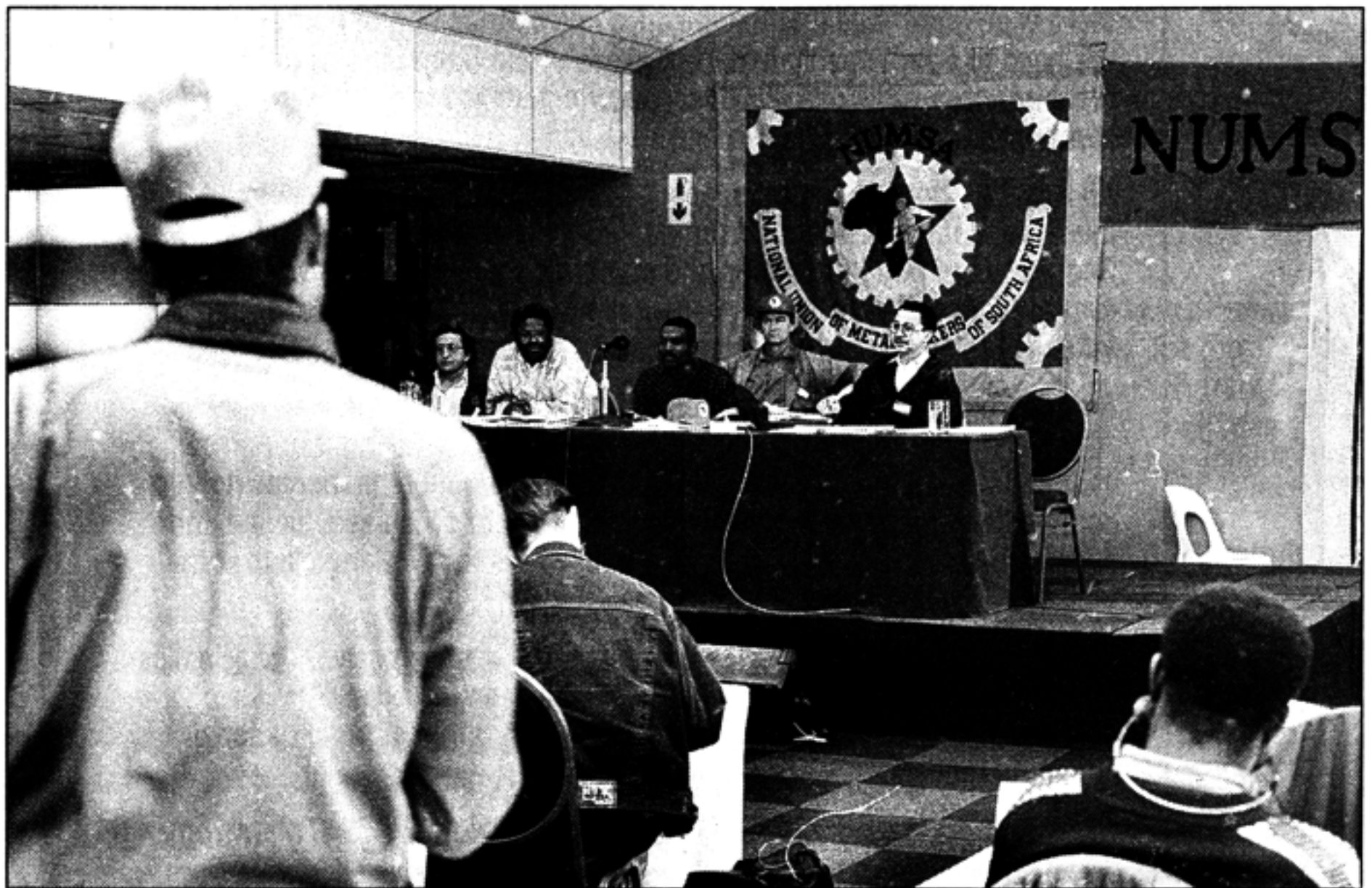
where activists (rather than ordinary workers) are the active element in the organisation? And what should be the role of political parties? Should it be to lead struggles by itself? Or should it be to focus on building organs of self-empowerment; relegating its role to an ideological and catalysing one, subordinated to this mass empowerment strategy? Should it do both, and if so what should be the balance?

Can the notion of democratic centralism persist in the context of emerging plurality? Is it possible to have a cohesive organ within an uncohesive reality?

NUMSA certainly does not have immediate answers to all these questions, but the workers appeared to be looking for them when they resolved to "look at new forms of organisation that will unify the working class".

Our relationship with the ANC

NUMSA's congress also commented on the related issue of COSATU's relationship with the ANC. It resolved that "once an Interim Government of National Unity is established and the ANC is part of it, we should not have a formal alliance with the ANC. We should deal with the ANC as part of the government of the



day through engagement in forums such as the NEF, NMC etc.”

The experience of communist countries, where the trade unions were conveyor belts of the government, is clear testimony that we have to rethink the basis of the alliance. We also have a long-standing tradition in NUMSA and COSATU, of promoting union independence from government.

In our case, we believe that the formal status of the Alliance must end and that we should

relate with the ANC as the government of the day. Ending the alliance does not necessarily mean we will stop sharing political objectives with the ANC and the SACP. But in the pursuit of those objectives various social and political forces must have enough space and autonomy to pursue their objectives.

Just as leadership cannot be proclaimed but should be earned, so representation by a political party/movement of certain class forces should not be formalised, but must be an

COUNTERPOINT



“Our alliance is not a temporary pact”

The view of National Democratic Revolution (NDR) as a mass driven process of relatively long duration (and not as some forthcoming political event) underlines the need for an enduring Tripartite Alliance. This alliance is grounded in a shared strategic perspective – precisely our common commitment to a far-reaching process of national democratic transformation...

Our alliance is also not a temporary pact. The reconstruction programme, which we need to elaborate, will enable us to concretise our Charterist perspectives in the context of the 1990s going into the 21st century. The reconstruction programme, which lies at the heart of our NDR, is much more than a temporary electoral platform.

The tripartite is an alliance between autonomous partners but in which there is an enormous interdependence and overlapping of membership... We need to admit openly that, regardless of our intentions or traditions, the break-up of our Alliance would carry serious risks for each of the three components.

An ANC cut loose from independent working class formations, would find itself more easily dislodged from its historical and strategic vocations. Regardless of good intentions and an heroic track-record, it would become ever more susceptible to the pressures of governmental office, and to influence of non-popular strata, inside its ranks and beyond...

A trade union movement that confines itself to meeting the ANC only as “the government across the negotiating table”, risks falling into narrow, economistic unionism. Such a trade unionism would tend increasingly to confine itself to defending the narrow interests of organised, skilled and semi-skilled workers – in short, of a minority of the working class at the expense of the majority...

An SACP “going it alone”, risks becoming a grievance party, a marginalised force. The historic strength of the SACP has been, precisely, its decades-long ability to retain its autonomy but within a broad national liberation movement.

from: Discussion paper arising from joint ANC/SACP/COSATU strategy

COUNTERPOINT



Should we maintain the Alliance after April 1994?

The national leadership of the union... recommend to Congress to call for the end of alliance politics from 28th April 1994. We say this for the following reasons:

1. Unions should not descend to being the labour wing of government:
Alliance politics will condemn the union movement to being the labour wing of the political parties involved. To the extent these parties are in government it will reduce the union movement to being the labour wing of government. Effectively this will mean explaining to workers why government's policy is the way it is. Far from assisting workers in expressing their discontent with such policies we will detract from such efforts.
2. Democratic practices should be transparent not lobbyist:
The union movement should not bind itself to practices of having exclusive meetings with government to iron out policy differences and then expecting government to implement laws consistent with the caucused position. This is to hope to turn the union into a Broederbond secretly controlling government.
It is an open invitation for every interest group to adopt a similar lobbyist approach. It is a recipe for government by many little secret deals between government and individual interest groups. It is far more vibrant for unions and others to present their positions openly and argue them in co-determinate forums.
3. Trade union unity essential:
At present we have several trade union federations. One of the major differences between them is the issue of which political party to "ally" oneself with. What we need is a single trade union federation at least between COSATU, NACTU and FEDSAL.
The only way this can be achieved is to put worker unity ahead of political differences. While we worked in alliance with particular parties in the struggle against apartheid, this cannot be a permanent feature of our movement unless we want a permanently divided labour movement.

We are not putting forward a criticism of the benefits or practices of the political parties in the Alliance. Rather we are simply stating the firm conviction that we need to fundamentally alter the way in which trade unions should function in a democratic society if they are to fulfil their role as an independent representative of workers outside of the state structures.

...The way we exercise our political will in the future should not be limited to blindly supporting a party to which we are traditionally tied. A permanent tie undermines labour's influence on such a party since its support is taken for granted. Worse, the fact that it is so tied drives other parties to anti-labour positions in their campaigning. When they win an election, they do so on anti-labour tickets, and then dismantle all the institutions through which organised labour secures influence and power...

from: Political report to SACTWU Congress, 1993



organic product of history. A formal alliance becomes more problematic when such formalisation acts as a barrier to the actual unity of the trade union movement both within the oppressed and across the race barriers. One of the reasons put by the NACTU-affiliated Metal & Electrical Workers Union (MEWUSA) for delaying merger with NUMSA is because of our alliance with the ANC and the SACP. There is still the difficult challenge of making inroads within the white working class. The question needs to be asked, are these objectives realisable within or outside of the tripartite alliance?

Another reason for ending the Alliance is that political and union organisation have different priorities and different forms of representation. Even in a working class-biased movement, imperatives of macro-economic considerations can result in policies which appear, in the short term, as inimical to workers, resulting in a conflict of interests. In such situations, we believe autonomy will make it easier to discharge our natural duty of

defending workers.

In the concrete conditions of our country what does ending the Alliance mean for the reconstruction accord? It is our view that ending a *formal* relationship doesn't mean an end to the relationship between the parties. But the relationship changes in two respects. It becomes one between a movement/party and the entire organised working class, as against being a privileged relationship with COSATU. Secondly, the relationship becomes contingent; it is less informed by principles and more by concrete problems and issues at hand.

Will this lead to economism and what about the fight for a socialist conscious unionism? In any labour organisation the tendency towards economism and corporatism is always a possibility. But like all else in politics, it is a product of political struggles. In fact within the existing Alliance there is already developing, within COSATU, a tendency towards corporatism. Only a political battle can ensure that the tendency does not subsist. ☆

A social market economy offers the best hope

At its recent congress, SACTWU, the country's third largest union, outlined the difficult economic choices which workers need to make, and became the first major union to call for a social market economy*.

South Africa faces a number of critical social and economic challenges. The primary one is to provide high and sustainable standards of living for the country's people. The goal must remain at the centre of all public policy, and the different economic policies must be evaluated on how well each achieves this goal.

This goal finds best expression when there is full employment in the economy, with high paying jobs, a good social security system for all citizens covering health-care, education and housing, wide choice for individuals in how they wish to spend their incomes, with low cost, quality consumer goods readily available.

We can only achieve this goal if we have a dynamic and strong manufacturing base, with factories producing goods at a quality and price that consumers require. There are, however, a number of choices which we face in formulating an economic policy which satisfies our needs.

Protection or efficiency?

The first choice is between protection and efficiency. Through protection we erect high tariff walls around the South African economy to avoid goods manufactured elsewhere from coming in. In the short-term, it results in job security for local workers. Very soon, though, the rest of the world will retaliate and refuse to buy our goods. We then lack the foreign exchange to buy modern technology, and our industry becomes outdated, and more inefficient. Further, manufacturers hiding behind the guaranteed profits of protection are able to keep prices high and quality low. In this way our members as consumers receive poor quality, high priced products. In short, protection will lead to an economy which becomes backward, producing shoddy articles, and with a world applying pressure on us to open our economy. When we do open the economy, most factories will then be forced to

* This article is the introductory section of a lengthy economic policy paper adopted by the Southern African Clothing and Textile Workers Union (SACTWU) at its July congress.



shut down, since they are so inefficient compared to the rest of the world.

This leaves the option of improved efficiency. Efficiency can only be improved through major restructuring of industries and factories. In the short term, this may have negative effects on workers, with the painful process of adjusting to the needs of efficient production. It may involve changes to work practices, new technology and a decision not to compete on certain product lines.

In the medium to long term, efficiency is the best guarantee of job security, and the best provider of high wages, and quality goods at affordable prices. Efficient enterprises require less protection than inefficient ones, and accordingly, less tariff protection is necessary. At the same time, we urge that lower protection without a preceding programme to

address efficiency, will not lead to greater efficiency, only to fewer factories and fewer

jobs. The social dimension of the restructuring is addressed later.

Exploitation or social equity?
The second choice is between exploitation and social equity. Many employers believe the only way to prosper is

through the exploitation path of low wages, long hours of work, no trade unions, no industrial council agreements and no health and safety standards. In the short term, some factories may be able to cling on to orders through low wage policies. But in the end, this strategy cannot be sustained. It leads to increased industrial conflict and strikes. It forces trade unions to resist the introduction of efficient production methods. It provides employers with no incentives to improve

Lower protection without a preceding programme to address efficiency, will not lead to greater efficiency, only to fewer factories and fewer jobs.

technology or work organisation. Like high protection, it allows employers to hide behind the guaranteed profits of low wage policies. It reduces the buying power of workers, hence suppressing the demand for food, clothing, cars and other goods; thus lowering the domestic market for these articles.

That leaves the option of social equity through decent social standards. Reasonable and growing wages and fair social standards provide the basis of co-operation in production between workers and managers and forces companies to continually innovate and become more efficient in their use of labour and capital. It takes wages out of competition and forces competition through higher productivity, product innovation, new forms of work organisation and better quality, rather than through low wage levels. It increases the buying power of consumers, creating a greater demand for goods and thus further stimulating production.

Nationalisation or co-determination?

The third choice is between extensive nationalisation and co-determination. A programme of extensive nationalisation entails taking over the commanding heights of the economy – banks, industry, farms and mines – and placing it under public ownership. A policy of nationalisation would appear attractive to many people who see the massive imbalances in economic power, ownership and incomes in South Africa. It would appear to give an opportunity for the masses to shape economic policy. It would deprive the current holders of power of their ill-gotten gains. Importantly, it asserts the moral superiority of public ownership against private ownership.

The costs of nationalisation would however be immense. In practice this would have to be

done with compensation – the international balance of forces would make any alternative impossible. Compensation would be beyond the resources of a democratic state. The international isolation which would follow, together with the flight of skills, and crucially in a world of open financial markets, of capital, would cause major damage to the economy.

The inefficiencies associated with state-owned enterprises elsewhere in the world would be difficult to avoid. The goal of greater economic democracy in state-owned

enterprises has been elusive elsewhere, and no concrete proposals have been advanced to suggest that we can achieve these.

Yet, at the same time we cannot tolerate the major inequalities in power and resources in a democratic South Africa. And we cannot eliminate the need for state owned enterprises, in areas for example of natural monopolies (electricity), of great social importance (water) or vital to economic development (parts of transport infrastructure).

But an alternative to large scale nationalisation of banks, industry, farms and mines is possible. Through our struggles we can create a system of co-determination, where capital or government is unable to act in a unilateral manner.

Through co-determination we can have a joint say over economic policy at national, sectoral and company level. Decisions on macro-economic policy would need to be resolved through tripartite institutions. Wage policies for all factories in one sector would be settled through centralised collective bargaining. The flow of investment will be influenced through industry-wide restructuring policies, negotiated with trade unions. New technology and work organisation would be matters of compulsory negotiation at factory

Through our struggles we can create a system of co-determination, where capital or government is unable to act in a unilateral manner.

level. In short, the ability of the owners of capital to exercise their power would be limited through requirements in law that they negotiate with trade unions.

Further, trade unions need to combine their resources in provident funds and investment decisions, in order to build a base of financial equity, of control over

capital. By concentrating to build an independent financial base for workers, we can influence investment decisions over our money, rather than enriching the shareholders of private banks, building societies and insurance companies. There are major gains for labour in such a programme.

The profits accruing from successful economic activity can finance trade union work in future; for trade union organisation and struggles provide the central basis of influence of our movement. The investment decisions can take into account the need to promote economic activities which create jobs, pay good wages and respect the environment. The control over finances can add to the muscle of labour in the struggle for social gains for the poor through withdrawing investment from exploitative companies, and through acquiring for workers a stake in politically significant companies such as the print and electronic media.

De-regulation?

The fourth choice is between 'big bang' market deregulation and a coherent development strategy sensitive to market forces. Market deregulation, or the 'rule of the free market' is often put forward as the main engine to develop the society. In theory, the immediate freeing of markets would allow capital, labour and other resources to flow to the areas where they can most productively be used. In practice it is not so clear, nor so simple.

Societies which have deregulated their

markets have not necessarily grown fast. Many market failures – in allocating resources to education and training, in investment in infrastructure and big capital projects – have

led to poorly performing economies. The premature and unco-ordinated removal of tariffs, without attempts to address structural

weaknesses of local industry has wiped out employment. The failure to have financial market regulation has led to the collapse of major institutions, and of public confidence in the financial system. The system itself has often been inadequate in allocating capital to new economic activity. Markets have been inadequate in responding to the social needs of human beings – in setting decent wages and fair standards, in protecting the poor and the marginalised, in correcting the imbalances of wealth and political inequality and in addressing the problems of exploitation. Free markets, and the freedom to exploit has led to the development of major inequalities and poverty in societies, and defeated the purpose of economic policy.

The alternative has been a coherent development plan, based on market realities, and seeking to marshal resources towards the building of an efficient, dynamic economy. All governments intervene in economic decision-making. Some do so through the weaker tools of fiscal and monetary policy only. Others have active industrial policies, which create a strong support environment for companies to do business in, and thrive. Such policies address the flow of investment, the capacity of production and the availability of people and capital. It does so through a system of incentives and requirements. Where these development frameworks succeed is where they most clearly remain sensitive to market signals – sometimes longer term ones – and where they create sustainable competitive

*Societies which have deregulated
their markets have not
necessarily grown fast.*

advantage. In South Africa, such a plan will work best where it actively involves organised labour. It requires too an active state, working in developing the regulatory framework and the programme for economic growth and development through tripartite structures.

Tariff reform too, cannot be done through liberalisation alone. Active industrial policy measures must be the engine driving tariff liberalisation. Such policy measures need to address the supply side problems of industry which results in high cost, low quality products, with long delivery cycles. It is on the basis of a society seeking to build competitive industry in particular market segments and products and clarifying the incentives it will put in place to stimulate such activities, that the level of tariff protection, and the period of liberalisation should be determined.

State regulation vs self-regulation?

The fifth choice is between extensive state regulation and self-regulation. Black South Africans have been denied democracy and access to political power for so long that there are great expectations on a future democratic government. Citizens may want government to set decent minimum wages, regulate social standards in the work-place and secure access to food, shelter and a decent standard of living for all. We may want these because of inequalities in the power between employers and workers.

No doubt government has a role to help set standards. There is a vital need for a democratic government to address the provision of basic infrastructure, and the needs of the people for housing, education, health and social infrastructure. However, a society characterised by strong state regulation in all economic activity, and particularly over

industrial relations issues, may find that it stifles economic activity, undermines the democratic organs of civil society and

concentrates immense power in the hands of state bureaucrats. Decisions may be made which are not appropriate to the needs of particular communities, groups of workers or economic sectors.

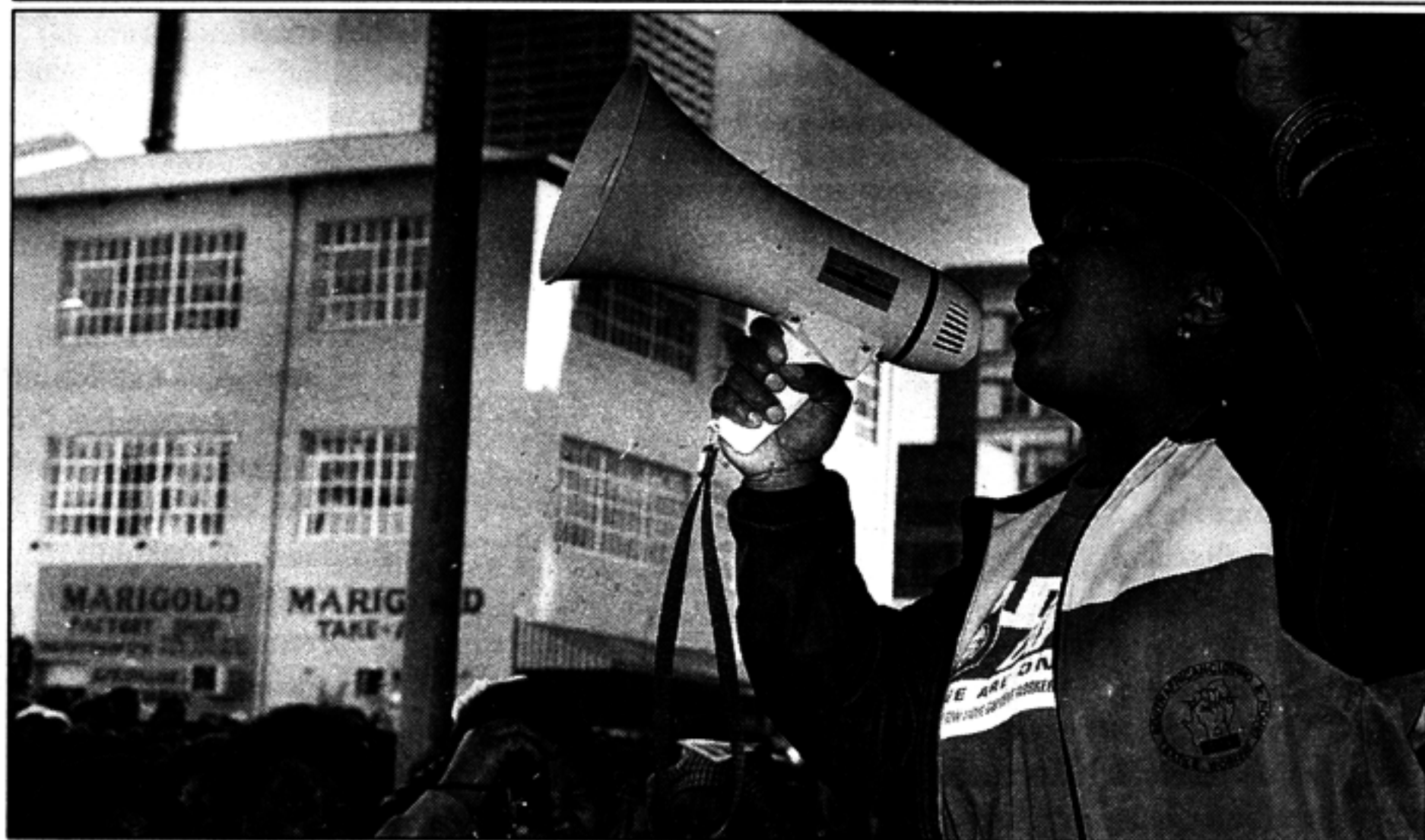
That leaves the option of self-regulation.

Self-regulation allows

trade unions and employers to set standards and determine wages. It is able to take into account the needs of all economic stakeholders through the regular negotiation of agreements. Self-regulation can only work well in the context of a proper set of institutions and rights. For labour it requires a system of centralised bargaining in each industry to set wages and conditions of employment, to develop industrial policies for growth and efficiency, and to promote equity. It requires strong collective bargaining, the right to organise and the right to strike. With this set of rights, the imbalance in power between labour and capital is corrected, and a vigorous system of bargaining becomes the basis of self-regulation.

A democratic government would accordingly facilitate this self-regulation through a programme of legislation on worker rights and the inclusion of basic rights in the founding principles of South Africa's new constitution. The state has a role further in those sectors where business and labour is not sufficiently organised to regulate their affairs (for example, in agriculture where the level of unionisation is very low). And obviously the state will have an important role for matters which are not best self-regulated, or cover major interest groups outside of the two parties in the labour market.

A social market economy best offers the hope of achieving the goal of high and sustainable standards of living for our people.



A social market economy

In short, the choice is between, on the one hand, the short term expediency of protection, state regulation and nationalisation, exploitation and market deregulation, or, on the other hand, the sustainable path of efficiency, self-regulation and co-determination, decent social equity and a coherent development plan. This second option, of a social market economy best offers the hope of achieving the goal of high and sustainable standards of living for our people.

The practical implications of these choices are clear.

- At an economy-wide level it requires that we actively build the National Economic Forum, and other tripartite institutions, as the means of securing for workers the right to shape economic decisions.
- At factory level it will require an empowerment of workers and shopstewards, to take part in decision-making in production, and in factory restructuring.
- To the emerging black small business community it puts the challenge of growth with social equity, not growth at the expense of workers.
- To government it means that the engine of development is the formal manufacturing

sector – whilst outwork and the formal sector will exist, the key to economic prosperity will be the promotion and development of the formal sector which creates industrial culture and infrastructure. The fairytale, naive belief in promoting informal sector activities as the solution to South Africa's problems would need to be replaced with a programme to correct the structural weaknesses of our manufacturing base, and building on the strengths which we have.

- For the regional economy, it means policies which develop all of Southern Africa, through trade, investment and other instruments; but development based on social equity – respect for worker rights in all Southern African countries and improving standards of living for all people in the sub-region.
- Crucially, it means coherent policies at industry-level to restructure the clothing, textile and leather industries. Such restructuring must have a strong social dimension, to ensure that workers are not discarded or their needs ignored in the process. The social dimension must include state and employer financed arrangements for workers displaced by restructuring. ☆

Adversarial participation:

*a union response to
participatory management*



Management-initiated worker participation schemes pose a serious challenge to unions. Welcome Ntshangase and Apollis Solomons suggest how unions can respond creatively by making participation part of the collective bargaining process.*

In the face of stiff international competition South African companies will have to increase the quality of their products. But the development of the productive forces and the growth of the unions make it impossible for management to use coercive methods to increase productivity and ensure efficiency and quality of work. Instead, management must elicit the co-operation of workers by creating a working environment which encourages

workers to use their brain power and initiative.

How can unions respond? Direct participation in management-initiated structures is one option. We propose an alternative framework; unions need to respond by extending workers' control through the structures of collective bargaining.

Management approaches

There seem to be two management approaches

* Solomons works at a Paarl factory and is Western Cape chairperson of the Paper, Printing, Wood and Allied Workers Union (PPWAWU). Ntshangase is the union's national education officer. This article is based on a longer paper produced with the Sociology of Work Project at the University of the Witwatersrand.



to worker participation in the paper and printing sector. The first, at firms such as PG and Nampak, claims to be motivated by morale and socio-political changes. The second approach seems to stem from a need to increase productivity and transform the firm into a "world class company". Carlton and Sappi are the best examples of this approach.

The first approach stresses the need for common values shared by workers and management. These values are supposed to form the basis of daily activity within the company.

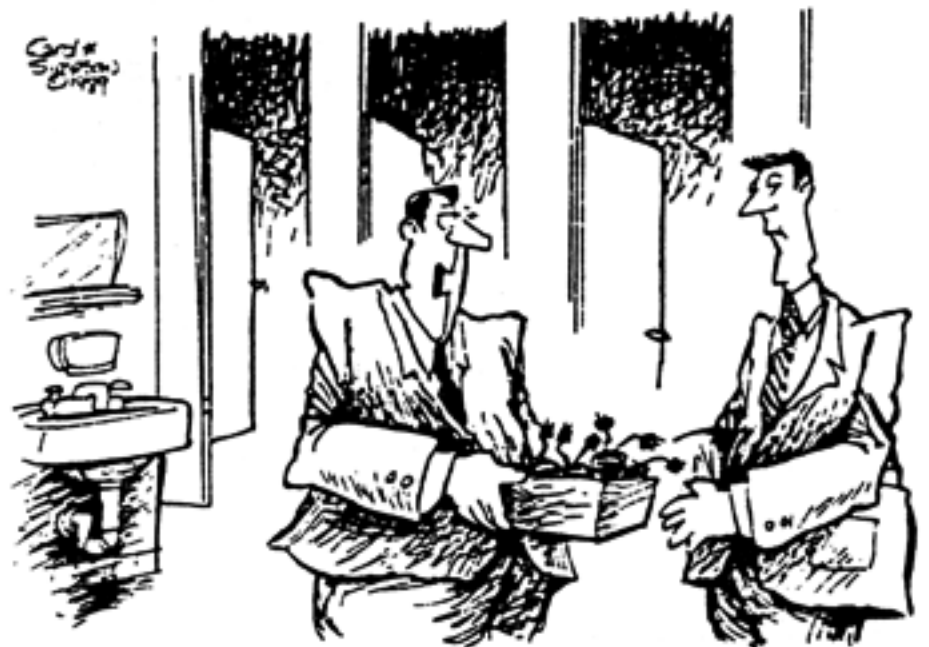
In 1987/88, PG introduced its TPQ (Total Productivity and Quality) philosophy. The company was restructured into eight strategic business units. At each site, natural work teams were formed. The "Strategic Business Unit" leadership consists of managers, shopstewards and non-unionised staff. This leadership is supposed to take all decisions affecting a SBU. However, there is as yet no evidence of this. All policy decisions are supposed to be discussed at the "National Forum", where all the SBU's and the unions are represented. But the reality is far less than the promise.

The second approach concentrates on quality improvement, production flow and team work. To improve productivity it aims to increase training and skills development to develop multi-skilled work teams.

In 1987, Carlton Paper adopted the "Total Quality Process" philosophy. This aimed to make Carlton a "world class company" by

becoming more efficient and productive. The company hopes to increase its turnover and profits four-fold in the next ten years. In this time, its employment will decrease by up to 30%. They believe this can be done without retrenchment.

Carlton claims to have reorganised production around natural work teams. They also claim to have cut out certain levels of management by transferring responsibilities onto the work teams. Productivity is to be improved through a training and skills development programme. The minimum educational level for new recruits is now matric. Employee development officers, who are drawn from the floor, identify education and training gaps and introduce new training opportunities.



"I want to open up better lines of communication with my employees. Plant these listening devices in all the washrooms."

Assessing management's approaches

Both approaches aim to increase productivity by developing workers' skills and giving workers and work teams limited responsibilities. Both stress improving quality, efficiency and competitiveness in a world market. Both models fail to define a clear role for trade unions on the shopfloor and have the potential to break the bond between individual workers and their collective organisation, and replace it with a company or enterprise union.

The main weaknesses of worker participation schemes are, firstly, that they arise in response to a crisis. As such, they are a management strategy to be used under certain conditions and disposed of if another strategy

proves to be more favourable to employers. Secondly, the schemes seek to institutionalise the new arrangements but tend to ignore the fact that change occurs gradually.



There is a common emphasis on productivity in these schemes. Unfortunately management fails to see productivity in a holistic way. Management conveniently ignores that there are many factors leading to lower productivity (including the productivity of capital and materials), and that in most industries a productivity increase will require the restructuring of the whole industry. Stressing the increase in labour productivity alone is management's attempt to make workers carry the entire burden of the problem.

Increases in productivity are not necessarily bad for workers. In fact, they may well benefit labour if management is serious enough to negotiate this with the union through collective bargaining. The emphasis should be on increasing overall productivity, and not just labour productivity. Through collective bargaining, the union can ensure that the increased social wealth created is directed into productive investment, expanding job creation and higher wages.

Both approaches stress the separation of participative structures from those of union-management collective bargaining structures. This is artificial and unnecessary; there should be a direct link between participative structures and collective bargaining.

If workers allow the two to be separated, the content of collective bargaining will be narrowed to wage bargaining and the union

will be separated from its natural base on the shopfloor. This would prevent workers from using their collective strength to fight for things like housing, training, or education.

Workers' gains on the shopfloor depend on their organisational strength. Separating workers from their organisation and narrowing the content of collective bargaining therefore undermines their power.

For the union to even consider co-decision-making in the form of participation, collective bargaining will have to be taken to its fullest stage: centralised bargaining.

Options facing the union

The union has three options in responding to participative schemes:

- stand back and let it happen
- obstruct
- become centrally involved



“Standing back” means the union would ignore any participative processes introduced at the workplace.

The advantage is that the union avoids the risk of losing its identity and finding itself co-managing the business with the bosses, while not sharing in the profits. While this seems the most comfortable option, it has serious weaknesses.

While the union stands back, its members and shopstewards participate unguided, without a framework or proper logistical back-up. The union is not visible in their day-to-day struggles and they soon see themselves as unconnected to the union beyond the workplace. This option has the potential to break the union into small company-based entities with no national perspective.



“Obstruction” requires the union to actively campaign to block management’s introduction of participative schemes. For this to be successful, it needs to involve all members at a particular company. The advantage of this option is that the union keeps its identity of fighting the bosses to protect its members’ interests. This also puts to rest the myth that the contradictions between labour and capital can be reconciled.

The disadvantage of the obstructionist approach is that, by the time the union learns about these schemes, union members and shopstewards are already involved in them and may resist any union attempts to obstruct the process.

Bosses present their schemes with the motivation that they want to democratise the workplace, give the workers a say, recognise workers’ contribution and give workers training, education, literacy, and housing. It is very difficult for the union to convince members not to accept this.



“Becoming involved” is an option with two possible paths; one driven by management and one driven by the union. In the first, the union participates in structures already designed by management. In the second, the union becomes part and parcel of the very process of defining participative structures.

The advantage of the second path is that, depending on the union’s collective strength, it can push the participative schemes far further than management initially intended. But it also requires the union to give members a framework and organisational backup.

The disadvantage of both paths is that it assumes that the union is participating because it has accepted the process as legitimate. It may end up identifying itself with the goals and objectives of the company.

The need for adversarial participation

Engaging with participation schemes by extending our collective bargaining structures would advance workers’ control over the labour process, the labour market and investment decisions.

For the union movement in South Africa there are important advantages in challenging participative schemes. Most workers have a basic political understanding of the conflictual relationship between labour and capital. They understand the importance of mandates and report-backs and are mature enough to detect any signs of co-option from their leaders, especially shopstewards. The option the union takes must build the union’s collective strength, its structures and its tradition of report-backs and mandates.

However, we are not undermining the need for individual workers to be treated like human beings and not like machines. It is therefore important, when selecting an option, to consider both our collective strength and the individual’s ability to think and acquire skills in the work environment.

Our proposal is that the unions adopt a position of adversarial participation. This suggestion emerges from a principled position: that there exists an irreconcilable contradiction between the interests of labour and capital. The participative schemes raise the key question of the relationship between individual workers and their collective organisation.

Management believes that workers’ individual interests would be best served by the company’s success. It puts workers and managers on the same side in efforts to

improve productivity and growth; unions are extraneous to their plans.

In our view, however, the only way for workers to protect their interests over the long term is through their own independent, collective organisation. We see no contradiction between our collective strength through our union structures and the individual worker's satisfaction or ability to participate in making decisions affecting his/her work and life. This is the essence of trade unionism.

But recognition of the conflict between labour and capital does not mean that co-operation is impossible. However, this should not be at the expense of the union as an institution, or the class interests of its members.

Participating on our own terms

We argue that the union should engage the companies and participate in these processes of change, but on our own terms through collective bargaining, rather than on management's terms. In this way we can achieve the goals of expanding worker power and the role of the union. This is what we mean by adversarial participation: participation, yes, but in a way which does not ignore the irreconcilable differences between labour and capital. This can only be accomplished by establishing the role of organised labour in the whole process, because only through their collective strength can workers direct such schemes. We argue for workers' participation in all decisions made in a company. This requires the full development of the collective bargaining system, including centralised bargaining.

Furthermore, the content of bargaining should be broadened to include issues over and above wages. At the corporate level, this includes medium and long-term visions, development and training, investment, technology, strategy formulation and organisational structuring. On the shopfloor, bargaining will cover all operational issues which in the past were the prerogative of first-line management in particular and operations management in general.

Therefore, our engagement with these

schemes moves from the premise which recognises that there are at least two parties involved in the production process: workers and management.

The independence and divisions between these parties should not be played down; rather, a recognition of this should serve as the basis for regulating conflicts. If these differences are ignored or denied, they will surely erupt in an uncontrolled and destructive way. This recognition is the essence of adversarialism.

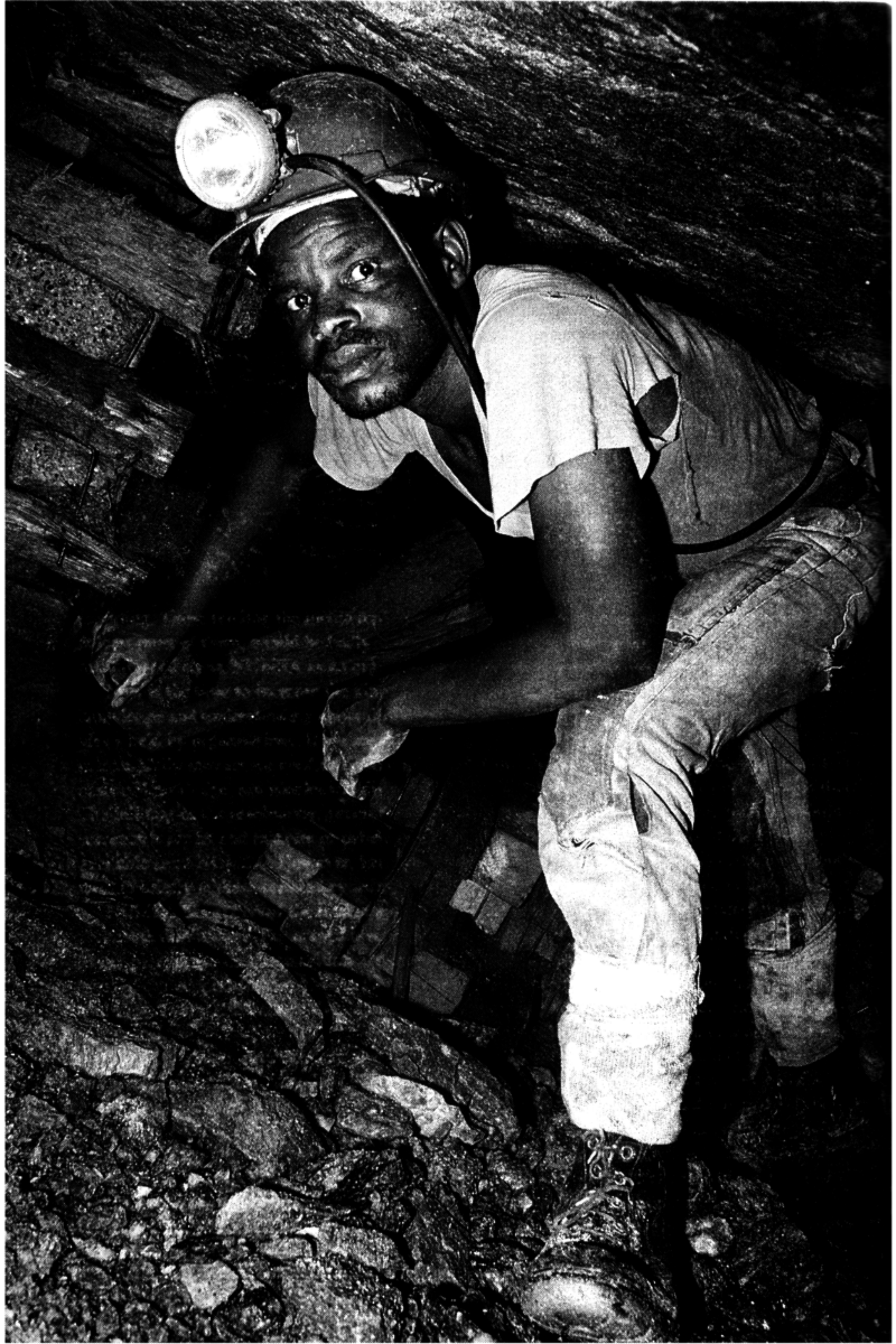
Involving union structures

It is therefore suggested that workers be involved in direct joint decision-making on the shopfloor through their union structures. This means that worker representatives (rather than workers) as individuals should lead any permanent participative structures. Individual workers should engage in these structures, but only as part of a collective force. This is the only way to ensure the process is worker-led and not individual-led. This extends the union's existing practice by going beyond the traditional bargaining issues to include all decisions affecting workers.

In making these suggestions, we are informed by the experiences of participative initiatives which have created natural or permanent work teams, but which fail to define the role of the union structures within those teams. This has the potential to destroy workers' ability to see themselves as part of organised labour and undermine workers' chances of safeguarding their long-term interests.

We are suggesting the above as a framework for engaging management's participative schemes. However, it will not be possible for us in this paper to be prescriptive about the form of structures at the shopfloor, factory, or corporate levels. This will be determined by the conditions at a particular company.

If we are to participate effectively, we will have to extend our collective bargaining structures and substantially improve our internal union capacity. ☆



Profit-sharing schemes: *a look at* *the gold mines*

The recent surge in the gold price has boosted mining profits. The National Union of Mineworkers' Martin Nicol* assesses the union-negotiated profit-sharing schemes which exist at many gold mines.



In 1991 and 1992, because of the crisis in the industry, the National Union of Mineworkers (NUM) accepted basic wage increases on the gold mines far

below the annual inflation rate. The priority of the union was to preserve employment.

But this left the door wide open for rich mines (like Kloof, Elandsrand and Vaal Reefs) to hide behind the low increases set in the Chamber negotiations; increases designed to accommodate Freegold, Buffelsfontein and other marginal mines. Workers needed a way of supplementing their basic wages if the mines could afford to pay more.

The ideal for NUM would be a national wage policy in which the richer mines help the poorer mines to pay the same wages. But this would need new tax laws, new ownership rules and a new government to force it all through. This is our longer term perspective.

In the short-term the union needs a special policy for collective bargaining in an industry that is in long-term decline. The economy is not growing, few new mines are opening; so workers who get retrenched are threatened with starvation. NUM has already accepted a reduction in real wage standards, hoping to slow down the speed at which mines are contracting.

This leads to two separate, but related, questions. Firstly, at what point should the union dig in its heels and demand that the buying power of wages is preserved? Secondly, how can NUM make sure that mines

* Martin Nicol is head of the National Union of Mineworkers' Collective Bargaining Department.

The crisis in gold mining

- **Fall in the gold price**

The gold price has hovered around the level of R1 000 per ounce since 1988, while inflation has stayed well above 12% per year. A price in excess of R1 800 per ounce is needed to restore the buying power of gold to its 1987 level.

- **Collapse of profits**

The fall in gold revenue has slashed mine profit margins to their lowest levels since the 1920s.

- **Retrenchments**

The mines have coped by cutting costs and increasing productivity. The major factor in cost-cutting has been the retrenchment of black mineworkers - 166 000 jobs have been lost in the gold mines since 1987, a third of total employment. Nevertheless, tonnage milled in 1991 was the same as in 1987, and gold production was barely lower.

- **Low wage increases**

In 1991 and 1992, workers received very low basic wage increases – less than half the inflation rate. The real basic wages for many job categories are now well below their 1982 levels, when NUM was launched.

which can afford to pay more money to workers, do so? The focus in this article is on the second question.

The Performance Bonus scheme and its rejection

In 1991, NUM agreed to two mechanisms that might supplement basic wages at four mining houses.

- **A Performance Bonus**, based on meeting pre-set targets to reduce the production cost per kilogram of gold. This was paid out monthly in amounts that varied from zero to over 25% on basic wages.
- **A Gold Price Bonus** which provided for a payment of up to 7% of basic wages, should the gold price rise above a certain level.

In practice, however, the gold price never came close to reaching bonus levels, and many mines acted in bad faith in the Performance Bonus Schemes. They increased their productivity and profits, manipulated targets and failed to pass on a fair share of the benefits to workers. The Performance Bonus system was evaluated by the NUM Central Committee in January 1992, and rejected.

The Central Committee re-affirmed the union's wage policy – a living basic wage for all mineworkers. But it also recognised that there are severe problems in strictly applying this policy in the gold mines at present. It directed the NUM Collective Bargaining Department to organise a workshop to come up with an alternative to the performance bonus system.

From Performance Bonus to Profit Sharing

In April 1992, this workshop recommended that the union demand profit sharing on all the gold mines, whether sick or healthy. When mines make a profit, they should share some of the profit directly with the workers. After report-backs and debate, this recommendation was adopted as union policy.

The decision to demand profit sharing was not an easy one for the union. How would it alleviate the crisis in the industry? For South African unions it was an unorthodox approach. It is worth outlining the union's thinking.

The wage bill is a large part of mining costs – about half on most gold mines. A modest

HOW PROFIT SHARING WORKS

1. PROFIT GENERATION

	REVENUE (money from sales)
minus	COSTS (wages, stores..)
equals	<u>PROFIT (surplus)</u>

2. PROFIT DIVISION

The surplus is divided in four ways:

- **Capital expenditure** – re-invested by mine-owners to keep the mine going
- **Tax** – paid to the government
- **Dividends and royalties** – given to mine owners and shareholders
- **Profit share pool** – cash given to workers

(Agreements cover how the size of the profit share pool is calculated.)

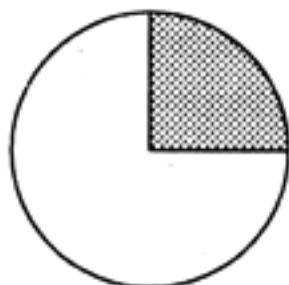
3. PROFIT POOL DISTRIBUTION

The rules of each scheme determine the **size** of the "profit pool" that is to be distributed amongst the workers. The profit pool is always distributed as:

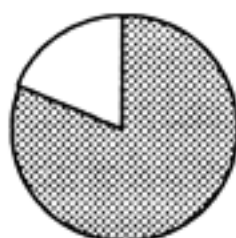
- an equal rand amount
plus (if the profit pool is large)
- a percentage on basic earnings.



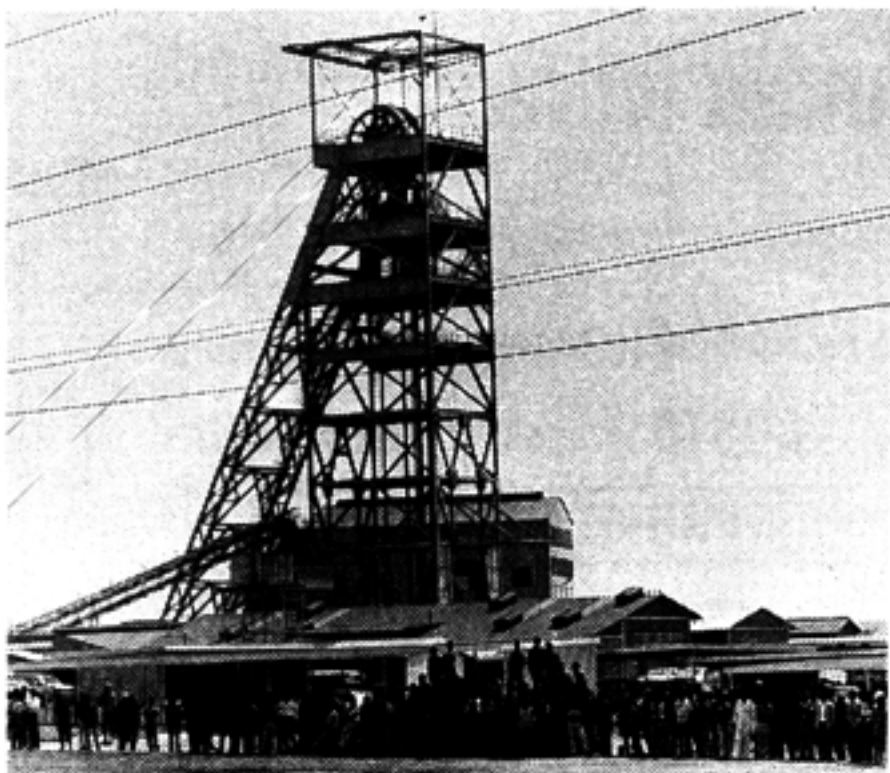
In general:
← If the pool is small, all workers will share equally in the whole profit pool (eg in December 1992 workers received R19,74 per month at Blyvoor).



← If the pool is very big, one quarter of the pool is shared equally between the workers. The remainder is shared according to salary, as a percentage of the basic wage (eg at Elandsrand in the fourth quarter of 1992, workers received R116 per month, plus 14,2% of their monthly basic wage).



← If the pool is medium sized, all workers get R25 per month. Any money remaining is then shared according to salary, as a percentage of the basic wage (eg at Western Deep Levels for the fourth quarter of 1992, workers received R35 plus 1,98% of their monthly basic wage).



increase of 10% in wages immediately translates into an increase of 5% in the cost per kilogram of gold mined. And these greater costs can easily push a marginal mine into a loss.

So a fixed increase in the wage bill, such as an increase in the basic wage rate, makes a mine more likely to retrench (or consider closure) if the gold price falls. The extra "fixed cost" of higher wages lets more water into the leaking ship. The costs are included in the mine's forecasts of its future results; and retrenchments loom earlier than if there is no increase in wages (or a small increase).

On the marginal gold mines and marginal shafts, low basic wages mean that more jobs are saved. On the profitable mines, of course, low wages mean more profits for the mine owner. NUM is faced with a real dilemma here. Our aim is to preserve jobs, but it is also our aim to provide fair (and improving) wages and conditions of employment.

Even on marginal mines, we need to look closely at the erosion of wage standards. There must be a point at which the union says the mine should rather close down, than employ people under such conditions. It is not only wages that are held back in these hard times. Hostel upgrading is delayed, training is cut, and mines may save on safety expenses, making work more dangerous. NUM is currently giving serious attention to minimum benchmarks. Unless it does so there will be no

end to the erosion of existing standards, as low as these currently are.

We also realise that low wages can never be traded for job security and a ban on retrenchments. That is not the way mines work. Whatever the level of wages, mines will plan production to make the most profit they can. A change in any of the basic factors, including the gold price, the inflation rate or taxes, will produce a change in their profit plan; and the mines will react accordingly. A fall in the gold price will mean more retrenchments, however low the wage and however many workers have already been retrenched. A common complaint of NUM members is that they accept low wage increases – and then the mines still retrench!

Our thinking behind the profit-sharing proposal was: where the union agrees to low basic wage increases, there must be other means of supplementing wages during the year, if mines prove to be profitable. Also, there is a huge range of "health" and "sickness" in the gold mining industry. Some mines are hugely profitable and can afford a proper increase. Others will make profits only if their planning is spot on, or there is a rise in the gold price.

Lower increases could slow down the contraction of the industry, while the profit sharing scheme means that mines which are profitable and can afford to pay more, do so.

Negotiating a profit-sharing agreement

It took six negotiating meetings before the Chamber of Mines agreed to discuss the new NUM proposal of profit sharing. In 1991, one of the problems with the performance bonus scheme was that it was formulated in a tiny "working party" of only five people. In 1992, discussions were conducted in a forum in which all affected mines were represented and which included NUM officials from the relevant regions. In addition, regular reports were given to the full negotiating team, to the union's national executive, and to the regions.

Some mining houses rejected profit sharing and were excluded from the agreements reached with the Chamber of Mines. Gold Fields and Anglovaal refused to share their

profits at all. Instead they gave an extra basic wage increase of 1%. JCI's Sir Albert Robinson Hospital forced NUM to accept a continuation of the Performance Bonus scheme; largely because the hospital is part of Randfontein Estates where NUM is not recognised and the white unions like the performance bonus. At two other mines, St Helena and Grootvlei, which are making very little profit, the union opted for an extra 1,5% basic wage increase instead of profit sharing.

The Chamber agreement

Remaining mines were covered by an agreement with the Chamber of Mines setting a framework for the profit-sharing schemes at individual mines. This established eight principles for all profit sharing schemes:

- the right of NUM to negotiate a fair wage structure at industry level
- security of employment – a guarantee that no worker will be retrenched or downgraded because of the profit-sharing scheme
- improvements in health and safety – better efficiencies must not be achieved at the price of more accidents
- full disclosure of information to workers and the union to monitor the scheme
- worker participation in monitoring the scheme and promoting better efficiency through new work practices
- no race or gender discrimination
- a commitment to training – critical for a long-term improvement in the viability of the mines. All mines must specifically investigate how better training can lead to improved efficiency.
- a fair distribution of gains between workers – at least the first R25 or 25% of money available for distribution in any performance bonus scheme, will be shared equally amongst the workforce. Any additional amount will be shared in proportion to basic earnings.

It was agreed that the mines will deduct capital expenditure from the profit before it is shared, as this is money re-invested in the mine. The details of the profit-sharing schemes were then negotiated, comprehensively, in

three separate forums – one for Anglo American, one for Blyvoor and one for Gengold.

These negotiations were tough and drawn out. Initially, the employers did not want to share profits with workers until they had first taken enough profits for their shareholders.

It was eventually agreed that in all the schemes, profits are shared from the first rand. A part of any profit made, however small, goes to the workers. It was also agreed that all schemes apply right across the mining house concerned; a uniform group approach. Randgold was an exception because the Harmony profit-sharing scheme, negotiated in 1991, was already in place.

But the schemes agreed upon differed between the mining houses; with some more complicated than others. The Randgold scheme is the simplest with workers getting 20c in every rand. The Anglo and Gengold approaches involve two-stages with little profit sharing early on, and an improved worker share once a minimum trigger-level is passed. All schemes have a 'cap' – a maximum profit pool beyond which no benefits are passed on (see boxes for details).

Randgold - simple schemes for Harmony and Blyvoor

- Every month, the mines calculate the total profit and deduct capital expenditure.
- From what is left, the mines take 20c from every rand and put it into the profit pool for workers.
- The pool has a maximum size.

Blyvoor will stop sharing profits when the pool is equal to 20% of the total wage bill on the mine.

Harmony will stop sharing profits when the pool has R4 million in it – this is about 29% of the basic wage bill. At Harmony, the first R1 million of the profit is shared equally between workers. This works out to a maximum "equal rand share" of R80 per worker per month. In practice this amount has not been reached.

Gengold - two stage sharing (after tax) + R2

- Every 3 months, the mines calculate total profit and deduct capital expenditure and tax paid to the government.
- What is left is divided into two parts:

Part 1 is money up to a "trigger" level - this is the average profit for the preceding 4 quarters. The mines take 5c from every rand of profit below the trigger level and put it into a profit pool.

Part 2 is money above this "trigger" level. If the profit of a mine is more than the trigger level, the mine now takes 20c from every rand of this extra profit and puts it into the profit pool.
- This combined pool is itself divided into two. Gengold only pays the profit share to black workers in categories 1 to 8 – so about two thirds of the pool is set aside to pay to "participating workers". The remainder, equal to the proportion of white wages in the total wage bill, is kept by the mine. (Whites do not share in profits directly – they accepted a 1,5% increase in basic wages.)
- The pool has a maximum size. The Gengold mines stop putting money into the profit pool when it is equal to 15% of the wage bill of the mine.
- + When mines pay profit shares, Gengold adds on an extra R2 per month.
- + Gengold's participating mines:

Marievale	Unisel	Buffelsfontein
Kinross	Beatrix	Leslie
Winkelhaak	Bracken	Stilfontein

Anglo American – two stage sharing

- Every 3 months, the mines calculate the total profit and deduct capital expenditure.
- What is left is divided into two parts:

Part 1 is money up to a "trigger" level. The mines take 5c from every rand of profit below the trigger level and put it into the profit pool for workers at each mine.

Part 2 is money above this "trigger" level. If the profit of a mine in a quarter is more than the trigger level, the mine now takes 20c from every rand of this extra profit and puts it into the profit pool.
- The pool has a maximum size. The Anglo mines stop putting money into the workers' profit pool when it is equal to 25% of the wage bill of the mine.
- Trigger profit levels

Mine	Trigger level per quarter
Vaal Reefs	R51,7 million
Freegold	R69,2 million
Western Deep	R21,4 million
Elandsrand	R10,9 million

Not an incentive scheme

Neither this nor any other of the profit-sharing schemes is structured as an "incentive scheme", to make people work harder (or smarter). They simply set a formula to give workers a little extra money if mines make a profit. Profit sharing is not instead of a wage increase, it is in addition to a wage increase.

One of the union's aims in the profit-sharing agreements is to give workers the possibility of winning back some of the ground they have lost to inflation. If workers are *less* productive, they could still get a greater profit share *if* the gold price rises. The profit-sharing schemes flow from the crisis in the gold industry and the need to slow down the contraction of the industry. If they do promote better efficiency, that is, of course, to the benefit of both workers and employers.

Has profit sharing worked?

In their first nine months (July 1992 – March

1993) the profit-sharing schemes have undoubtedly succeeded in their own terms. On average, workers at the affected mines received an extra R329 (or R37 per month). This was equivalent to an additional 4,4% on top of the basic wage of a grade 4 underground miner. (The largest number of workers fall into this category).

This average increase of 4,4% should be compared to Goldfields and Anglovaal mines – without profit-sharing schemes – where workers received between 1,5% and 2% additional increases. Only one mine with profit sharing (Randgold's Blyvoor) ended up getting less than 2%.

Naturally results differ sharply between mines. Anglo's Elandsrand and Gengold's Bracken both paid out more than R1 000 over the nine month period – equivalent in Eland's case to an extra 16,9% premium on basic. Other mines paid significantly less (see table for examples of payouts).

What profit sharing means to the pocket of a Grade 4 underground miner – some examples

9 month period – July 1992 to March 1993

Group	Mine	Percentage increase on top of basic	Extra rands on top of basic
Anglo	Elandsrand	16,9%	R1 274
Gengold	Bracken	14,2%	R1 001
Gengold	Stilfontein E	10,0%	R705
Gengold	Unisel	5,8%	R412
Anglo	Western Deep	4,8%	R362
Anglo	Freegold	4,5%	R343
Gengold	Leslie	4,1%	R290
Randgold	Harmony	3,2%	R244
Anglo	Vaal Reefs	2,7%	R206
Gengold	Beatrix	2,9%	R205
GFSA	*Gold Fields	2,0%	R150
Anglovaal	*Harties	2,0%	R149
Gengold	*Grootvlei	1,5%	R108
Randgold	Blyvoor	1,2%	R 85

* = workers received an additional wage increase of the percentage indicated, and were not part of any profit-sharing scheme

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Results for the full twelve month period are not yet available. However, the recent surge in the gold price should see substantial profit-sharing payouts for the April – June period. This will make the overall difference between mines with schemes and those without, even more marked.

An overall assessment

A balance sheet of the first nine months, from the point of view of the union, indicates the following:

Good points/successes

- Profit-sharing schemes did provide a few extra rands for NUM members, as was their aim.
- The profit-sharing schemes, in their first nine months, provided more money than the small additional extra wage increases given by Gold Fields and Anglovaal in 1992 and 1993.
- Profit sharing provides some flexibility to take account of the special conditions at individual mines. It can get members more money, while it preserves centralised bargaining and a 'platform' of basic wages in the industry.

Bad points/problems

- Education around the schemes has been insufficient. They are hard to understand and this still creates a lot of confusion. Many workers have the gut feeling that if management likes a scheme, it must be bad for the workers. The majority of mines have not received training. In some cases, management has actively prevented NUM members from attending union training courses on the scheme.
- The payouts vary enormously between mines, both in rands and percentage terms. Workers who do the same job, but under different companies, do not get the same profit shares.
- The payouts vary from time to time. Workers cannot count on that extra money until they have it.

Surprises

- Some of the most marginal mines, like Marievale, Stilfontein and Bracken, paid

among the best profit share amounts.

- Some good, solid, profitable mines with long lives, paid very little indeed.
- Many mines have never called the agreed monthly meetings to allow NUM branches to monitor the schemes.

The wider potential of profit sharing

Profit sharing in its present form is not part of the wage philosophy of unions; but it is likely to be a long-term feature of remuneration on gold mines.

Some mine managements, probably the majority, have simply accepted profit sharing as a way of keeping wage costs under control. They are bemused by the formula for sharing profits between workers, and are uninterested in trying to get anything else out of the scheme.

But profit sharing has the potential to increase worker participation in industry; to start with, simply through making operating information available to workers and giving training in how companies work.

In 1990 COSATU commissioned an opinion survey of shopstewards in all its affiliates. Despite union policy being opposed to profit sharing, 95% of shopstewards believed workers should share in company profits. Of course this needs to be considered alongside the view of 75% of COSATU shopstewards that workers' committees should run companies; an opinion held by almost 90% of the NUM shaftstewards interviewed. The survey revealed strong support for radical social transformation, including vastly increased levels of worker control.

Perhaps this explains why mine managements are so reluctant to hold the monthly meetings to monitor the profit-sharing schemes; or to give out information in digestible form. I suspect, however, that the actual reason is that they simply are not interested. NUM's job in the months ahead is to make them interested.

The way forward

NUM wants to see existing profit-sharing schemes improved and extended to all gold mines, including Anglovaal and Gold Fields.



NUM wants to negotiate improvements including eliminating the “trigger levels” and the “caps” that stop profits being shared above a particular level. The union aims to put more resources into training shaftstewards to understand and monitor the profit-sharing schemes. Time off is essential for specialised training of shaftstewards charged with the task of monitoring the schemes. The profit sharing schemes *are* complicated, but so is the world we live in. To get the maximum benefit from the schemes, NUM needs to develop skills at mine level.

While profit sharing is a useful strategy to deal with the pressing problems that workers on mines face today, measures to enhance efficiency and performance at mine level will not solve the structural crisis in the gold mining industry. At best, they can provide a breathing space.

NUM is committed to negotiating and working towards a re-structured mining

industry that combines long-term economic viability with the humane treatment of all mine workers. This will involve effective state intervention in the mining industry to regulate the down-scaling process.

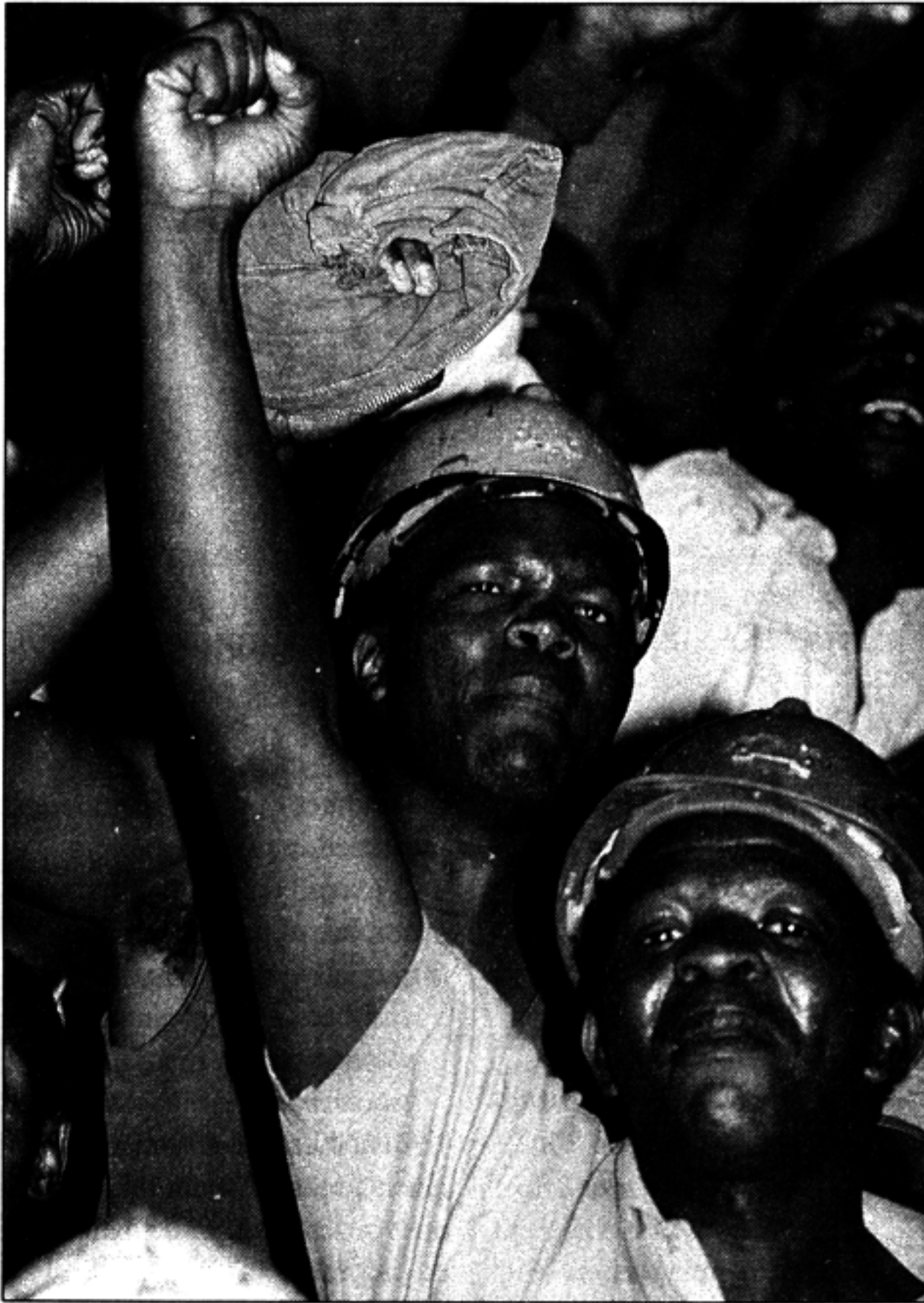
A re-structured mining industry will need to provide a proper role for unions and workers in decision-making. Profit-sharing schemes have the potential to create a basis for extending, first participation and then control within the work environment. The monitoring of profit-sharing schemes can be used to develop a deeper understanding in members of how things work on the mines.

Understanding is a pre-condition for effective participation. NUM will investigate further demands for participation – such as directors on the board. And if workers, through profit sharing, get a share of the surplus like the shareholders, should they not also get ownership rights in the mines? ☆

Why **Gold Fields** **opposes** *profit sharing*

The Gold Fields Group has refused to go along with NUM's profitsharing proposals. The company explains why it is opposed to profitsharing.

- Gold Fields believes that a long term view is essential with regard not only to operating viability and job retention but also to employee relationships. Short-term expediencies which jeopardise the long-term should be avoided.
- Wage policies should be based on broad long-term labour market factors rather than on the ability to pay, if certainty of wage and employment is to be assured in what is a highly cyclical business. It is vital that economic realities are faced and that ore resources are not rendered uneconomic and that the ability to fund their realisation is preserved with consequential job preservation. If the profit windfalls, which in mining by its very nature occur in dollops, are skimmed off in the good times this has a longer term effect on the returns to the providers of capital and survival of the company in the downturns.
- Gold Fields mines believe in a consistent application of wage policy. Wages are based on graduated scales which recognise the value of the contribution of jobs to the operation across the skills spectrum and are founded on the primary principle of equal pay for work of equal value.
- The wages of employees should preferably be certain and consistent as against the possibility of a larger but variable bonus the basis of which is not easily understood. For this reason a small but certain premium in basic wage increase has been paid, as against an uncertain and variable share in profits as an integral part of earnings. It should also be borne in mind that employees do not share in shortfalls during the downturns. Thus the skimming of the cream during good times is prejudicial to shareholders.
- Earnings differentials between profitable and unprofitable mines are not justified against employee performance differential and results in different earnings for the same work. This is manifestly unfair as



between employees on neighbouring mines where, for example, the sole basis for differential earnings for the same work could be the quality of the ore resource.

- Where bonus schemes are in place they are aimed at rewarding directly measurable performance. Such schemes are implemented at mine level in response to specific production needs. A good example of such a scheme is shaft-sinking bonuses where there is a need to get to the revenue producing ore as soon as possible, particularly bearing in mind the high capital costs of shaft sinking.
- Employee sharing of incremental profits, without sharing in shortfalls prejudices shareholders, the companies and future

developments and gives rise to a conflict between the need for maximal returns to shareholders, fair compensation to employees and adequate reserves particularly needed for uncertainties inherent in the business of mining where development costs are high.

- The primary reason for the existence of a company is to reward the shareholders who are prepared to invest in it and take the risks. The viability of the company, growth of the industry and provision of job opportunities depend on ensuring returns to the providers of capital.
- A fair balance has to be struck between the stakeholders, which, it is believed, is achieved by the existing wage policy. ☆

South African unions: *still growing?*

IAN MACUN* examines the dramatic growth in union membership during the '80s and the changing patterns emerging in the 1990s.



During the 1980s, South Africa was one of the few countries where unions grew very rapidly. Trade union membership increased from little more than 700 000 in 1979 to over 2,7 million in 1991.

This was despite poor economic conditions, a repressive political climate and harsh, conflictual industrial relations. Membership climbed most steeply in the "progressive unions" – those that today are affiliated to COSATU and NACTU. Indeed, COSATU was by far the fastest growing union federation in the country, if not in the world. However, recent reports have pointed to a membership decline in certain key COSATU affiliates during the early 1990s.

This article looks at the factors which shaped the massive growth of the 1980s and those likely to play a role in the future.

Measuring union growth

Union growth generally refers to the change in

the number of union members. This can be measured in two ways:

- in overall terms, by looking at the actual number of union members, or
- in relative terms, that is, the number of union members as a percentage of the number of potential union members. This measurement is commonly referred to as union density.

An accurate assessment of union growth needs to look at both these measures, as they convey different information. For example, employment and actual union membership may decrease while union density increases.

Union growth is not only about numbers. It also raises issues of union representivity, influence and power. The relationship between numbers and power is not clear cut. It is wrong to assume that strong, militant unions inevitably attract many workers and thereby increase the power of such unions. At most it can be said that union growth and union power are significantly related. If nothing else, growth is a necessary condition for union power.

Growth in the 1980s

Prior to 1979, there was little substantial growth among established (racially based, registered) unions; total membership increased

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from 400 000 union members in 1956 to 701 758 in 1979. The dramatic increase in membership is really a feature of the 1980s (see Table 1).

unions; 33% of the total membership of all registered unions. By the end of 1991, COSATU membership stood at 1 258 853 in 14 affiliated unions (46% of total membership).

COSATU's membership is unevenly distributed. By far the largest proportion is concentrated in the manufacturing division, followed by mining (see Table 2 for a rough breakdown).

Employment has not increased significantly within the manufacturing sector. Between 1985 and 1991 the total numbers employed remained relatively constant at around 1,43 million. Black employment, however, increased slightly from 1 108 486 in 1985 to 1 116 618 in 1991.

Despite relatively stable employment levels, membership rose rapidly within COSATU affiliates organising in manufacturing – CWIU, FAWU, NUMSA, PPWAWU and SACTWU. Jointly, their membership grew from 147 672 in 1985 to 672 951 in 1991, a growth in union density from 10% to

48% of the total workforce in manufacturing.

COSATU has few white members. Union membership in relation to black employment therefore shows even more dramatic growth, with union density increasing from 13% in 1985 to 60% in 1991.

It should also be noted that growth within manufacturing has been uneven. Some COSATU affiliates, FAWU for example, grew rapidly in the late 1980s, while others, for example CWIU, grew much more slowly.

The very substantial growth of unionisation in manufacturing during the 1980s and the relatively high union density, particularly among black workers, distinguishes South Africa sharply from other advanced industrial countries, where the public sector often has the highest union density.

However, COSATU's growth in manufacturing shows signs of levelling off. Between 1988 and 1989, 163 590 workers joined COSATU affiliates in the manufacturing sector, whereas between 1990

**TABLE 1:
EMPLOYMENT, UNION
MEMBERSHIP AND DENSITY 1979-90**

Year	Employment (non-agric)	TU membership	Density (%)
1979	4 579 900	701 758	15.32
1980	4 812 968	808 053	16.78
1981	5 026 935	1 054 405	20.97
1982	5 132 001	1 225 454	23.87
1983	5 056 366	1 273 890	25.19
1984	5 117 321	1 406 302	27.48
1985	5 036 935	1 391 423	27.62
1986	5 066 287	1 698 157	33.51
1987	5 141 993	1 879 400	36.55
1988	5 225 950	2 084 323	36.55
1989	5 261 531	2 130 117	40.48
1990	5 282 552	2 458 712	46.54
1991	5 137 849	2 718 970	52.92

Not only have unions grown in absolute terms post 1979; there has also been substantial growth in the density of union membership. By the end of the 1980s, with a union density of around 40% (and still growing), South Africa was similar to countries such as West Germany (42%), Italy (45%), the Netherlands (37%) and the UK (52%).

Unlike in South Africa, union density in many advanced industrial countries dropped from the late 1970s to the mid-1980s. In some countries, such as the USA, UK, Netherlands and Italy, union density decreased by between six and seven percent. This was due to a drop both in the number of union members and the number of people employed.

The COSATU story

Within the overall South African picture, it is useful to look at the position of COSATU – the largest grouping of organised workers in South Africa. At the time of its formation in late 1985, COSATU had 462 359 members in 33

TABLE 2:

ECONOMIC DIVISIONS, EMPLOYMENT AND COSATU MEMBERSHIP BY MAJOR AFFILIATES, 1991

DIVISION	EMPLOYMENT	MEMBERSHIP	COSATU AFFILIATES
Mining	608 486	269 622 (44%)	NUM
Manufacturing	1 418 722	676 570 (48%)	CWIU, FAWU, NUMSA, PPWAWU, SACTWU
Electricity, gas & water	46 650		
Construction	378 800	30 123 (8%)	CAWU
Wholesale & retail	785 926	96 628 (12%)	SACCAWU
Transport	342 275	91 034 (27%)	TGWU, SARHWU, POTWA
Financing & insurance	189 340		
Community, social & personal services	1 304 250	94 876 (7%)	NEHAWU, SADWU, SAMWU

Source: SA Labour Statistics, 1992 (CSS) and COSATU Secretariat Report 1992

Notes:

1. Agriculture is excluded and the employment figure represents a total for all racial groups, taking December or fourth quarter figures.
2. The percentage in column 3 represents COSATU members as a proportion of total employed in the sector.

and 1991, 91 233 workers joined. In other words, while COSATU continued to grow in manufacturing up to 1991, it has been growing much more slowly.

In the last two years, these trends have continued. NUMSA recently reported that its membership had declined in absolute terms – from almost 281 000 in 1991 to 238 000 in 1993 (NUMSA 1993 report). This sharp drop has gone hand-in-hand with declining employment levels in the metal industry and may not mean decreased union density. By contrast, COSATU's two major affiliates in the public sector, NEHAWU and SAMWU, are

growing dramatically. In 1991, their membership (jointly) was 67 000; in 1993 it stood at over 115 000.

COSATU's growth during the 1980s can be contrasted with the gradual decline of the exclusively white trade unions, whose membership dropped from 350 000 in 1981 to approximately 235 000 in 1990.

Explaining union growth in the '80s

It is often assumed that the absence of black political rights in South Africa has caused workers to join unions in large numbers. While there may be some truth in this, it is not clear

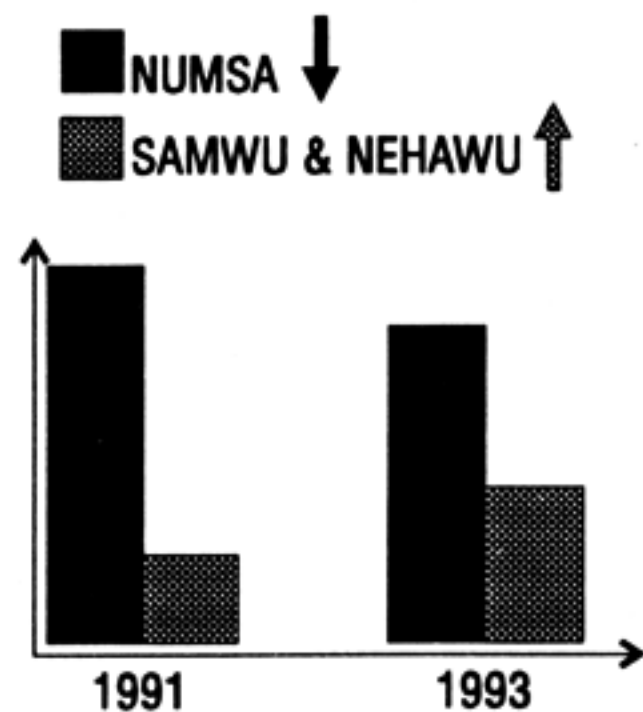
UNION MEMBERSHIP - A CHANGING PICTURE

During the 1980s:

- total union membership rose from 800 000 to almost 2,5 million
- the progressive unions grew especially rapidly

In the 1990s:

- = Manufacturing unions are struggling to maintain members, eg. the giant metal union NUMSA has seen membership decline from 281 000 (1991) to 238 000 (1993)
- ▨ = Public sector workers are unionising, eg. two COSATU public sector unions (SAMWU & NEHAWU) have seen their combined membership almost double from 67 021 (1991) to 115 249 (1993)



how important political issues have been in union growth. There was no especially big increase in union membership between 1984-1985, when the mobilisation accompanying the massive labour-led stayaway in the Vaal triangle might well have attracted workers to join unions. On the other hand, when the state was in a particularly repressive phase from mid-1986, union membership did, in fact, increase quite substantially.

Moreover, to argue that political conditions and political unionism were a major influence on union growth implies that workers have a primarily political motivation for joining unions. It could just as well be argued that many workers' political ideas and motivations are more likely to be shaped once they have joined a union, by the union's organisational activities. In short, the union movement's political character and the political conditions facing workers during the 1980s could have facilitated union growth, but were not necessarily the major reasons why unions grew so rapidly during this period.

Organisational and economic factors are more likely to have been particularly important in union growth. As the most substantial membership increases have been amongst the progressive, non-racial unions, the organisational factors that have contributed to rapid growth have been mainly those of leadership and union mergers/consolidation. As Erwin and Morris argue, leadership after 1973 "proved capable of holding unions together and of evolving strategies which were successful in resisting employer and state repression".

In the early 1980s, unions grew in spurts and spread from sector to sector, rather than advancing in all sectors simultaneously and at a similar pace. This growth pattern is determined to a significant extent by union leadership and their particular strategies.

Leadership as a factor in union growth applies at both national and local levels. In South Africa, the development of shopsteward structures, which acted as local leadership, has been particularly significant in ensuring union growth during the 1980s. Erwin and Morris

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have pointed out that an active shopfloor leadership was key to effective recognition battles and, by offering a democratic alternative to the established, registered union movement, attracted workers to the progressive unions.

The consolidation of trade unions during the 1980s, principally through the formation of COSATU and NACTU, gave an added spurt to union growth. COSATU's merger policy, according to Baskin, created unions "which were stronger numerically and organisationally, and better able to make rational use of their resources and personnel. Strong, nationally organised industrial unions were the foundation for both a quantitative and qualitative growth in membership."

Economic factors have also played an important role. There is a clear correspondence between union growth and increases in the Consumer Price Index during the 1980s. From 1985 to 1991, the shape of the curve in the graph of union membership mirrors that for prices almost exactly. Further, real wages for black workers rose during the 1980s and can safely be assumed to be significant in the growth of unions.

While increasing prices could be said to lead workers to unionise to defend their standard of living, so workers also join unions to improve

that standard. Workers may expect unions to raise money wages regardless of what is happening to prices. During the 1980s, therefore, both price increases and unions' ability to raise wages acted as positive influences on union growth.

In summary, union growth was facilitated by the legal reforms which 'legitimised' black unions after 1979 and by the political conditions of the time. But it was driven by a combination of organisational and economic factors. The most important factors causing rapid union growth during the 1980s are probably those associated with the socio-economic status of black workers and the particular organisational features of the progressive unions. The organisational character of the progressive unions has probably affected union growth more than the political character.

Prospects

What are the prospects for union growth in the 1990s? Overall union membership and density are likely to continue to increase, but at a slower rate than during the 1980s. The recent slowdown in union growth in manufacturing probably points the way to overall union growth in the future.

Future union growth may also assume a more



cyclical pattern, showing upswings and downswings in membership, rather than a steady upward growth. This does not necessarily mean that the overall growth trend will suddenly be reversed. Recent reports pointing to a membership decline within COSATU (see SA LABOUR BULLETIN, Vol 17 No 1) are probably identifying a short-term, downward fluctuation in membership rather than a change in the trend of union growth. Overall growth will, however, depend on increasing unionisation of workers outside the manufacturing sector and the lower skill categories of the workforce.

Retrenchments and job loss may cause a conflicting picture to emerge – declining union membership accompanied by increasing union density. This trend is likely across all sectors of the economy and will certainly be significant within manufacturing and mining. As union density increases, unions may face a 'saturation' effect; that is, the larger the percentage of workers in an industry belonging to unions, the more difficult it becomes to further increase union membership. This occurs partly because there are fewer workers left to recruit and partly because those who are left may be less willing to become union members.

While the continuation of a positive trend in overall union growth and density is likely, at least in the medium term, the factors determining growth are becoming more complex and less predictable. Adverse economic conditions are likely to make workers continue to join unions, but they will also make it increasingly difficult for unions to secure the material benefits their members expect.

The unions themselves have been undergoing changes that may make it difficult to sustain membership growth. Key unions in COSATU appear to be facing serious leadership and organisational problems which may impact negatively on future growth (see Bobby Marie's article in SA LABOUR BULLETIN vol 16 no 5). Moreover, national political and economic negotiations are placing an additional burden on union resources and on

national and local leadership. The organisational factors (particularly leadership) that were so important to the growth of unions in the 1980s may thus be less significant in affecting union growth in the 1990s.

The influence of political factors will certainly be more complex and it is difficult to predict any positive influence on union growth. Clearly the political conditions of the 1990s are quite different from those of the '80s. The ANC, PAC and SACP will arguably start having a more direct effect on the lives of South Africa's workers as the decade progresses. If nothing else, workers will in future have a greater choice in how they act to affect their material circumstances; unions will no longer be the only avenue.

A new form of government, more sympathetic to the interests of labour, could benefit employed workers in various ways. The inevitable change in union-state relations could well lead to a situation in which union federations are able to pass on benefits to the working class via national policy initiatives, rather than having to rely on company and industry-level bargaining, as has been the case up to the present. This could result in unions losing some of their immediate appeal to workers.

It is ironic that while labour legislation and changing political conditions are becoming more favourable to progressive South African trade unions, their development and growth faces a range of new challenges. The growth of trade union membership can no longer be imagined as a steady upward trend. If growth is to continue, the unions will have to embark on new strategies. They will need to experiment, take risks, and make carefully weighed choices.

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- I would like to acknowledge, with thanks, the research assistance of Andrew Frost. Recent figures on membership in NUMSA and the public sector were supplied by Jeremy Baskin.
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Time to bury *the Wiehahn model ?*

In the second of two articles, JEREMY BASKIN* argues that the existing framework of industrial relations is at odds with the direction in which the system is moving.



Is it not strange how the old Wiehahn labour dispensation trundles on – at a time when the policies and underlying assumptions of every institution in our society are being

questioned?

Current debate revolves mainly around amending the existing Labour Relations Act; extending the system's coverage to farmworkers and others; the extent to which international conventions need inclusion; and the need to consolidate the Act. While these are valid concerns, they fail to tackle the root problem – the disjuncture between the (voluntarist) industrial relations system and the (corporatist) direction which society and labour relations is trying to take. The time has come to rethink the Wiehahn model.

In Part One of this article I argued that the growth of tripartism and the moves away from

simple adversarialism indicated a growing trend towards "bargained corporatism" in South Africa. Although the corporatist route is the only realistic one for the union movement to take, a range of obstacles stand in the way of it being 'successful'. Not least of these obstacles is the existing system of industrial relations.

This article will put three elements of that system under the spotlight. These are: the voluntarist legal framework; collective bargaining; and the weaknesses of the central organisations of both unions and employers.

Key features of labour law

The Labour Relations Act (LRA) is the major law regulating industrial relations. Enacted as the Industrial Conciliation Act in 1924, the law had these features:

- It excluded African workers ('pass-bearing natives') from its scope.
- It provided for voluntary bargaining but made industrial action illegal unless specified procedures were followed.
- It was aimed only at 'organised industries'.

* Baskin is a former unionist and author of *Striking Back – a history of COSATU*.

Unorganised (white) workers in 'sweated industries' were covered by the Wage Act. This established Wage Boards whose compulsory awards set minimum wages and other conditions, thereby preventing undercutting of the unionised sector.

The 1924 Act remains the core of today's LRA, but over the years there have been changes. Most important were those in 1980, associated with the Wiehahn commission, which extended union rights to African workers. A further key change, in the late 1980s and early 1990s, extended some coverage to workers outside manufacturing – such as certain state employees, as well as farm and domestic workers.

The de-racialisation recommended by Wiehahn was a significant change. But it tended to conceal two things. Firstly, that the original intention of the 1920s legislation – to provide a *comprehensive* framework for the manufacturing sector, organised and unorganised – would continue to be undermined. The Wage Board is a key example of this. For some years before, and certainly after Wiehahn, the Wage Board failed to provide any meaningful protection to black workers in unorganised industries, in contrast to its behaviour towards white workers in earlier years.

The supplementary Wage Act fell into disuse. The bureaucrats responsible for its implementation were lax in calling Wage Board hearings and, when these did sit, set wages for African workers so low as to be meaningless. Even the chair of the National Manpower Commission, Frans Barker, has commented that "the Wage Board is normally very conservative in its approach", noting that "in most cases" actual wages were higher than the Wage Board's recommendations.

A voluntarist framework

Secondly, the post-1980 dispensation remained basically voluntarist. Look at today's LRA, for example:

- It provides **mechanisms for resolving disputes** – procedures which must be followed if any party wants to take a case

to court, or embark on legal industrial action. In practice these mechanisms rarely help solve disputes. They are either a technical hurdle to be overcome by those wanting to embark on industrial action, or a passive venue for a further meeting of the disputing parties. So unhelpful are the official mechanisms that, in practice, parties trying to resolve a dispute often employ private mediators and arbitrators (such as IMSSA).

- It gives the **freedom, but not the right, to strike**. If workers strike after completing the prescribed dispute resolution procedures, their action is legal. But a legal strike confers few rights – it does not, for example, ensure protection from dismissal, as thousands of workers have discovered. While legal strikers, in practice, do have some protection, this derives essentially from case law.
- It allows bargaining but **does not compel the parties to bargain**. While the formation of Industrial Councils as bargaining forums is recognised, there is no compulsion on the parties to join or establish these. Where and when (and even whether) parties in a particular industry should meet is entirely voluntary. In practice, a determined employer can avoid bargaining with a union for years, or being bound by centralised agreements (where these exist).
- It envisages a **relatively non-interventionist role for the state**. Although an industrial registrar is provided for, unions and employer organisations are essentially self-governing. Even the union registration procedures, designed to encourage one union per industry and majoritarianism, are effectively a dead letter: in practice we now have a system of 'certification' rather than 'registration'. The Act also gives the Minister power to gazette and extend agreements. But although this power has been abused over the years, the law envisages it as essentially an administrative and technical function. In practice there has been massive state

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intervention in industrial relations; but its instrument has generally been the security apparatus, not the LRA.

- It provides **little guidance as to what basic rights** workers have. The industrial court's duties include deciding what constitutes an "unfair labour practice". But without schedules or codes, interpretation is left to the court. It is widely accepted that while the court has some sympathy for individuals (often executives getting a raw deal), it is generally very hostile when collective issues are raised by workers or unions.

In short, the LRA establishes a largely passive framework, rooted in voluntarism. Combination is recognised, not facilitated. Collective bargaining possibilities are mentioned, but no comprehensive bargaining system is laid down. Unfair labour practices are contemplated, but barely defined. The system provides immunities from prosecution – a legal striker, for example, is immune from civil damages claims. But it provides very few positive rights.

British law has similar features. Crouch has noted that "as it became clear during the latter nineteenth century that the collectivism of labor could not be prevented, though it was clearly illegal under common law principles, governments made space for the legal development of unions by conceding to them immunities from prosecution for what would otherwise have been actionable behaviour. Union and strike law thus developed negatively; there was virtually no attempt at constructing a comprehensive body of law that would allocate organized labor a set place in law and society."

Of course no IR system is purely voluntarist; the mere fact of having an IR 'system' implies that the state has established some framework. The point being made here is that South Africa falls on the voluntarist end of the spectrum.

The dangers of dualism

Voluntarism tends to allow only the most strongly organised – in practice workers in a few manufacturing sectors and in larger, more



'Did you here that? Now he is saying, "We should have a practical common-sense approach..." I bet he is swinging to the right!'

capital-intensive companies – to win real gains over an extended period. This can only enhance the existing dualism within the union movement. Already the differences in conditions between NUMSA members in auto plants and those in garages, is startling. PPWAWU members in sawmills and paper mills experience the same divergence.

And this is quite apart from the wider dualism whereby certain sectors (such as farmworkers and domestics) are largely absent from the ranks of organised labour – and have correspondingly miserable conditions of employment. The lack of a comprehensive framework means vast differences between wage levels in different sectors. Extending labour rights to such workers only scratches the surface of the problem.

For the union movement the obvious solution is to develop some sort of solidaristic wage policy: setting a basic floor of conditions nationally, reducing the current divergence between sectors, and cross-subsidising where appropriate. But as things stand, solidaristic wage policies cannot emerge; indeed a voluntarist system actively undermines them. And workers in higher-paying sectors may even resist the limitations which a solidaristic wage policy may place on them.

Voluntarism also encourages the most narrow forms of self-interest and adversarialism. It does little to encourage the key players to think of longer-term, structural

Revolutionary defence of the status quo?

A solidaristic approach to wages would narrow the wage band within and between industries. Bargained corporatism would make such a solidaristic wage policy possible. It could be argued that workers in larger, better-organised, more capital-intensive plants would win more if they were to negotiate and struggle separately. If this argument is correct then there are material reasons why relatively 'privileged' sections of organised labour should be sceptical of corporatist trends.

In other countries such opposition is often phrased in conservative terms – opposing excessive central control and regulation – and such workers form the 'right' of the union movement. In the South African context a conservative ideological paradigm is not available to workers. And even if it were, it would have no legitimacy or currency within the union movement; the language of conservatism simply does not make sense.

One should, therefore, not be surprised if self-interested opposition begins to be phrased in extremely revolutionary terms – as a rejection of 'corporatist sell-outs', 'elite bargains', 'a betrayal of class struggle', and the work of 'leadership bureaucrats'. Yet this revolutionary terminology would objectively be in defence of the 'status quo'; namely adversarialism and voluntarism – a free market approach to industrial relations where only the strongest win out. This, ironically, is an approach which most favours that (relatively 'privileged') section of the organised workforce.

Is there a correlation between such sections of the workforce and 'left' opposition to corporatist trends? In theory it is quite possible for revolutionary rhetoric to service objectively conservative interests. It would be interesting to explore empirically whether this is in fact happening.

solutions to the problems of the economy as a whole or different sectors of it.

Only in a few, better-organised industries can the future of the sector be examined. And this is more likely in industries (such as clothing and auto) where agreements between union and management cover all employers and employees – through mechanisms such as the closed-shop, extension of agreements, and the existence of coherent employer organisation. These are sectors, in short, where voluntarism has been overcome.

Such sectors can, and do, develop solidaristic wage policies and explore industrial strategies within their sectors. But, in the absence of similar conditions in other sectors of the economy, there will inevitably be a tendency towards unions agreeing to protectionist policies with 'their' employers. Not to do so would be to fail to advance their

members' interests. But the end result is even greater dualism within the union movement.

No bargaining system

Bargaining is central to any industrial relations system. The most noticeable feature in South Africa is that there is no bargaining system. Rather, there are disparate systems which are neither comprehensive nor compulsory.

The Industrial Council system, the only statutory centralised bargaining vehicle, covers little more than 10% of the country's 8 million employees. Even if one adds employees covered by non-statutory centralised forums, such as in the mining, telecommunications and auto industries, only a small fraction of the workforce is covered.

Remaining unionised workers bargain in a variety of agreed negotiating forums. These range from relatively centralised talks between

a union and an industrial conglomerate, to highly decentralised plant-level bargaining.

For non-unionised workers, unilateral wage determination by the employer remains the most common system. The worker is given a wage increase and, unless highly skilled, is forced to "take it or leave it".

The call for centralised bargaining

Unions and employers have generally disagreed on the direction the bargaining system should be taking. In the immediate aftermath of Wiehahn, the emerging unions were strongly organised in particular plants, but were weak on the national level. Naturally, they demanded recognition and bargaining rights at plant level. Employers responded by insisting on centralised bargaining, often refusing to negotiate unless the emerging union joined the established industrial council.

As unions grew stronger the trend reversed. Unions now saw the advantage of combining

and using their muscle to set conditions for an entire industry. Employers, who had wanted centralised bargaining with weak unions, grew alarmed at the prospect of negotiating centrally with militant, relatively strong ones.

Increasingly they insisted on plant bargaining.

In short, the 1980s were characterised by endless disputes over where (and whether) to negotiate. The lack of a clearly defined system increased the levels and costs of conflict; a problem which remains. The call for centralised bargaining now tops the union agenda for the 1990s. But it is hard to see how this can be achieved within the framework of a voluntarist system; or who benefits from having centralised bargaining structures operating in some sectors but not in others.

Corporatism needs centralised bargaining

In one respect the dynamic has changed. No longer is it only the unions who want

Centralised bargaining plus voluntarism = ? ? ?

The National Economic Forum (NEF) has reached an agreement on "the co-ordination of bargaining". This accepts the need for "a new framework of relationships between organised labour and organised business", and records that bargaining currently happens "at a number of different levels". Centralised bargaining is one of these levels, and the parties agree "not to undermine this arrangement", nor "as a matter of policy oppose the establishment of new centralised bargaining arrangements." This, apparently, is the employers' concession to the labour movement, and Minister Keys' amendment to government's Normative Economic Model.

The agreement then states: "The parties record their preference for a voluntarist approach to establishing and shaping bargaining institutions. Voluntarism remains important to the extent that it is able to foster workable and equitable bargaining arrangements."

Unless there are some informal understandings not included in the final draft, it is hard to interpret this agreement as more than a continuation of the status quo – ie centralised bargaining if both parties agree.

The acid test will be practical developments over the next few months. Will employers in the construction and motor industries, for example, continue their efforts to destroy existing centralised arrangements? If not, what will stop them? And will employers in chemical, paper, printing now agree to centralise?

Most importantly, how will a voluntarist approach to centralisation stem the slide towards dualism within the labour movement?

centralised bargaining; the logic of current corporatist trends requires it. At the very least, concertation implies tripartite deals and trade-offs. This must entail, as the NEF is already attempting, the "higher" levels setting a framework within which the "lower" ones operate. In practice, in order to be implemented, multi-tier agreements at national, industrial and plant levels are needed.

For the system to work, it must be effective at both top and bottom. Just as undercutting by employers will be unacceptable to unions, so leapfrogging by unions in industrial bargaining will be rejected by capital. This must result, sooner or later, in the exercise of discipline by the national over the industrial and plant levels – on the side of both employers and unions.

This is not necessarily a question of disciplining members to accept a bad deal; more commonly it will be needed to enforce deals which may be good in general but bad for specific sectors and their employees. Given the economic climate, it may also be the discipline of accepting restraint now in the hope of gains later.

This is why effective corporatist arrangements all contain relatively centralised bargaining systems. Without a comprehensive and solidaristic centralised bargaining system it is hard to conceive how broader macro-economic deals can be implemented. Without a national negotiating framework industrial leapfrogging must take place (with unions competing against each other to win larger increases), and macro-economic agreements are unlikely to hold. Without a national system it is unclear how minima for marginal or unorganised workers could be set, or trade-offs with the state over taxes or social welfare reached.

The problems of centralised bargaining

That said, it must be acknowledged that centralised bargaining has many unattractive features. It often encourages democratic rupture – a widening gap, especially on the union side, between leaders and members. Under centralised bargaining, the commissars of labour meet the captains of industry and

negotiate an agreement. Unless the unions are properly organised, this can take place far from the workplace, with little involvement from ordinary union members.

Centralised bargaining also runs counter to some established trends towards the devolution of industrial relations. Technological change allows for more flexible production, shorter runs and varied product ranges. These encourage the decentralisation of management, including the management of people. Today, even within the major conglomerates, local management is generally responsible for most major decisions.

A major employer fear is that centralised bargaining makes unions too powerful and can place undue pressure on wages. There is certainly truth in this, particularly if centralised bargaining is not complemented by tripartite national agreements crossing industrial divides.

Centralised bargaining has frequently been criticised for being inflexible, and treating all companies alike. It can result in small companies having to abide by complex and detailed agreements. It often tends towards over-regulation. It can set conditions some companies are unable to afford, but simultaneously let other, more profitable, firms off the hook. As the Mercedes Benz strike in 1990 showed, sometimes workers oppose centralised bargaining, believing they can win a better deal if they go it alone.

Centralised vs de-centralised: a false dichotomy

The call for a comprehensive system of centralised bargaining must, if it is to gain acceptance, take these problems into account. But to simply devolve industrial relations, without a centralised framework, means little more than fragmentation. The real choice, therefore, is not between centralised or decentralised bargaining; the issue is the appropriate relationship between various levels of bargaining. This implies a new type of centralised bargaining, signs of which are already being seen.

In its simple form, centralised bargaining cannot deal adequately with the complexity of



modern industrial organisation; nor does it build appropriately on the strong grassroots tradition of the South African labour movement. A new type of centralised bargaining might involve at least a three-tier system covering national, sectoral and plant levels. One layer would set the framework for the next – the process of concertation/bargaining occurring at multiple levels.

In a European context Treu has described the emergence of “decentralised forms of bargaining and concertation more or less ‘guided’ from the centre”. In practice this might mean, for example, setting a minimum rate for a sector with parameters for management and labour to negotiate additional pay and productivity deals at plant level.

Centralised bargaining, therefore, need not mean abolishing the plant level, undermining democracy within unions, or ignoring variations between companies. Instead of overloading central bipartism (or tripartism), a web of bargaining could be established. This may be genuinely empowering of both local management and workers without fragmenting the industrial relations system. It is also an

arrangement which organised employers might find acceptable.

“Centralisation of bargaining”, again quoting Treu, “is commonly considered an essential requisite for any lasting experiment of social concertation”. The real question in South Africa is how this can be achieved, and whether it can emerge unaided from the womb of our present industrial relations system.

A centralised union movement?

The international evidence also indicates that corporatism works best in association with strong, national, industrial unions and a strong national union centre. The logic is simple – strong, centralised, unions are able to make agreements which can stick and are not easily undercut by inter-union rivalry.

In this respect the South African union movement seems to be well-placed to take the route of bargained corporatism. Although there are approximately 200 registered unions, a score of large industrial unions dominate. Almost all the major unions are in one federation, COSATU. Relatively centralised in its approach, COSATU is regarded as a “tight” federation, in contrast to the much looser

arrangements found in NACTU and FEDSAL. COSATU has the image of a coherent union movement. It has substantial sympathy and support beyond its affiliated membership. It has frequently been able to mobilise mass support. COSATU structures (such as its regions and locals) bond together worker leaders from different industries and affiliates.

But, while there is much truth in the image of COSATU as a "tight", centralised federation, this remains a partial vision. COSATU's unity rests heavily on worker loyalty and common experiences of oppression and struggle, rather than structure. When viewed structurally COSATU is not a "tight" federation.

- At the constitutional level, the independence of its affiliates is entrenched. This is reflected in practice, with unions extremely wary of "interference" and jealous of their independence. Attempts by the federation to intervene in, and attempt to resolve, internal union disputes have invariably been rebuffed. In addition, the fate of agreed federation policy is strongly determined by the response of affiliates – the central leadership struggles to implement policies agreed in COSATU decision-making forums which don't have the support of relevant affiliates.
- While COSATU affiliates rely heavily on membership subscriptions, and relatively little on foreign funding, the exact opposite is true for the federation. Only a small portion of its operating expenses come from unionised workers (via their unions) in the form of affiliation fees.

In Scandinavia, the power of the national centres (as opposed to their affiliated unions) derives partly from their privileged access to government and policy determination, but also from their real financial muscle. In Norway, for example, an affiliate would not embark on industrial action without the support of the national centre, LO; this is essential if the union wants access to the national strike fund. South Africa's national union centres have no equivalent muscle.

This is not an argument for simple

centralisation. There are certainly merits in not over-centralising either the federation or its industrial affiliates. But without institutional powers at the centre (and at the plant-level too; but that is a separate issue) effective participation in tripartite structures will be difficult to achieve.

A tendency towards loose federation

In the past, union unity in South Africa was largely ideological, despite subterranean political differences. The current climate is different, both politically and economically. Industrial restructuring will affect different industries differently; what is good for one sector may be bad for another. And as overt political involvement declines, different objective interests will place pre-existing traditions under extreme pressure. Without institutionalised "tight" structures, or incentives to accept federation discipline, there will be a tendency towards disintegration in the direction of a "loose" federation. This tendency is already visible.

The voluntarism of labour law is relevant here. The LRA no longer encourages, as it once did, majoritarianism and one union per industry. And it is neutral (and largely silent) on the issue of federations. In practice it does not encourage the formation of one strong, national, centre.

Employers also badly organised

Employer organisations experience similar problems. The large corporations tend to dominate them, providing much of their personnel, and wielding most influence over their policies. In recent years, however, the major employer organisations have made a concerted effort to become more representative. They have actively recruited new members and consciously tried to accommodate smaller businesses, often previously excluded.

But problems remain which will undermine the corporatist trend. Firstly, key sectors lack any employer body; in others, such bodies are too nebulous (in industrial relations terms) to be bargaining partners. In certain industries

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there is, therefore, little possibility, without specific intervention to achieve this, that national negotiations at the NEF will be complemented by sectoral equivalents.

Secondly, co-ordinating bodies such as the SA Co-ordinating Committee on Labour Affairs (SACCOLA) have little ability to present a united, disciplined, front. In mid-1992, in talks aimed at limiting the planned mass action campaign, SACCOLA's negotiating team reached an agreement with the unions, only to find it scuttled when their constituent employer organisations withdrew support. In practice, South Africa's employer bodies tend to be lowest common denominator federations. Agreement can be reached on the easy issues, but disintegration threatens whenever difficult trade-offs arise. The same holds true within the constituent bodies such as the SA Chamber of Business (SACOB).

Thirdly, even relatively powerful employer bodies can exert little discipline over their members. For example, the giant Steel and Engineering Industries Federation (SEIFSA) is widely seen as a powerful body. But during the strike which gripped the industry in mid-1992, companies simply did what they wanted: some dismissed workers, others did not – and SEIFSA, the unions' negotiating partner, abdicated responsibility.

Finally, despite their prominent role, the major corporations often do not take the employer bodies seriously. They frequently second fairly junior personnel to them. They rarely feel bound by decisions not to their liking. And when they want something from the state they generally use their own channels and approach government directly.

All this, of course, poses substantial limits to the success of any corporatist project. And employers are unlikely to change in response to persuasion or exhortation. After all, although co-operation, solidarity and mutual support are the bread-and-butter of union work, this is not the case with employers. A feature of employer bodies in a market economy is that their

members are largely in competition with each other, and may only have common interests in limited areas.

Within a *laissez faire* system the union movement can benefit from division among employers. But as soon as labour moves towards greater concertation, the very opposite becomes true. Labour, within the corporatist paradigm, needs a cohesive and relatively united employer counterpart*. It is hard to imagine how this can come about on its own, and within the present system.

The need for a new framework

One could go on listing areas of weakness in the structure of our industrial relations system. The plant-level needs particular attention, but is not covered here.

The challenge is to change the law's fundamentally voluntarist foundations and move towards a strong, well-defined system of industrial relations which comprehensively covers the nation's employees, and builds a clear system of rights and duties (from plant to national level). The present foundations are an unstable basis for moving into the future.

Without a comprehensive system the union movement is continually thrown into a defensive position: it needs the closed shop to deal with 'free riders'; participatory management schemes become a 'threat'; it struggles to devolve power to the shopfloor since this may threaten centralised bargaining; it anxiously keeps its own union structures heavily centralised to avoid disintegration; and it will battle to deal with industrial restructuring in a non-protectionist way.

A role for the state

Unfortunately, far-reaching change is unlikely to come from negotiated amendments to the LRA agreed by employers and unions.

Implicit in the argument of this article is the need for the state to play an active role in establishing a new industrial relations system. The role of "state as midwife" is a difficult

* The frequent union lament about employer inability to present a united front is proof, if it is still needed, that we are well along the corporatist route.

one. Neither unions nor employers want the state to interfere in their day-to-day relationships.

But it is hard to imagine a new framework emerging from bilateral efforts alone. Take centralised bargaining. Although union and employer leaders are engaged in talks on the issue, it is unlikely that a centralised framework will emerge without state encouragement. However, an approach in which the state simply centralises (bargaining, unions, federations, employer bodies etc), would also be a disaster.

While it is doubtful that the present voluntaristic system can throw up the conditions, overcome the vested interests, and develop the vision for an alternative paradigm, this need not mean extending coverage and changing the system by decree. Both parties are powerful enough to resist major changes they do not like. And in any event, the support of both labour and capital are required for any new system to work.

Within the corporatist paradigm, the state must play a "neutral" role towards capital and labour – in the limited sense that, according to Slomp, "a lasting state bias in favor of one of these parties reduces the willingness of the other party to participate." But a "neutral" role is not the same as an inactive one: it does not exclude light-handed state intervention which does not compromise its future credibility.

The ANC is, contrary to some conventional wisdoms, well-placed to intervene in this way. Its closeness to the union movement, through its alliance with COSATU, is balanced by its obvious willingness to accommodate the needs of capital. But the ANC has no meaningful industrial relations policy, leaving such matters to its trade union allies.

State-induced restructuring requires careful consideration. There are many ways of promoting a peaceful industrial order without pretending that a conflict-free system can exist. Indeed, the best approach may be to build on existing traditions, recognising that unions and capital are autonomous and independently organised, and that adversarialism is deeply-rooted. This approach also has a better

record of achieving inclusive deals and avoiding narrow consensual, protectionist bargains.

Conclusion

The argument presented is, in many ways, pessimistic. It argues that the trend towards corporatism, tripartism and concertation are well-underway, but will be severely handicapped if the present framework is maintained. Grafting a corporatist head onto a passive, voluntarist IR system is unlikely to deliver either socio-economic benefits or industrial peace.

This article suggests that existing interests and practices may be too entrenched to make the shift needed to create a new industrial relations framework.

The costs of failure will be high, especially for the unions. There are already critics on either side. Lurking in the background are those who believe the union movement's power should be curbed, not extended. They have little confidence in the corporatist trend. Also in the wings are unionists who see little point in co-operating with capital, reject the possibility of finding common ground, and who believe an adversarial resistance approach is the best option for unions and workers.

What if the parties are unable to agree on the major trade-offs needed for development? Or if they can agree, what if they cannot deliver their constituencies? Bickering and protectionist approaches must surely follow with outsiders blaming the corporatist institutions and the consultative/tripartite approach for not delivering solutions. Either unions become marginalised and slide gradually into irrelevance, or proponents of authoritarian anti-labour solutions become increasingly vocal. In such a context the union movement can only lose.

Having an appropriate industrial relations framework is no guarantee of success. But without one, failure is almost certain.

References

The references to Slomp and Treu are from a book edited by Tiziano Treu – *Participation in public policy-making* (1992). ☆



Tripartism *and workers* *in* Namibia



Since independence, labour relations in Namibia have been rooted in tripartism. But as GRETCHEN BAUER* argues, the unions are struggling to make their voice heard.



Since political independence in March 1990 tripartism has been stated as a fundamental principle of Namibian labour relations. As early as July 1990, the National Policy on Labour and Manpower

Development recognised “the function of tripartism” and aimed to “encourage and promote full co-operation and consultation between the Government, employees and employers, including the respective representative trade unions and employers’ organisations.”

Introducing new labour legislation in March 1992, Minister of Labour and Manpower Development Hendrik Witbooi noted that “one of the major objectives of this legislation is to promote the principle of tripartism – that is, to

encourage the discussion of major issues affecting employment, including industrial relations, working conditions, enactment of new legislation, ratification of international labour conventions – by unions, employers and Government.”

The new law came into effect in November 1992 bringing together into one Act most labour-related legislation. For the first time in Namibia, all workers are covered by the new labour legislation, including domestic workers, farmworkers and the public service (except for the police and the National Defence Force).

The Labour Act pledges, “where possible”, to adhere to international conventions and recommendations of the International Labour Organisation (ILO); whence comes the notion of tripartism. The Act provides a framework for labour relations which, for the first time in Namibia, encourages collective bargaining between employers and trade unions. This

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includes the regulation of trade unions and employer organisations through a system of registration and court supervision; the recognition of registered unions as exclusive bargaining agents where a majority of employees support such representation; the duty of fair representation; organisational rights of access and the collection of membership dues; provision of workplace union representation; wide powers to the Labour Court for monitoring and regulating the system of collective bargaining; and the registration of collective agreements and their extension to non-parties.

In addition, a number of structures provided for in the Labour Act promote tripartism in labour relations or are tripartite bodies themselves. A Labour Advisory Council (LAC) – comprised of four representatives each from government, registered employers' organisations and registered trade unions – has been established to advise the Minister on 'any labour related matters'. The Act also provides for the appointment of a Wages Commission, able to set minimum wages in a given sector of the economy; and consisting of a chairperson appointed by the Minister and one representative each from registered unions and employers' organisations.

In addition the Act provides for the establishment of a Labour Court and district Labour Courts whose assessors may be appointed in equal numbers from among representatives of trade unions and employers' organisations. Finally, the office of the Labour Commissioner has been established to facilitate healthy labour relations between the 'social partners'; the Labour Commissioner plays a key role in the regulation of collective relations as well as in some of the new structures provided for in the Act.

Trade union unity

While the new labour legislation covers all Namibian workers, its tripartite structures and procedures are geared towards organised workers. In its insistence on organised representation, tripartism ignores the majority of workers in Namibia – those in communal

THE NAMIBIAN ECONOMY

- Namibia's economy is heavily dependent on its primary and tertiary sectors. In 1990 the ILO estimated the total economically active population in Namibia to be about 500 000 people.
- The primary sector is dominated by minerals, fish and fish products, and beef for export. It includes a large subsistence agriculture sector in which about half of the economically active population is estimated to be employed or underemployed.
- The tertiary sector is dominated by the public service, the largest single employer in Namibia, accounting for approximately 62 000 of the 200 000 formal sector workers in the country. (An underdeveloped manufacturing sector employs only five percent of the workforce and accounts for only four percent of gross domestic product.)
- Thus the economy and workforce are particularly susceptible to falling world mineral prices and drought, both of which the country is currently experiencing. ◆

agriculture, in the informal sector, and those in the formal sector who are not trade union members.

Out of an estimated economically active population of 500 000, only about 200 000 are in the formal sector. According to (probably inflated) union estimates, just under half of these belong to trade unions. At one extreme, the 36 000 farmworkers, some of the worst off workers in the country, are not yet unionised.

There is also the question of trade union unity. There are, in fact, two trade union federations in Namibia at present. The larger and more visible one is the National Union of Namibian Workers (NUNW) comprised of seven member unions. The NUNW was formally launched inside Namibia in 1989, although its member unions had been formed at intervals from late 1986 onwards. Historically it is inextricably linked with SWAPO, now the ruling party in government; indeed it is formally affiliated to the party. The NUNW claims a total membership of about 62 500 workers.

NAMIBIA - TWO FEDERATIONS

National Union of Namibian Workers (NUNW)

- Namibian Food and Allied Union (NAFAU)
- Mineworkers Union of Namibia (MUN)
- Metal and Allied Namibian Workers Union (MANWU)
- Namibian Public Workers Union (NAPWU)
- Namibian Transport and Allied Union (NATAU)
- Namibian National Teachers Union (NANTU)
- Namibia Domestic and Allied Workers Union (NDAWU)

Namibian People's Social Movement (NPSM)

- Public Service Union of Namibia (PSUN)
- Local Authorities Union of Namibia (LAUN)
- Namibia Building Workers Union (NBWU)
- Namibia Wholesale and Retail Workers Union (NWRWU)
- South West Africa Mineworkers Union (SWAMWU)

Unaffiliated

- Teachers Union of Namibia (TUN)

The other trade union federation is a looser grouping of unions known as the Namibia People's Social Movement (NPSM), and intending also to incorporate other community-based organisations. Until October 1992 it was known as the Namibian Christian Social Trade Unions and claims a total membership of about 30 000. Some of its affiliates are considerably older and more experienced than those of the NUNW, having their origins in staff associations founded long before independence. There is also a Teachers Union of Namibia (TUN) not affiliated to either federation. Thus, fewer than 100 000 workers are fragmented into 13 trade unions, with more than one trade union for teachers, the public service, mineworkers, building workers, and retail workers.

While there is nothing in tripartism that requires trade union unity, division certainly reduces the possibility of effective union participation. There is antagonism between the

two federations – based on the charge that the NUNW unions are 'political' (because they are affiliated to SWAPO) and the counter-charge that the NPSM unions are a hangover from the colonial era – that threatens to weaken worker representation in tripartite structures. This has already happened with the Labour Advisory Council where the appointment of the four union delegates (made on the basis of nominations by the unions themselves) included two representatives from the NUNW unions and two from the other unions. The NUNW, feeling that it represents the majority of Namibian workers, protested strongly, saying it would boycott the Labour Advisory Council altogether. In the event, the NUNW representatives attended the first meeting of the LAC but the worker representation remains, in effect, divided. The same is likely to happen when the first Wages Commission is constituted and when the working committees of the LAC are set up; indeed the situation arises each year when invitations are issued for the annual ILO meeting in Geneva.

Union autonomy?

Tripartism in labour relations, by definition, assumes that government interacts with two distinct 'social partners' – employers and workers. But this distinction is blurred in at least two respects in Namibia. First, as in most countries in Africa, government is the single largest employer in the formal sector, employing some 62 000 persons. Thus, a considerable overlap exists in the tripartite relationship for almost one third of the formal sector workforce.

Second, the major trade union federation, the NUNW, is affiliated to SWAPO, the 'ruling party' in government. The content of this affiliation has not been clearly elaborated except at election time, but the issue has generated considerable debate, at least among union leadership in Windhoek. A formal decision to remain affiliated to SWAPO was taken by vote at the extraordinary congress of the NUNW in May 1991, and it is not clear whether the issue will be revisited at the national congress in September this year.

While SWAPO is not the government, for the NUNW the challenge remains of distinguishing themselves from party and government, of articulating their own policy positions, of having the freedom to criticise, and of their first priority being to develop a trade union movement rather than a political party.

Balance between the social partners?

Most important perhaps is the issue of whether or not a balance exists among the tripartite partners. At the moment it appears that workers and their unions are the weakest partner in the relationship, with government the strongest. Even the Labour Commissioner admits that the government, like governments everywhere, has a distinct advantage: not only does it have more resources at its disposal, but it is government that chairs the tripartite bodies and it is government that usually initiates a discussion or proposes policy and only then 'consults' the two social partners.

Since the mid-1980s attempts have been ongoing to organise employers into an overall employers' federation. These efforts have accelerated since independence with the new government making clear its desire to have one employers' body with which to speak. A Namibian Employers' Federation is in the process of being established. To date, however, there is only one employers' organisation registered with the Labour Commissioner; representing 102 companies in the construction industry.

Except for a few large multinational corporations, most employers in Namibia have been isolated from any notion of collective labour relations. Resistance by employers to trade unions has been very strong. In the past, employers preferred simply to pay off and dismiss 'troublesome' workers, or call in the police to quell a 'riot'. Rather than negotiate with union representatives, employers preferred to 'consult' with liaison and other committees of their own creation.

It is likely that employer influence will exceed their low level of formal organisation and lack of experience in collective labour

relations. Despite some recent criticism of the private sector for numerous retrenchments and a failure to generate more jobs, government is clearly concerned to attract as much foreign and domestic investment as possible and therefore to provide the requisite environment.

Lack of union capacity

Trade unions are the most disadvantaged partner in the new labour relations dispensation. In large part this stems from their lack of capacity. With few exceptions, most unions are young and inexperienced. For the NUNW unions, the early post-independence years have seen the need for a transition from the mobilisational and political role they played in the liberation struggle to one of building and strengthening their organisations and servicing their members.

Trade union structures tend to be weak with, in the case of some unions, members and potential members not even certain what a trade union is, and how it is different from a political party. Even union General Secretaries complain of inadequate understanding of and preparation for their positions. In general, the unions suffer from a weak human resources base and organisational capacity. One legacy of apartheid is a workforce with little formal training and a national illiteracy rate of about 60 percent. Most workers are not at all proficient in English, the newly declared national language in which business is increasingly conducted. The unions have virtually no research capacity, which hampers adequate preparation for negotiations with employers and has more or less prevented any effective participation in the national policy making process.

The unions like many other organisations in Namibia, are plagued by a steady drain of officials to more secure and lucrative positions, with many of the more experienced unionists now sitting in government Ministries and other government offices. A number of the unions, and the NUNW federation, are reliant upon donor funding. This means that unions have not been forced to rely upon member subscriptions or other mechanisms to raise

funds. Those without donor funds tend to be in dire financial straits. While the leadership is painfully aware of the unions' current lack of capacity, there is much to be done to redress it.

Can tripartism work?

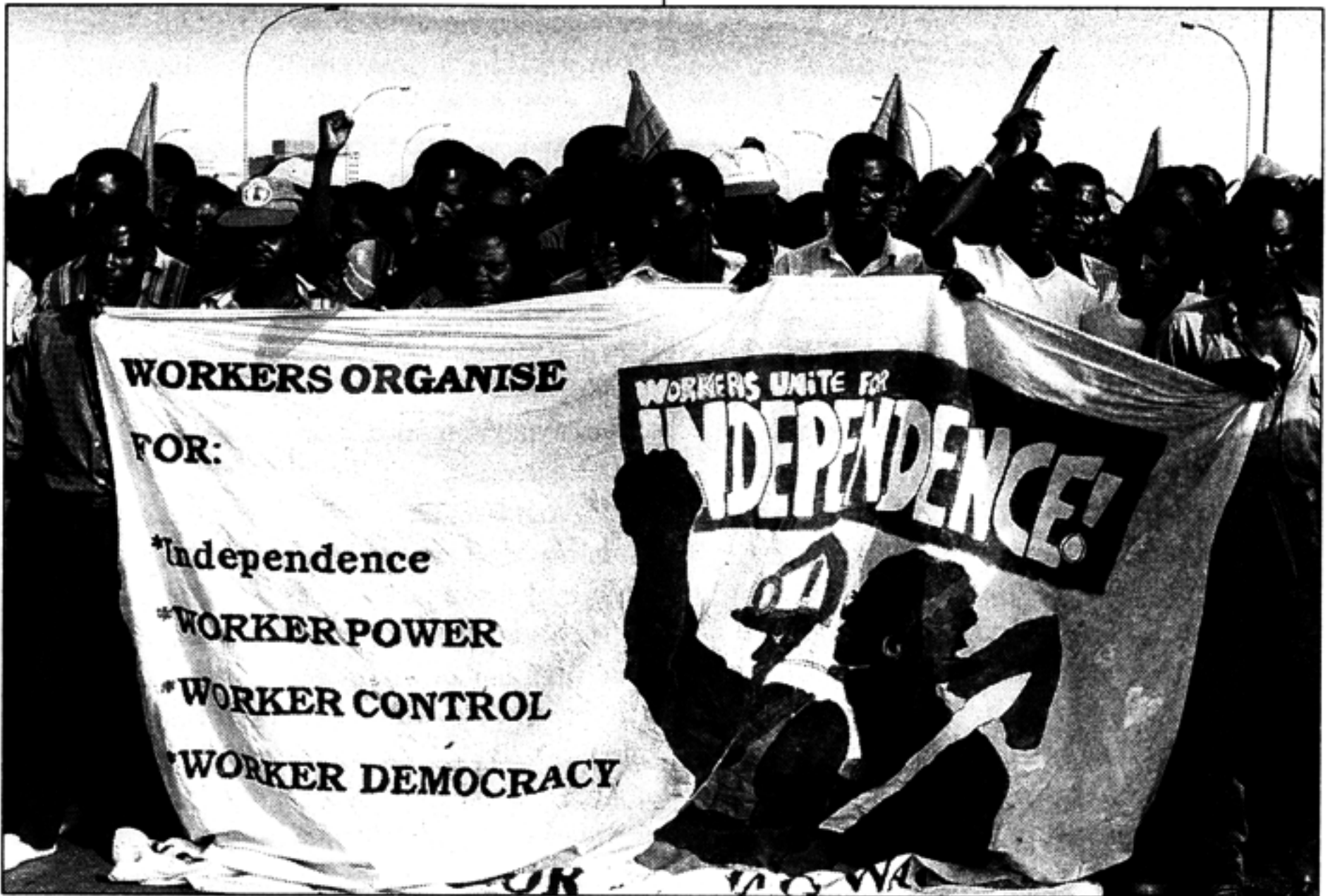
The new labour dispensation in Namibia is still in its early stages. The office of the Labour Commissioner has no staff, except for the Commissioner himself, and the Labour Court and district labour courts are not yet functioning – indeed the rules are still being drawn up. Nevertheless, trade unions are registering themselves and the new collective agreements they are concluding. The Labour Advisory Council has been established and both formal and informal consultations with the social partners have been initiated by government. Informal discussions among the tripartite partners are being organised in Windhoek in an attempt to bridge the enormous gap between workers and their employers.

A concern for the workers of Namibia must be whether their unions have the autonomy, capacity and vision to defend and promote their interests: to participate effectively in the

various tripartite bodies and to utilise sufficiently the mechanisms provided by the tripartite framework.

To be effective, the unions must understand the new system fully and its implications, and take a proactive role. For example, to date no Wages Commission has been instigated; and yet in the case of domestic workers or farmworkers, where unions are weak or non-existent, the results of a Wages Commission investigation could do much to improve living and working conditions. Similarly, the unions have been slow to articulate any economic or social policy positions of their own. Indeed, they have barely participated when opportunities for consultation have been extended to them by government – for example, in the drafting of a national development plan or the new social security legislation.

Finally, the unions must analyse carefully the possible consequences of frequent government appeals to harmonise labour relations in the interest of national development and the welfare of the nation. The consequences of such appeals for trade unions elsewhere in Africa are well known. ☆





Even in America

US labour *faces*

global restructuring

by *Jeremy Brecher**

The world-wide economic restructuring that is devastating the Third World is also hitting workers in what was once the industrial heartland of the United States. It is undermining existing union power, but also leading the labour movement to experiment with new strategies at home and abroad.

The labour movement that developed in the United States in the 19th century linked organisation by craft or workplace with wider social concerns. Gradually, however, most US unions became bureaucratically controlled organisations oriented toward winning and maintaining contracts for narrowly defined groups of workers.

A labour upsurge in the 1930s led to national legislation protecting the

right to organise and bargain collectively and to union recognition by many of the largest corporations. This eventually led to a kind of class truce or compromise: management accepted the existence of unions and their right to bargain over wages and working conditions; unions accepted management's right to control daily life in the workplace and basic decisions about investment. Unions participated in politics to aid their bargaining position, but

rarely pursued broad goals of social change.

This system depended on Keynesian full employment policies, labour support for US imperialism, steadily rising real wages, and above all on the prosperity provided by



* *Brecher is a labour historian and co-editor of a recently published book, Global Visions: beyond the new world order (South End Press, Boston).*

INTERNATIONAL

US global dominance. (In 1950 the US produced 40% of the world's goods and services.)

Starting in the 1970s, the US share of world markets plummeted. During the 1980s, the US changed from the world's largest creditor to its largest debtor. Most important, US capitalism itself became increasingly multinational: by the end of the 1970s, at least a third of all profits of the 100 largest US multinational producers and banks came from overseas.

A global economy

In 1989, the New York Times noted that "many American companies are shedding the banner of a national identity and proclaiming themselves to be global enterprises whose fortunes are no longer so dependent on the economy of the United States." According to Cyril Siewart, a vice-president of Colgate-Palmolive, "the United States does not have an automatic call on our resources. There is no mind-set that puts this country first." Ford now owns 25% of Mazda; General Motors owns 34% of Isuzu and 5% of Suzuki; Chrysler owns 25% of Mitsubishi. Sony owns Columbia Pictures.

Such globalisation has undermined the isolated, protected status of US workers. Stanley Mihelick, executive vice president of the Goodyear Company, has spoken openly of the need to "get real [US] wage levels down much closer to those of the Brazils or Koreas." Since 1980, US auto companies have cut more than 200 000 jobs in the US. Many of these jobs moved abroad – 70 000 of them to Mexico

alone.

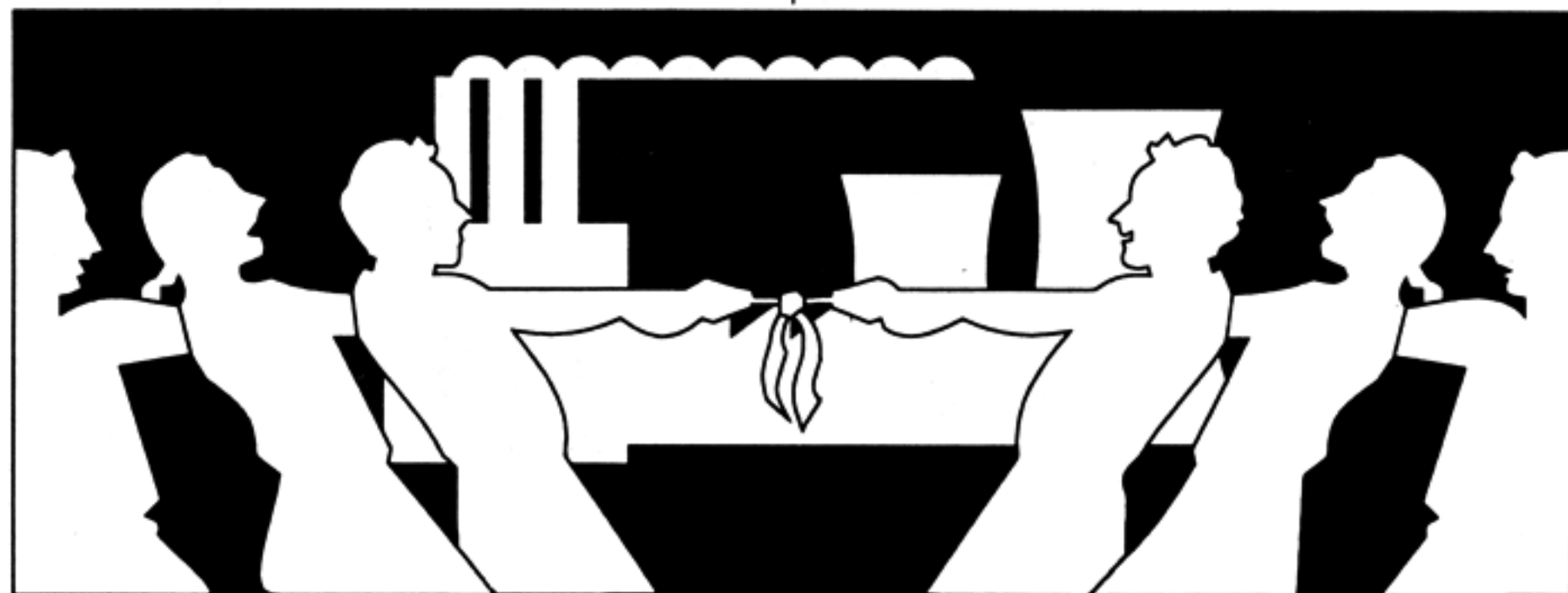
The threat of such job loss is reshaping the conditions for unions in the US. Bargaining and strikes are now normally conducted under the threat of plants going abroad. When Caterpillar forced workers to give up a five month strike and accept concessions in job security, health insurance, and pay equity, it said it needed the concessions to remain "globally competitive."

International competition is also reshaping local and state government policy. American cities and states now compete to recruit foreign companies by creating union-free environments and offering large tax incentives. BMW was recently lured to Spartanburg, South Carolina by a \$50 million subsidy to water and sewer costs and a \$1 500 per employee state tax credit. An official of the South Carolina Chamber of Commerce said foreign companies come because they "see incentives, they see the tone of the legislature being pro-business, and those things combined with the quality of life and labour issues."

US labour hard hit

The result of these forces has been a gradual erosion of the conditions of life for US workers. By 1990, real wages in the US were about 15% below their 1973 level. Real incomes for young families has decreased by one-third since 1973. The poverty rate for children in black families is 58%.

In the past twenty years, union membership in the United States has fallen from nearly 30% to barely 16% of the workforce – less than it





US and Mexican workers at a solidarity meeting

was fifty years ago. The United Auto Workers (UAW) has lost nearly 40% of its members in the past decade, the Teamsters have lost nearly one-third, and other industrial unions have had similar losses.

Along with the decrease in membership has come a loss of labour rights in the workplace, a decline in bargaining power, a waning of political influence, and for many workers a decline in real wages. The decline of union power is forcing the US labour movement to experiment with two new approaches: coalitions with other groups and new forms of internationalism.

New allies for labour

The past decade has seen many unions, especially at the local level, move out of their traditional isolation to build coalitions with a wide range of community groups, including environmental, farm, senior, women's, African-American, Latino, Asian-American, gay, lesbian, student, disabled, peace, human rights, citizen action, consumer and other movements.

This "bridge building" has made it possible for workers to win victories where otherwise they would have met defeat. For example, the largest strike victory in the past several years came when the Pittston Coal Group demanded

that miners abandon long-established health protections and work on Sunday. The miners called on support from allies within and far beyond the labour movement.

More than 30 000 supporters from labour, peace, religious, and many other groups poured into the miners' encampment, dubbed "Camp Solidarity." A "corporate campaign" put pressure on other companies to dissociate themselves from Pittston. Local activists in Boston, for example, forced a vice-president of a bank branch to resign because he also served on the board of Pittston. When miners occupied the company's key coal treatment plant, 5 000 supporters surrounded the facility to prevent forceful removal. The result was one of the few major labour victories of the 1990s.

Coalitions with other movements and community groups have become common in other arenas as well. Some have as their purpose community economic self help; for example, by bargaining with corporations to prevent factory closings or creating new jobs through worker-community ownership and other forms of local economic development. Some pool their strength in the electoral arena. Some focus on particular issues, such as demanding the same pay for people doing comparable work. Grassroots labour-community coalitions were the primary

INTERNATIONAL

force that persuaded local and state governments and other institutions to divest from companies involved with South Africa; when Nelson Mandela toured the United States in 1990, his huge meetings and rallies were primarily organised by local coalitions in which labour played a major role.

Harmonising basic union rights

The AFL-CIO has been notorious for subordinating labour interests to its struggle against anything that smacked of Communism — for example in its long failure to support COSATU. That approach has now been made obsolete, not only by the end of the Cold War, but also by the end of US economic hegemony, which provided a protected place for US workers.

In today's global but unregulated economy, all workers are put in competition with each other. Companies will move wherever their costs are lowest, edging all workers toward the conditions of the lowest. This globalisation of the economy is forcing even the US labour movement to transcend its longstanding acceptance of corporate-oriented economic policy.

Many unionists are now developing strategies aiming for what might be called "harmonisation upward." For example, unions, human rights advocates, and other allies have won legislation which defines violations of "internationally recognised worker rights" as an "unfair trade practice" which can trigger US import restrictions. The Reagan and Bush administrations refused to use this legislation except to punish their pet political enemies. What Clinton will do remains to be seen.

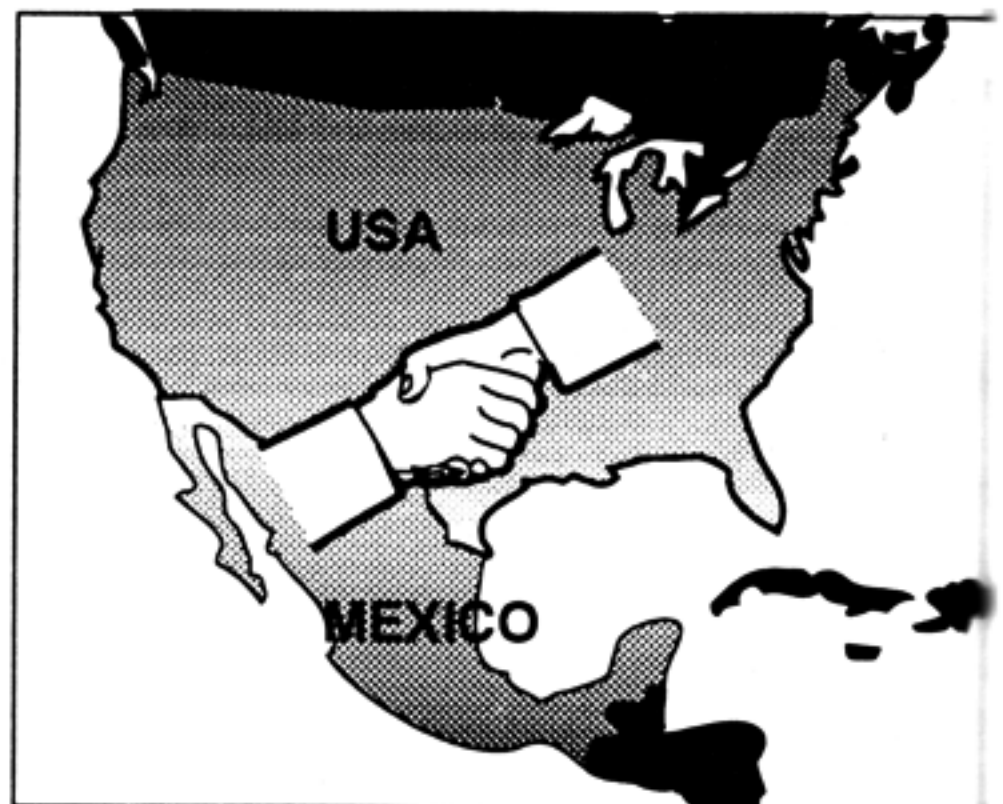
Former Secretary of Labour Ray Marshall, a close ally of the labour movement, spells out the underlying strategy:

"Eventually, the United States could push for all its global trading partners to protect freedom of association, permit collective bargaining and prohibit forced labour. Also, foreign nations could be called on to establish a minimum age for employment and impose acceptable standards for wages, hours and occupational health and safety."

Opposing 'free trade' agreements

Labour has also begun to respond as the United States government has pushed for so-called "free trade agreements" like the North American Free Trade Agreement (NAFTA) and the expanded General Agreement on Tariffs and Trade (GATT). These are actually agreements designed to compel transnational economic deregulation — allowing transnational corporations to invest and conduct business anywhere they want without regulation.

The labour movement along with environmentalist, small farmer, consumer, and many other allies, has mounted major campaigns to oppose these agreements, especially the proposed agreement with Mexico. Labour, religious, and other popular organisations on both sides of the US-Mexico border have held a series of meetings and developed their own alternative proposals for a North American development pact which would protect workers, small farmers, consumers, and the environment while allowing jointly-regulated economic integration. Says Ron Blackwell, an economist with the Amalgamated Clothing and Textile Workers Union, "We recognise that international economic integration will continue, and that wages and working conditions will tend to equalise. The task is to build international worker solidarity to assure



that wages and working conditions tend to equalise at a higher rather than a lower level."

The problem of export processing zones

Labour and its allies have also organised to directly affect the export processing zones on the US-Mexico border known as "maquiladoras", where 1 800 plants employ half-a-million Mexican workers, 80% of them women. Wages in the maquiladoras are half those in the rest of Mexico and one-tenth those in the United States; the Wall Street Journal reports "abysmal living conditions and environmental degradation."

Some US unions have begun to respond not by trying to keep Mexican-made products out, but by supporting efforts to improve conditions for Mexican workers. They have recently helped create the Coalition for Justice in the Maquiladoras, whose mission statement declares: "We are a bi-national coalition of religious, environmental, labour, Latino and women's organisations that seek to pressure US transnational corporations to adopt socially responsible practices within the maquiladora industry, that will ensure a safe environment on both sides of the border, safe work conditions inside the maquiladora plants and a fair standard of living for the industry's workers."

The Coalition has developed a "Maquiladora Standards of Conduct" which spells out standards for environmental protection, non-discrimination, and protection of the right to organise. The coalition has already forced major US corporations to change their environmental practices in the border region: General Motors, for example, after exposés and public pressure, recently announced plans to build wastewater treatment facilities for its 35 plants in Mexico.

A new foundation for internationalism?


So far, bridge-building and internationalism are only small tendencies. But internationalisation of the economy has changed the economic interests of US workers. A large part of the American workforce experienced considerable prosperity through its partnership in America's

global economic dominance. As that dominance declined, these groups were hurt, and their first response was to turn to protectionism to "save American jobs." But neither an expanded drive for exports nor protectionism will help any but a tiny proportion of US workers in the future.

Increasingly, American wages will be driven toward the lowest rates that can be found abroad. This creates the basis for an alternative attitude and strategy, based on the interest of American workers in supporting the right of working people throughout the world to organise politically and economically to raise their wages and conditions of life. This implies direct antagonism to American corporate interests and US foreign policy.

The interests of American workers now lie in opposing US support for repressive regimes, since it is their suppression of workers that makes possible the low wages and "stability" that lure American jobs abroad. Economic conditions are undermining the existing structures of the US labour movement, but they may be creating the basis for a labour movement far more willing to co-operate with the struggles of workers around the world. ☆

WORKERS'
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and politics

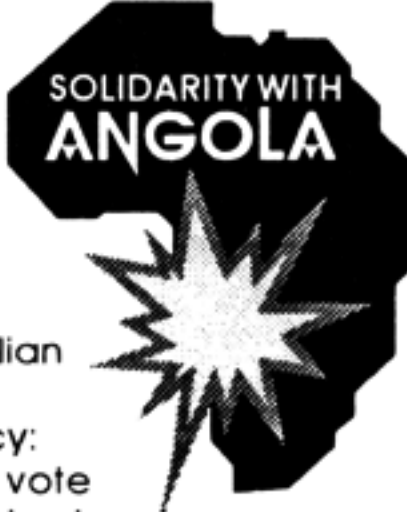
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Time to stop **double standards**

Despite all the pronouncements about non-sexism, women in the public service still face massive discrimination. LENA SLACHMUIJLDER reports.

Imagine trying to tell a mother of three, married to an unemployed man who spends most of his waking hours at a local shebeen, that she is not the 'head of the household.' It sounds absurd. Yet if one reads the Public Service Act of 1984, one finds exactly that.

Simply by having a wife, a man is de facto 'head of the household.' But for a married woman to be considered a 'head of household', she must first prove that her husband is permanently disabled and unable to work.

Unfortunately, there is far more than status at stake; only the head of household can qualify for a housing subsidy under the Act.

In a landmark case, not yet finalised at the time of going to press, a nurse from Cape Town has taken the state to the Supreme Court to challenge this clause. The nurse whose husband was forced to take early retirement, is challenging both the validity of the Act and arguing that she is faced

with exceptional circumstances.

Another case, involving a senior lecturer at Wits University who was granted a subsidy only after taking legal action, is still underway. Although the University agreed to grant her the subsidy in April this year on the basis that they were not obliged to follow the rules of the Act, they are still obliging the lecturer to regularly fill in forms to prove that she is the sole breadwinner.

Meanwhile, men are not obliged to show that they are the sole breadwinner to qualify for a subsidy. As Legal Resources Centre attorney Ranjit Purshotam points out: "A married male officer is granted a housing loan and subsidy irrespective of whether his wife actually earns a greater salary!"

Purshotam argues that the differing definition of head of household for men and women is discriminatory. And he says that because the Act does not permit discrimination on the basis of

gender or marital status, female public servants are legally entitled to the subsidies.

While this clause affects all public servants, including teachers and nurses, teachers face additional sexist policies in most education departments. Among the most blatantly discriminatory is the forced dismissal of female teachers who fall pregnant out of wedlock.

Section 21 of the KwaZulu Education Act states that any unmarried teacher must resign if she falls pregnant, "and if she fails to do so shall be summarily discharged ... as soon as her condition becomes known and apparent."

Already this clause has been challenged. In 1990, a teacher at Kwesethu Secondary School in KwaMashu was fired when it was discovered that she married after falling pregnant. The teacher began legal action, but the state decided not to oppose the case, and simply re-instated her. She

was also paid all of her back-pay for the months of her expulsion.

"People should know that they can challenge these regulations and win," says Legal Resources Centre attorney Mzo Mdhladhla, who acted for the teacher. "But we find that in many instances there is severe intimidation in the public sector."

Underlying the Act lies a moral statement that unmarried mothers are 'wrong' and 'set a bad example'. It is outrageous that no similar moral judgment is placed on men. Male teachers who become fathers out of wedlock face no disciplinary action, even if the situation 'becomes known and apparent.' "It is clear that when they were making the laws, only men were there," said one Inanda teacher who faces dismissal due to an unplanned pregnancy.

Not yet on the agenda are discriminatory practices towards female students. Female students who fall pregnant are expelled from school, and are often not re-admitted the following year after having given birth.

This decision stems not from any law or statute, but is the recognised practice of many undemocratic school committees – comprised of the principal and prominent members of the community. These committees, which in most parts of the country do not include any formal representation from either

students or teachers, are responsible for conduct and disciplinary procedures in the schools.

Again, the morally-based 'law' applies only to the female half of the impregnating process. Unmarried male students who impregnate females face no disciplinary action, even if this situation is known to the school committee. There is not one recorded situation where a man has been expelled from school for becoming a father out of wedlock.

The problems facing women teachers are on the agenda of the South African Democratic Teachers Union (SADTU) in their current talks with education officials. SADTU vice-president, Duncan Hindle, said that such issues form part of a number of demands concerning working conditions for teachers.

The union has recently completed negotiations with Transkei officials to eliminate

lower salaries for female teachers in the homeland. Yet in KwaZulu, where SADTU is not yet recognised, these issues are likely to be lower on the agenda – if there at all.

Perhaps a more expedient process would be to encourage public servants to stand up and legally challenge these Acts in court. A few cases may end up changing the laws faster than more mass action and demonstrations by teachers and nurses' unions – who have both prioritised the salary issue.

Yet even if the Act is changed, school committees will be left with sufficient muscle to push through their own discriminatory rules and regulations, allegedly based on moral grounds. In this case, only vigilance by individual teachers brave enough to stand up and face ridicule, with the support of their union, will ensure that such sexist policies come to an end. ☆





Driving **trucks** *in* **Soweto**

With the current spate of crime and violence, what's it like to be a truck driver, out on the road daily? A group of drivers, working for a furniture retailer, tell their story to SNUKI ZIKALALA.

Shootings, hijacking at gun point, and stone throwing are what we are experiencing on a daily basis when we deliver in Soweto. Our lives are always in danger. There is just a sigh of relief when we return from delivery without any incident.

It has become very difficult to deliver in the black townships. Over the last three years, Soweto youths have hijacked three trucks at gun point from us. We are just lucky that we are still alive. It has become the norm that when we deliver in Soweto we have to be heavily protected by armed security guards. We ourselves feel as if we are caged in, as one security guard is in the front seat and the other outside. Their duty and responsibility is to defend us and the

employers' property when we are attacked.

It all started about three years ago, during the height of political struggle. The youth, which was by then leading the struggle against apartheid, has now turned its anger against anything that comes from the cities to their townships. It is really unbelievable. Before, we always felt safe when entering Soweto. Parents would meet us with open hearts and we felt safe in the townships. We used to be happy when we were doing deliveries to the townships. After a hard day's work we would drive to a shebeen and quench our thirst. But now, one has to drive out of Soweto immediately and thank God for getting out of the lion's den alive.

Targets of criminals

Unlike workers in factories, our working conditions are very abnormal. Had it not been because of scarcity of work and mass unemployment, we would have long left this company.

Children in the townships have become animals. They do not respect nor fear death anymore. They call our delivery trucks targets. And yet these are goods that are being bought by their parents for household use.

The first experience of hijacking was when we had gone to deliver in Dube, in Soweto. We had just parked outside the house, preparing to offload the furniture, when four youths appeared carrying heavy weapons. They pointed their guns and demanded the truck keys. We had no

alternative but to give them the keys. They drove off with the truck. It was never seen again. We were lucky that we escaped without incident.

The second occasion was six months later after we had escaped a number of ambushes. This time they blocked our truck with another car, pointed their weapons and demanded that we should go out of the truck. We had to oblige and scuttled for our lives.

Do security guards help?

Management felt we should be protected – actually that their trucks and commodities should be protected – and decided to hire armed security. It was strange and abnormal. Initially we were safe, but now we are just human targets.

Guns are just floating in Soweto; apparently every young kid has a weapon. And their targets are now the security guards and the delivery vans.

We once had to run for our lives when unknown gunmen opened fire on us. We had just stopped and were offloading the furniture when we heard gun shots. The security returned the fire. It was Lebanon. We ducked and threw ourselves on the ground. The exchange lasted about three minutes. We were lucky we escaped unhurt.

We think the aim was just to scare the security guards and then to take their fire arms. The shooting was directed towards them and the

attackers thought they would run away and leave us unprotected. But the poor fellows had to stick it out until the youths disappeared.

Stone throwing

Another element is stone throwing. Stones are just thrown on our truck as we pass some of the most dangerous areas, like Diepkloof in Zone 2. We think they are directed towards the security guards.

Is it not shocking that life has become abnormal? High unemployment, lack of respect for human life, is what you see in the townships. We really do not know where we are leading to.

Life becomes impossible when the schools are closed; you find groups of youths hanging around corners. Since they are unemployed and they are on holiday, the only thing they think of is mischief.

During the holidays it is next to impossible to deliver in Soweto. Idling youths block the streets with stones, with the hope that the truck driver will stop to remove them. Most of the time we are saved by parents who warn us in advance about possible problems in a certain area.

Property is more important than our lives

What is really disappointing and disturbing is that our management is more concerned about the loss of property. We will always be told we should look after the truck and the goods that we

are to deliver.

It is so agonising and frustrating when we come back without the truck and the goods. We go through a mill. The management will interrogate us thoroughly. We will have to write a long statement, while being in a state of shock and despair.

The way we are interrogated! At times we feel that we should have died during the hijacking. We know of companies that fired drivers when their trucks were hijacked. What is disturbing is that most of the time management puts the blame on us. It is as if we are responsible for the hijacking and taking of the goods from the trucks. We are victims from both ends.

Will this end soon?

We do not think the situation will get better. The problem is that we are being harassed by educationally disadvantaged and unemployed youths. These children have no respect for human lives. To them it is just a game.

They are not aware that their parents are the ones who will suffer. If we refuse to deliver in Soweto, parents will be forced to fetch the furniture from the stores, which are in the centre of Johannesburg.

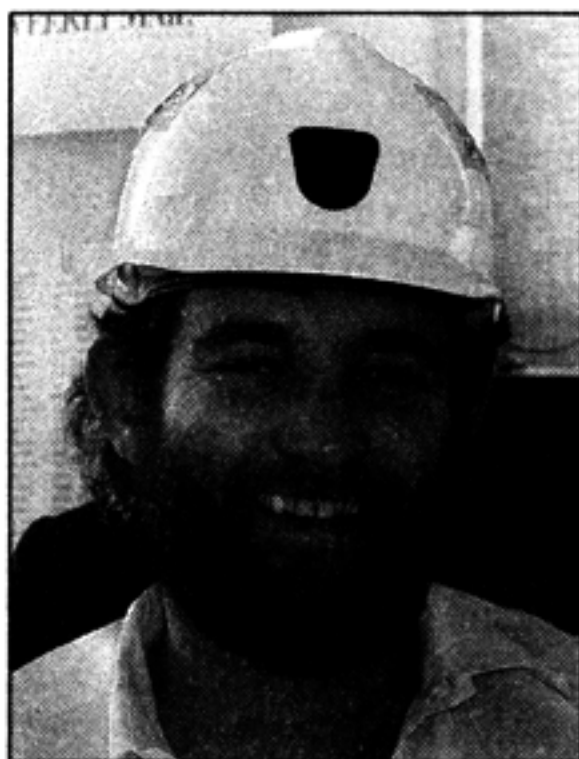
We do not think that hijacking and stone throwing will end very soon. We are victims of circumstances. And we have no alternative but to brave it out. ☆

Discrimination

It would be hard to find a society in the world in which race plays a greater role than South Africa. This is true both of society at large and the workplace. It is therefore surprising that there have been very few cases in the Industrial Court dealing with racial discrimination. In fact most of the cases have been brought by whites-only unions trying to perpetrate discrimination and inequality. There have been equally few cases dealing with gender discrimination.

Unfair discrimination on the basis of race or gender is an unfair labour practice. This is true even if separate but equal facilities are provided for different racial groups. The Industrial Court has held that the provision of separate toilet facilities on a racial basis is an unfair labour practice. It also said that an attempt by whites-only unions in the mining industry to exclude black workers from a pension fund was unfair; rejecting a proposal by the unions that there be a separate but equal pension fund for black workers in the affected job categories as discriminatory, unequal and unfair.

But these are the easy cases. The identification of



by PAUL BENJAMIN of the
*Centre for Applied Legal
Studies (CALs)*

discrimination becomes more difficult particularly as those who are in privileged positions use increasingly subtle techniques to avoid legal prohibitions on discrimination and exclude other groups from improving their position.

Job requirements

Generally, discrimination is unfair unless it involves a characteristic necessary for the job. To use an easy example: it is not unfair for a film director to interview only black actors to play the role of Malcolm X in a film; nor is it unfair to recruit only white actors to play the role of Eugene Terreblanche. Likewise, hiring a female to

model women's clothes is not considered discrimination. Another recognised ground in which recruiting from only one group is fair is the requirement of the need for privacy; it would be inappropriate to hire male security guards to perform body searches of female employees and therefore the recruitment of female employees for this purpose (or vice versa) is not unfair. These are what are called bona fide occupational qualifications. Courts internationally say that the onus is on the employer to prove this.

In the past, attributing characteristics to particular groups was common. For this reason, for example, women were not allowed to perform certain types of manual work. Today, it is less acceptable to speak of group characteristics in this way; there are strong women who can do heavy manual work and weak men who cannot. However, this trend has yet to arrive in South Africa. The law still prevents women from working underground in mines.

Recruiting

The examples discussed show that much of the

discrimination, and the opportunity for discrimination, occurs in the process of recruiting. Presently, it is very difficult, if not impossible, to challenge unfair recruiting because it is only employees, and not applicants for employment, who are able to bring unfair labour practice cases. It is possible, but very difficult, for a trade union to challenge a discriminatory hiring policy. However, there is a need for the unfair labour practice definition to be expanded to allow job applicants to challenge the prejudice they suffer as a result of discriminatory recruiting practices. Some American states have dealt with this problem by prohibiting companies from requiring photographs of applicants for jobs or even information such as their height and their weight.

Discrimination and pay
Wage rates are one of the most widespread forms of racial discrimination in South Africa. Many companies still have two wage curves: one for manual workers who are predominantly black workers and another for semi-skilled and skilled workers who are predominantly white. There is frequently a large gap between the top of the one wage curve and the bottom of the other wage curve. If the gap is disproportionate to the difference in skill levels, it will be discrimination. But it will not always be unfair. The

Industrial Court has accepted that there are circumstances where this differentiation may not be the result of race alone. Other factors such as the supply of workers on the labour market and collective bargaining may also influence wage rates. This argument can be used to justify a wage gap of this type.

Another common employer practice is to grade workers doing similar jobs into different categories and pay them at different rates. The general rule is that workers must be paid the same rate for work of equal worth. Therefore workers doing the same type of work must be paid the same wage rate. An employer cannot artificially create two job categories and pay them different rates. It is more difficult to show that the gap between different wage rates is not in proportion to the differences in worth between the two categories. Firstly this requires a complex assessment of the "work" or value of a job. This raises very difficult issues: how, for instance, do you compare the value of experience with that of training. A further difficulty is that employers will generally use market factors as a basis for justifying racial discrimination. But perhaps the most significant obstacle is the difficulty of obtaining the necessary information to bring this type of case, since company's tend to treat it as confidential.

The rules against discrimination do not mean that all employees doing the same work must get the same pay. A company is entitled to reward performance by giving merit increases. Merit increases are not allowed if they are the result of individual bargaining with workers behind the back of the union. This is prohibited by the *NUM v Ergo* judgment. But this will not be the case where a union approves of a merit increase system. A merit system will be discriminatory if it is applied in an arbitrary fashion. But where the company can justify the differential between wages on objective grounds, such as production levels or attendance records, the court will find it acceptable.

The two groups who have suffered most as a result of discrimination in South Africa are blacks and women. At the beginning of the year the government produced an Equal Opportunities Bill aimed at outlawing discrimination against women. This has been rejected by women's organisations, unions and others. One of its mistakes is that it prohibits discrimination only in cases where a woman can prove that she has been discriminated against *solely* because she was a woman. This is a mistaken view of discrimination. Black women are not discriminated against in one way because they are women and in another way

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because they are black. Discrimination has a cumulative effect. The discrimination that black workers and women suffer is a result of the inequality of society as a whole.

Indirect discrimination

The above examples are all cases of direct discrimination. More widespread is what is called 'indirect discrimination'. This occurs if a practice has the effect of putting a particular group (be it racial or gender) at a disadvantage because of past discrimination or present social circumstances. At first glance, the practice may not appear to be discriminatory. This only emerges when you look at its effect on different groups in society.

Take the toilet example. A company has better toilets for white workers than black workers. It pulls down the racial signs and puts up new ones reserving the better toilets for skilled and semi-skilled workers and the worse ones for manual workers. In most South African companies this would be unfair indirect discrimination because a far higher proportion of blacks than whites are manual labourers and therefore the effect of the practice is that the majority of black workers have access to poorer facilities. Another well known case of indirect discrimination is the English company which, some years ago, refused to hire workers

from the city of Liverpool. At that time, approximately half the residents of Liverpool were black, while the proportion of blacks in England was much lower. The courts said that this practice was unfair and arbitrary discrimination. Will our courts be so bold or our unions so imaginative?

Sometimes practices that are generally considered acceptable in the collective bargaining arena will have an unfair discriminatory effect. Take a company that only had white managers. As a result of an affirmative action policy it begins to recruit black managers. Then business drops off and it needs to retrench some of its managers. It proposes the approach of LIFO (last in, first out) and says that this is fair because the unions accept it. But it is not fair. Using LIFO in this case means that a far higher proportion of black managers (who only recently got their jobs) will be retrenched than white managers. The American courts would order the company to apply a retrenchment policy that does not unfairly discriminate against black managers in this way.

Once we enter the realm of indirect discrimination, the line between a genuine requirement for the job and discrimination becomes much more important as well as more difficult to define. Perhaps the most important source of this type of

discrimination is educational qualifications. In America the use of an educational qualification as a requirement for obtaining a job is considered racial discrimination unless the employer can show that it is necessary for workers performing that job to have the educational qualification. The reason for this is that black Americans, for social, political and economic reasons, have less access to education and the educational qualification will therefore exclude proportionally more black Americans than white Americans from applying for the job.

This will be a particularly important issue in South Africa. Many workers will not be able to advance up the company structure because of a lack of formal education. Jobs will be offered to younger, more qualified workers who do not have the same experience. The only way of attacking this process is to show that the formal educational qualifications are not needed for the job. To do this unions will have to challenge both recruiting policies and management job evaluations. Presently, the unions do not have the skills to contest job evaluations and management assessments are usually accepted.

Conclusion

Simply outlawing racial discrimination will not create

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Social rights *may have* negative consequences

DENNIS DAVIS* argues that including social clauses in a bill of rights, while superficially progressive, may in practice prove an obstacle to social transformation. Far better, at this stage, to entrench only basic civil liberties.



It is testimony to the growing consensus regarding South Africa's constitutional future that a future government in South Africa will have its powers constrained by a justiciable bill of

rights. Not that long ago most people on the left equated democracy with majoritarian government. To the great credit of Professors Albie Sachs and Kader Asmal the South African debate regarding democracy has become far more nuanced and subtle and the need for a bill of rights as a vital component in a new state has finally been accepted by most.

The problem, however, is not with the acceptance of the principle of a bill of rights, but rather with its content and purpose. Traditionally a bill of rights has been seen as guaranteeing certain fundamental human rights, placing them outside of the reach of a transient legislature and ensuring that this "higher law" is able to trump legislative programmes which might well attempt to erode these higher laws.

But as a distinguished comparative lawyer, Mauro Cappelletti has noted: "to exclude social rights from a modern bill of rights is to stop history at the time of *laissez faire*; it is to forget that the modern state has greatly enlarged its reach and responsibilities into the economy and the welfare of the people." Thus the Canadian

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DEBATES

Charter of Rights and Freedoms, which has become a yardstick for many constitutional drafters in this country, has been criticised by Petter as "a nineteenth century document set loose in the twentieth century welfare state". Thus he argues that the negative rights discourse of the Canadian Charter, with the state being cast as a prime enemy of liberty, has precluded the document from being a reliable tool of social change. For example, all the rights contained in the bill attempt to restrict state power rather than being conceived to promote positively the rights of citizens.

For this reason the Canadians attempted to include a social charter as part of their bill of rights. One draft provided that everyone has an equal right to wellbeing, including:

- a right to a standard of living that ensures adequate food, clothing, housing, child care, support services and other requirements for full social and economic participation in their communities and in Canadian society;
- health care that is comprehensive, universal, portable, accessible, and publicly administered, including community based, non-profit delivery of services;
- public primary and secondary education, accessible post secondary and vocational education, publicly funded education for those with special needs arising from disabilities;
- access to employment opportunities and just and favourable conditions of work.

This draft Charter then provided that the Charter of Rights and Freedoms should be interpreted in a manner consistent with these rights and the fundamental right of alleviating and eliminating social and economic disadvantage. In this draft lies the great difficulty which confronts proponents of a social charter. Are these rights justiciable? In other words, can one go to court to secure an order that the state provides an applicant with adequate food, clothing, housing and child care, particularly given the limitations of a budget? And should we allow the courts to become the central planners allocating the budget in particular directions?

The ANC's Draft Bill of Rights has

attempted to deal with these difficulties by means of the concept of 'the expanding floor'. For example, the ANC document provides that legislation shall ensure the creation of a progressively expanding floor of minimum rights in the social, educational and welfare spheres for all in the country. Such legislation shall take into account national priorities, the availability of resources and the capacity of the beneficiaries of such rights to contribute towards the costs involved.

If the problems of judicial intervention in the social and economic sphere prove insurmountable, it might well prove preferable to have a narrow bill of rights safeguarding traditional civil liberties and providing for accountable and open government. An attempt to circumvent the difficulties of social rights by means of a generous equality clause can well prove disastrous. For example, a number of draft documents in the South African debate have borrowed from the Canadian formulation to provide that every person is equal before and under the law and has the right to equal protection and equal benefit of the law. Superficially this seems to be a commendable attempt to fuse procedural and substantive equality; ensuring that the state does not only have the simple obligation of ensuring procedural fairness, but also the positive duty to ensure that substantive social and economic equality prevails in the society. The problem with this formulation is that it can well prevent the government from prioritising a budget.

For example, in one Canadian case the judge found that a section of the Unemployment Insurance Act was inconsistent with the equality clause because it did not accord natural parents the same child care benefits as adoptive parents. The court's remedy entitled natural parents to the same child care benefits given to adoptive parents. The Federal Government appealed against this extension of benefits on the basis that it was government's responsibility to set budgetary priorities. The Federal Court of Appeal held that the order of the trial court extending benefits appeared to be the only remedy which respects the purpose and nature of the equality

provision of the Charter. The order was therefore permissible even though the court acknowledged that the remedy granted resulted in the appropriation of funds not authorised by parliament.

In the South African context this could prove fatal. For example, government decides to provide all rural schools with child care centres on the basis that there are no such facilities in the area. All urban applicants appeal the decision arguing that they are entitled to equal benefit. Government could find itself unable to comply with the remedial order providing child care centres to all schools given the limitation of the budget and would thus have to withdraw the legislation. In short, a well-intentioned piece of constitutional drafting could produce governmental malaise and a major obstacle to social transformation in society.

There is also a danger that the rights contained in a bill will be treated as unchanging universal entitlements rather than being shaped by political struggle and social context. Take for example the right to freedom of association. On one level this would appear to be an unqualified right of universal significance. But, as the Freedom of Association Committee of the ILO has noted, any system of trade union monopoly imposed by law is at variance with the principle of freedom of association. Given this interpretation, within the collective bargaining

context the right to freedom of association could endanger the closed shop – an essential condition for workers in a number of industries to bargain collectively.

The agency shop may survive a constitutional attack but if unions enter into alliances with political parties the issue of subscriptions could well be vulnerable to court decision. Workers who do not belong to the union and do not subscribe to the political affiliation of the union could challenge a compulsory deduction made pursuant to an agency shop and would probably succeed in terms of the freedom of association clause. The Canadian Supreme Court, for example, has held that the rights of non-union members required by the operation of an agency shop are infringed if their dues contribute to the political work of the union, even if it is for the advancement of workers such as lobbying for changes to labour law.

While it appears that an interim bill of rights is a necessary requirement for a constitutional settlement, hopefully it will be of a minimalist nature so that full national debate can take place regarding the content and nature of the final bill of rights. Rights are ambiguous and often can lead to unintended consequences. Of the 44 claims brought under the Canadian Charter involving sexual equality, only seven were initiated by or on behalf of women. If care is not taken a bill of rights can well hand weapons to one's enemies. ☆

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an equitable society; this will require policies of affirmative action or employment equity aimed at redressing the imbalances of the past. This is a controversial topic that goes beyond this article and there is much debate over the best ways to achieve a more balanced work-force. What is crucial is that the law should not allow people in a privileged position to use the claim of discrimination to resist any attempt to equalise society.

Policies of affirmative action will not necessarily result in a better deal for the majority of black workers. They will gain from

these policies if the unions have the interest and skill to challenge the many discriminatory practices that are such a common feature in South African workplaces.

This article has concentrated on racial and gender discrimination because they are the most widespread. There are many other groups who are discriminated against in the workplace: the disabled, workers injured in accidents, those with unpopular political views, homosexuals and so on. Discrimination will only be defeated in a climate of tolerance in which any irrelevant consideration is rejected as a basis for hiring or promotion. ☆



The Workers' Party and Democratization In Brazil
by Margaret Keck (Yale University Press, 1992)

Without Fear of Being Happy: Lula, the Workers' Party and Brazil
by Emir Sader and Ken Silverstein (Verso Press, 1991)

*Reviewed by Gay Seidman**



More than any other Third World country, Brazil seems to hold lessons for South Africans. Like South Africa, Brazil has experienced nearly a century of savage capitalist development, with severe inequalities as well as real potential

for economic growth; like South Africa, Brazil has experienced a lengthy transition from authoritarian rule.

Brazil also has a militant working-class movement, which has challenged elite control. In 1989, the Workers' Party candidate, a former metalworker known as 'Lula', came only six percentage points short of winning Brazil's first open presidential elections since 1960. Since it emerged after militant strikes in the early 1980s, the Workers' Party – the Partido dos Trabalhadores, or PT – has been the voice of poor and excluded Brazilians, refusing to follow the clientelist patterns of Brazil's 'politics-as-usual'.

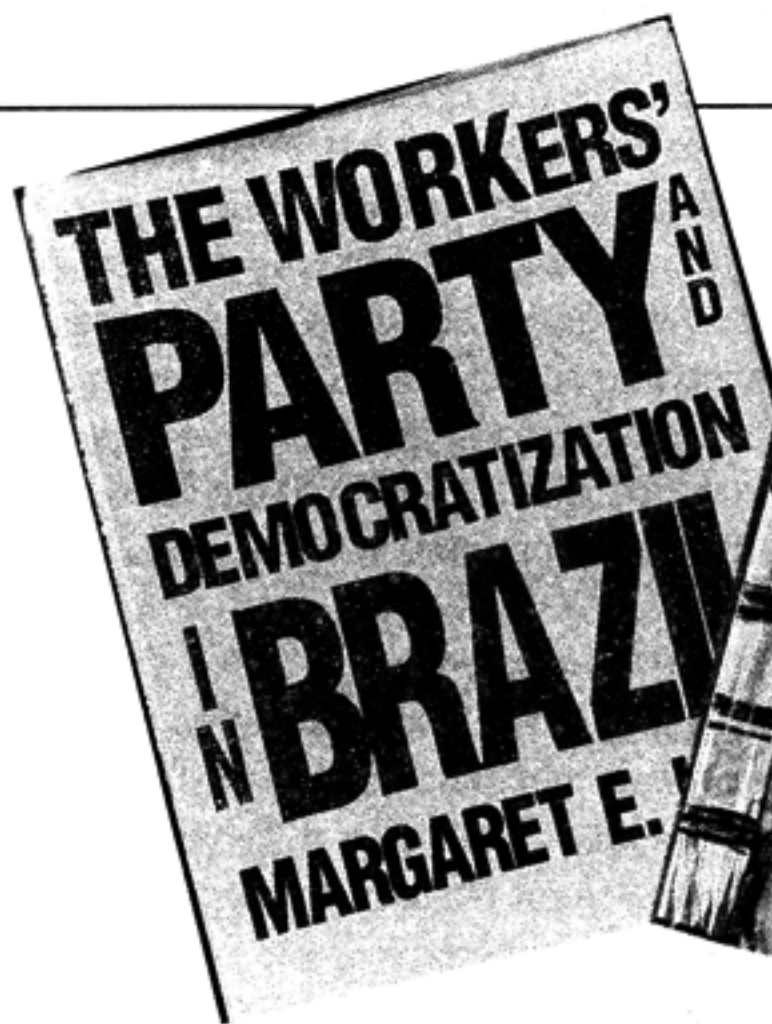
Brazil's transition from authoritarian rule was

long and difficult, involving complex negotiations over constitutional principles, amnesty and other issues that will be familiar to South Africans. Unlike other left-leaning parties, PT refused to make compromises with the military who had ruled Brazil for 20 years – much as South Africa's mass democratic movement refused to participate in township councils.

At the time, PT's decision was unpopular: it was seen as spoiling the negotiations, and jeopardising the transition to democracy. Later, however, when former members of the military government – including president Fernando Collor de Mello, recently impeached for corruption – continued to play prominent roles in national politics, the party was widely seen as having more political integrity than others, and it received a great deal of popular credit for its refusal to trade its broader definition of democracy for short-term gain.

After the 1989 presidential campaign, one of Lula's aides described the reception Lula got around the country, where poor Brazilians flocked to show their support for a democratic socialist party. "In ten years," he said, "the small PT had arrived where political scientists and

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commentators could never have imagined: in the most distant villages, where half a dozen Brazilians had organised to fight for their rights and a more dignified life.”

Until now, however, there has been relatively little information about PT in English. These two books, both sympathetic to the party, show how the party has grown and changed over the thirteen years of its existence.

Emir Sader, a leading PT strategist, and Ken Silverstein, an American journalist, describe the party's growth from a small, relatively unimportant party in 1980, to a major national voice. They explain the party's appeal to Brazil's poor – to workers whose unions have faced repression; to peasants denied land or jobs; to city dwellers in inadequate housing, lacking urban services.

A different vision

They show how Lula and his party offered Brazil a different vision, with democratic participation through popular councils, with labour rights and land reform, and with a rejection of international banks' austerity programmes, PT managed to attract widespread support from middle class as well as poor Brazilians. As the authors conclude, “The party's 1989 presidential campaign slogan, ‘Without fear of being happy’, expresses the audacity of a party which seeks to take power at the head of the huge majority

and show that, politically and ethically, the people have the right to happiness.”

Yet, although Sader and Silverstein's book is very readable, it is sometimes frustrating, because the authors seem reluctant to acknowledge that PT has not had a smooth path. Instead of telling readers about some of the difficult decisions the party has had to make, or about the debates over strategies that the party has gone through, they describe its appeal.

For South Africans hoping to learn from PT's experiences – its strategic choices and failures as well as victories – Margaret Keck's book will probably be much more useful. An American academic who has been close to PT since it was founded, Keck's account is both sympathetic and realistic.

A changing class constituency

Keck describes the way PT has changed, from a party which South Africans might have considered ‘workerist’ – built mainly on a militant trade union base in Sao Paulo, Brazil's industrial heartland – to a party appealing to all those excluded from Brazil's capitalist system. Where it once spoke only for the small industrial working class, PT now speaks about creating a broader citizenship, which will offer all Brazilians the right to participate in decisions, and the right to basic social justice.

This does not mean that PT has abandoned the workers who provide its real constituency;

rather it acknowledges the diversity of interests that make up the broad "working class". Instead of viewing that class as fixed and unchanging, however, it now sees the working class as a constituency built through struggle, knitted together as people with different experiences learn how their interests are linked. So the PT has become the party of those who feel excluded – not only workers, but also blacks, women, peasants, and so on.

Along the way, PT has had to make choices. How does a party whose major resource is its ability to mobilise the poor in demonstrations, strikes, and so on, represent its constituency once it is in power? Like the ANC-COSATU-SACP alliance, PT brings together people from different local movements. PT leadership tries hard to prevent local movements from becoming a 'transmission belt': instead of party leaders dictating to the movements, PT tries to take its lead from movement activists.

"From the beginning," Keck writes, "the Workers' Party has been committed to change from below, of politics from the bottom up." During prolonged national negotiations over a new constitution – through the mid-1980s – PT found its activists became focused on the national assembly, away from the grassroots, and had to make a conscious decision to return to local movements.

Power vs protest

But there are still problems: sometimes the logic of social movements, whose power tends to come from their ability to disrupt, conflicts with the logic of increasing political participation, within established institutions. PT has not resolved this problem, but its experiences certainly holds lessons. Since 1982, PT has experience running a number of municipalities.

As the party has never held Brazil's central government, PT mayors have had to make do with small budgets and unhelpful bureaucracies. Nevertheless, the party has found creative ways to deal with the problems facing Brazilian cities – with squatter camps, with inadequate schools and clinics, and high unemployment.

At the same time, however, the party had to learn how to create participatory democracy while working within political institutions that have reinforced elitist politics for decades. PT's experiences show just how difficult it can be to take power and design proactive policies, when your organisation and militants have been involved in protests, not policy-making.

Many 'tendencies'

This problem is also reflected in the party's structure, which has allowed different factions, or 'tendencies', to offer different strategies and candidates for positions within the party. Different social movements and different political groupings within PT often disagree about the best way forward. Proportional representation for these different 'tendencies' has increased internal debate and democracy, but it has sometimes increased friction within the party; some activists believe it uses up valuable energy that should go to mobilising support for PT's broader vision.

PT began as a minority party, and never expected to be close to winning national power; indeed, its analysis of the transition saw the military, supported by the dominant classes, as a real threat to democratic elections. Its approach to elections reflects this history. PT views election campaigns as offering a chance to win real power, at local and national levels, but also as offering a moment when it is possible to discuss politics with large numbers of people.

The election campaign is partly about getting people to vote for you, PT says, but also a profound moment of education, where people can begin to think about what kind of political system they want and what kinds of leaders to choose. Keck writes, "Political struggle is not only a struggle for power within a well-defined arena and according to well-defined rules, but also a struggle over the shape of the arena and the nature of the rules themselves." PT, she says, has changed the shape of the Brazilian arena, and has managed to create a space in which workers and the poor can insist on being included as full citizens in the country's future. ☆

“It is sad to see that today, when unions are legalised, have the right to strike and to bargain, women are left far behind. They are not encouraged to take senior positions in their unions.”

Veteran unionist EMMA MASHININI, now deputy chair of the National Manpower Commission (NMC), talks to Snuki Zikalala.

During the darkest years of our struggle, many women risked their lives and were separated from their husbands and children for the sake of the workers' struggle. It is sad to see that today, when unions are legalised, have the right to strike and to bargain, women are left far behind. They are not encouraged to take senior positions in their unions.

I am proud to say that I started the Commercial, Catering and Allied Workers Union (CCAWUSA) single-handedly. It was like building a house to give shelter to thousands of suppressed and exploited workers. My aspirations were fulfilled. Today CCAWUSA, which is now the South African Commercial, Catering and Allied Workers Union (SACCAWU), is the biggest union in the commercial sector. Women are protected in the workplace, have maternity rights and the right to bargain over wages and working conditions.

Early years

I was born on 21 August 1929 in a back room in Diagonal Street, in the southern suburbs of Johannesburg. My mother hired a room for us to live in. My father worked at a dairy. I was

the third of seven children and the one with the least education.

I started school in Prospect township, not far from City Deep. My family was forcibly removed to make way for a white suburb. We settled in Sophiatown, where I completed my primary school. After standard eight I was forced to leave school.

In 1956, I started work at a garment factory, Henochsburg, which made uniforms. Lucy Mvubelo, general secretary of the Garment Workers Union for years, told me about a new factory which was looking for workers. I started as a cleaner and I then worked as a machinist.

Workers here were dismissed for no apparent reason. This led me to organise workers. I was slow, but my work was of a high quality. Maybe this saved me from being dismissed. Instead, I was promoted. Management was trying to buy me. On the other hand, workers elected me as their shopsteward.

Though we all belonged to the Garment Workers Union, we were racially divided. The whites, Indians and coloureds had an advantage as their union was registered and

could negotiate for better wages. They would fight that we should get the same minimum wage. Black union members would just wait for the outcome of the negotiations. It was really frustrating.

I organised go-slow strikes at the factory. We were fighting for a wage increment and a forty-hour week. And we won those demands. It was such a joy.

During those years there was accountability. Shopstewards used to collect subscriptions and not a cent would go unaccounted for.

In 1962, GAWU merged with the Men's Clothing Union and became the National Union of Clothing Workers. I was elected onto its national executive, a position I held for twelve years.

The birth of CCAWUSA

In the early seventies, Loet Douwes Dekker, from the Urban Training Project, wanted me to form a new union for textile workers. Another offer came from the National Union of Distributive Workers (NUDW), which was organising whites in the commercial sector. What attracted me to the NUDW was the poor conditions of workers in the commercial sector.

In 1975 I resigned from Henochsburg and started as an organiser. Morris Kagan and Ray Altman, officials of NUDW and the Commercial and Allied Workers (for coloured workers) gave me moral and material support. Because of the Group Areas Act, my office in Johannesburg was in NUDW's name. I was given stacks of books to read about unions in the commercial sector.

The new union was to be called the Commercial, Catering and Allied Workers Union of South Africa (CCAUSA). My first days were a nightmare. I was used to supervising and being among hundreds of workers. Here I was isolated and had a union to organise. I knew nothing about the commercial sector but was determined to work hard and achieve the desired goals.

It was 14 years since SACTU had been active in the country. I started the union from scratch. In those days it was very difficult to

organise. Entering a factory or organising workers was a crime. I targeted officials of the liaison committees, set up by employers and educated them about independent unions.

Home visits and pamphlets were the most efficient ways of organising workers. My husband was with the clothing union and they had a car, which I used to visit potential organisers at home.

I was often arrested for organising workers outside supermarkets. I spent nights at Yeoville and Jeppe police stations. My pamphlets, which were hidden in my clothes, were discovered and torn to pieces. I was humiliated, insulted and called a communist. The destruction of pamphlets used to upset me. It took days drafting and printing, and the police took only minutes to destroy them.

Striking out

Despite set-backs, intimidation and arrests, by 1976 we had organised 1 000 workers. We then needed structures. We elected Johnny Rampeba from Checkers as president and I was the general secretary.

Our union grew very fast, first among OK Bazaars workers and then at Checkers. Pick 'n Pay workers (mostly migrants) were the most difficult to organise and management was very conservative. However, a small nucleus of workers started organising from inside their stores. Intellectuals like Eddie Webster and Douwes Dekker contributed by giving education to our workers. Henry Chiweya, the second vice-chair, also played an important part as he was very bright and innovative.

During the first strike in 1977, at Checkers in Benoni, workers striking against unfair dismissal all came to our offices. Management was forced to meet workers at my office and the matter was resolved without dismissals. We then had a wave of strikes at the supermarkets. Employers who hated me were forced to negotiate with me at our offices. It was such a joy seeing women defying employers and standing behind their union. The union was involved in politics and fighting for democratic rights on the shopfloor and beyond.

When the Wiehahn Commission

PROFILE

recommended that African unions should apply for registration, we did so but were only recognised in 1981. This was a great achievement.

When we were recognised, I was in prison, by then my second home. Trade union leaders always found themselves in prison. The aim was to cripple the unions from the top and to leave people leaderless as they did with SACTU. However, this time, workers were determined to carry the struggle forward.

Because militant workers were always coming to our offices when they were on strike, our landlord evicted us. We had to ask for shelter from the churches. In 1981, we got an office at Khotso House.

One of our first recognition agreements was with Allied Publishing. It was a union stronghold. By 1983 we had a number of agreements – with Checkers, Pep Stores, Pick 'n Pay, OK Bazaars, Woolworths and Edgars. The union had grown to 23 000 members.

Our 1983 agreement on confinement leave with OK Bazaars with the guarantee to return to work, was one of the greatest achievements. The 1983 Checkers strike in Germiston, because a white woman had been demoted, was also unique.

From CCAWUSA to NMC

By 1985, I felt my body could not take it any longer. Detention and psychological torture had its effects. The union was now big and needed young blood. I felt I had achieved workers' unity and rights in the commercial sector. Workers were now better organised and a number of recognition agreements had been signed. I had played an important part in the formation of COSATU and workers had a very progressive and militant federation.

What really disturbed me was that there was now a power struggle in the union. Accountability and service to the membership was disappointing. Some people accused me of being a Black Consciousness sympathiser as I was advocating African leadership in the union. In June 1986 I left CCAWUSA. It was a very sad occasion. My heart still bleeds for that union. I then joined the church as a justice and



reconciliation worker, covering the whole of Southern Africa.

I am quite comfortable where I am, but my prayers are always with the workers. When COSATU requested that I should be their candidate for deputy chair of the NMC, I could not believe it. I agreed immediately. It was such a joy. God really heard my prayers.

As NMC deputy chair I am now forced to read more as I have lost touch with current labour issues. In the NMC I hope to contribute to changing industrial relations in our country. I believe that worker rights have to be entrenched in the new constitution and that business, labour and the state should contribute to the country's economic growth.

Personal life

I am married and have three daughters and two grand daughters. I enjoy listening to gospel and choral music. I spend most of my holidays at home as I travel a lot. ☆

SIGH ... OFF TO YET ANOTHER
WORLD BANK MEETING.



BUT I CAN STILL KEEP UP
WITH EVENTS BACK HOME!



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the ground...

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