

SOUTH AFRICAN

# LABOUR BULLETIN

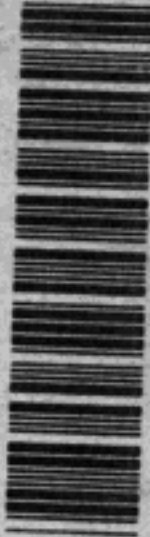
May 1994 Volume 18 Number 2

Socialism via Social Democracy?  
The new Public Service  
Pick n' Pay Agreement




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SOUTH AFRICAN LABOUR BULLETIN  
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## COSATU and the Elections: Expectations, Hopes, Dreams...

# *“Work in Progress” to close.*

**“W**ork in Progress” has been forced to announce its closure for financial reasons and the next edition will be its last.

Apart from the blow to the journal’s dedicated staff, the collapse of WIP is very worrying for a number of reasons:

- ❑ WIP has been appearing since 1978 and has become South Africa’s leading magazine of the critical Left in its field of general political and social comment
- ❑ As a sister publication with the Labour Bulletin

in the new Independent Media Group, there is no doubt that WIP’s closure will weaken the whole stable

- ❑ At this time, when the struggle for democracy has achieved a major goal along its path, the task of rethinking and debating the next, more complex period will be more difficult without WIP’s ongoing contribution.
- ❑ With the nation-wide movement towards the political centre, there is the serious danger that

critical and radical thought and discussion will become marginalised and insignificant, with serious intellectual challenge to new orthodoxies likely to be more difficult. WIP’s demise reinforces this danger.

It is with heavy heart therefore that we bid farewell to WIP and its editorial and production team.

**Karl Von Holdt**  
**Editor**

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This is the first edition of the *South African Labour Bulletin* in the New South Africa. We are “free, free at last”.

What does “free” mean? It is obvious from the status of the ANC’s Reconstruction and Development Program as the major focus of the ANC election campaign, that “freedom” does not mean freedom from social injustice of the economic kind. Yet no one present at polling stations during the voting days will deny that the previously voteless *feel* freed by the act of casting their ballots.

In this edition of the Bulletin, a special focus on the Public Service asks what freedom will mean in practice (“Elections do not make a democracy – Accountability does.”) A second special focus continues the “democratic socialism or social democracy?” debate which was opened up in the December 1993 edition. It is clear, from the Australian experience of social accords described there, that the freedom to vote – even for a publicly-proclaimed policy – is no guarantee that the government elected by that vote will feel obliged, or will be able, to carry out the policy on which it was elected.

The ANC has already referred to the problems that may lie ahead:

Mandela himself advised Cosatu last September to mobilise against his government if it fails to deliver, just as it mobilised against the Nationalist government. The ANC is clearly aware of the limits of its freedom as a government, tied down as it is by the Power-sharing arrangement, and by the realities of economic power in South Africa and beyond. RDP Minister Jay Naidoo confirmed the same to Cosatu’s election victory “celebration” on the day of his Cabinet appointment: “We rely on the unions, the civics, and our communities to remain mobilised to ensure the realisation of the RDP.”

But the problem for the social forces in question is *how* to remain mobilised. The transition years have already produced a

significant scaling-down of mobilisation. This process will continue. Indeed, the concession of liberal democracy *encourages* the scaling-down of mobilisation, of social solidarity, of “class unity”. Doors are open to individuals that were closed before, and the temptation to scramble over the backs of one’s former comrades is all the harder to resist when the struggle fought was so long, so brutal and so bitter. “Sekunjalo – Now is the Time” takes on an entirely new meaning in this context.

At the same time strategic and tactical issues become vastly more complex: Mobilising against the Apartheid Regime had all the moral clarity of Total Right vs Total Wrong. But now? Is it right to mobilise against *our own* government? Are they not doing the best they can for us in the circumstances? And how far do we go, how much pressure should we apply?

As the issues become more complex, so the need for focussed debate becomes more imperative. The SALB, in welcoming the democratic election as an important step along the democratic road, pledges itself to the promotion of this essential, deeper debate. Maintaining momentum towards greater freedom will be impossible if we are not aware of how difficult it will be, and if we do not exercise our intellectual capacities to the fullest possible extent to grapple with the new complexities before us.



**Mike Murphy, Guest Editor**

**Note:** This edition of the *Labour Bulletin*, has been held back from publication until the election results became known, hence the “May” cover date. However, many of the articles were written before the elections, and so there are sometimes references to the elections as a future event.

# SOUTH AFRICAN LABOUR BULLETIN

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**Cover photo: Voting practice in COSATU's voter education programme**

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*Special focus on trends and fashions in high places in the New South Africa.*

# COMRADES-ABOUT-TOWN

*NUM's Godfrey Oliphant*



**BEFORE...**

RED EYE is reliably informed that the noticeable change of dress among COSATU (or ex-COSATU) seniors in recent months flows from a call by the South African Clothing and Textile Worker's Union to stimulate the recession-plagued clothing industry via changes to comrades wardrobes. RED EYE's roving camera snapped a few "before and after" shots demonstrating our comrades' solidarity with the clothing workers' struggle to defend their jobs.

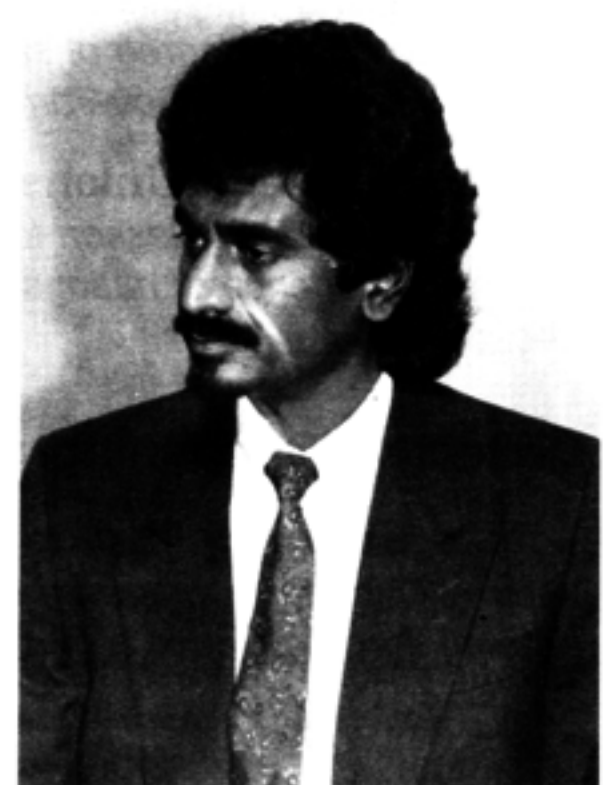


**...AFTER**

*COSATU's Jay Naidoo*



**BEFORE...**



**...AFTER**



### Comrades in Oz

RED EYE was fascinated by the portrait of "Jack" Brookfield (with accompanying caption) which was discovered by SALB staff conducting picture research for the articles (on Australian trade union- government relations) which appear in this edition of the *Bulletin*. Jack was a militant grassroots mineworkers' leader in Australia in the early years of this century. Jack's attire clearly shows the way forward for those comrades wanting to support SACTWU's call to "dress-for-more-jobs", but who at the same time want to remain "one with the people". ❖

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"Brookfield (left) never wore a tie, regarding the practice as a bourgeois convention."

### Comrades in the boardroom

There is no truth in the rumour that Peter Wrighton was asked to resign from the board of National Sorghum Breweries because he failed to respect the above-mentioned SACTWU appeal. However, the sight of Comrade Peter at a recent NSB Board meeting wearing African dress amongst the black directors in their dapper dark suits led one of the black directors to confide to RED EYE: "We accept that it will take time for whites to adjust to the realities of the New South Africa". ❖

### More comrades in the boardroom

RED EYE notes with approval that ESKOM's gun-running was exposed by ESKOM's human resources director George Lindeque, who was nominated "Practitioner of the Year" by the Institute of Personal Management. No doubt the IPM's award took into account George's sensitivity and adaptability to the new South Africa - he has long been anticipating change by calling Bernie Fanaroff and Gwede Mantashe (COSATU's reps on the ESKOM Electricity Council) by the title "Boss". ❖

### Comrade Charles Glass

From "Power to the People" to "Lager to the Locations"! RED EYE hears from a high-up

source in South African Breweries that the target of total automation in beer production is being undermined at the distribution end by the ongoing hi-jack of SAB trucks and, of course their cargoes. Our source revealed that plans are afoot to overcome this problem by making the drinkers automatic too! "We could obviate the entire distribution problem if we could just establish a pipeline to each drinker." What a vision for the New South Africa: each new-built RDP house with its cold water stand-pipe outside, matched with the gleaming SAB tap, complete with consumption meter, and slot-in pre-paid "Charlescard" to release the amber nectar. ❖

### Comrades as stock brokers

Just in case you felt worried by Management propaganda about the "death of Socialism", here is a report to bring renewed hope: Conspicuous by his absence during the hurly-burly of the election campaign, ex-SACTWU general secretary John Copelyn was by no means idle as he prepared for a new role as ANC representative in the New Parliament. Red Eye understands he has been busy looking at investments for the labour movement. Could it be that COSATU is soon to be listed on the stock exchange? What sector would it be listed under, we wonder, and could there be a hostile take-over? ❖

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## Comrades never

It's not all laughs on the SABC's rollicking "Future Imperfect" panel discussion-cum-bunfight. At least, not for the DP's "Mr Free Speech" Tony Leon, who threatened to sue the programme's producers if they screened an "exchange of views" which took place during the filming of a pre-election edition of the popular program.

Apparently Mr. Leon took exception to certain comments relating to his integrity and stormed out of the studios while the cameras rolled. RED EYE does not wish to comment on whether Mr. Leon's muzzling of the SABC is, or is not, a limitation on the public's right to know. Safest to take

out our cue from "Future Imperfect" itself and say "You be the judge!" ❖

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## Comrades at work

In a lighter vein: overheard in the workplace - *Shopsteward:* We demand the Right to Work! *Manager:* And we demand the Left should do some work too! ❖

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## Comrades at play

With all the talk of the unifying character of sport in the New South Africa, it is small wonder that all our national sports teams seem injury-prone all the time. RED EYE hears that COSATU is busy organising amongst the players under its tried-and-trusted slogan "An injury to one is an injury to all". ❖

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# HOW ABOUT A HISTORY OF YOUR UNION?

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COVER FEATURE:

# COSATU and the elections



SAKHELA BUHLUNGU\* reports on the pre-election interviews that he conducted all over South Africa to assess how COSATU involved itself in the elections, and what the impact of that involvement has been on COSATU

## The background

In September last year COSATU fired the first shots of the election campaign by announcing the names of 20 unionists to stand for election on an ANC ticket. Since then the 1,25 million strong federation has thrown its full weight behind the ANC in what many of its members regarded as a liberation election in South Africa. Many South Africans observed the election

campaign through the eyes of the mass media and election analysts who tended to focus on political leaders and major parties. As a result, the involvement and role of civil society organisations, particularly the trade unions, in these elections has been neglected. This article analyses the nature and extent of COSATU's involvement in the ANC's election campaign and the impact thereof on the federation's organisational structures and resources. It concludes by looking at the challenges and issues facing the country's biggest and most influential union federation in the post-election period and beyond.

Debates within COSATU on the relationship between the federation and the ANC did not start with the election campaign. In the 1980's one of the major debates in the unions was the relationship of unions to politics. At the 1987 National Congress of COSATU an uneasy consensus was arrived at by the major tendencies within the federation when they adopted the Freedom Charter and acknowledged that unions had a role in politics and that national liberation was an important phase of the struggle towards a society free of oppression and exploitation.

The importance of this accommodation among the tendencies was twofold. Firstly, it laid the basis for what was to become the tripartite alliance between the COSATU, the ANC and the SACP. Secondly, it laid a basis for what was to become a consensus position when the federation's structures were debating whether or not to support the ANC in the elections. Thus when the time arrived for COSATU to take a decision, the key question was not whether or not to back the ANC, but how to do it in such a way that such support also benefitted COSATU and its members. For this reason COSATU's involvement in the election campaign was not just a matter of backing

\* Sakhela Buhlungu is with the Sociology of Work Project at WITS University. He is a former SALB writer and PPWAWU Assistant General Secretary

the ANC for its own sake, it was a series of different, but related, interventions.

### **COSATU's interventions**

COSATU's involvement in the 1994 elections should be viewed in terms of three separate but related interventions, namely, the reconstruction and development programme (RDP), the union candidates on the ANC lists, and voter education and canvassing for an ANC victory.

#### ***The RDP***

It is a measure of COSATU's influence in our country generally that the RDP has not only been adopted by the ANC and other civil society organisations as a basis for building a new future, but it is also accepted by many others as the only plan at present that holds hope for reconstruction of South Africa.

The RDP is the brainchild of COSATU. Initially it was conceived of as a pact that would be signed between the ANC and COSATU with the objective of binding the ANC to specific agreements while the federation would undertake to deliver votes for the ANC. However, as discussion deepened it was felt that such a programme should go beyond just the ANC and COSATU and be a unifying plan which would also include civil society and other parties and organisations. Thus the RDP formed the basis of the ANC's election manifesto and has been the basis of engaging many other forces, including business, in debates about the economy and the future. As an intervention the RDP offers the following opportunities to COSATU:

- ❑ It enables COSATU to gain maximum benefit from the tripartite alliance, so that the alliance does not end with delivering votes for the ANC;
- ❑ COSATU will seek to hold the new ANC government to the plan. It offers COSATU members a yardstick by which to measure the ANC's performance in government;
- ❑ For these reasons the federation's

influence over the new government will continue;

- ❑ Through the RDP COSATU has managed to influence the agenda of the transition generally;
- ❑ The RDP offers COSATU the opportunity to get government backing for its key objectives (centralised bargaining, worker rights, affirmative action, etc) as well as access to state resources (research, education and training, etc).

#### ***Candidates on ANC lists***

After the announcement of the first twenty union candidates last September, many more COSATU leaders were nominated to stand as ANC candidates for regional parliaments. In regions like the Eastern Cape where new local government structures are being established COSATU unionists formed part of the ANC lists. As early as May 1992 COSATU was already considering this option. COSATU's national negotiations co-ordinator, Jayendra Naidoo, explained at the time, "COSATU will not contest the elections. However, the CEC has discussed releasing people from the leadership of COSATU to be available to stand for election to the Constituent Assembly on an ANC platform if we are approached by them." (SALB 16,5, 1992) This option offered a number of opportunities to COSATU and the labour movement in general;

- ❑ People trusted by workers will occupy key policy-making institutions at all levels of government,
- ❑ For the first time workers may have access to sympathetic decision-makers, many of whom will feel obliged to keep the unions informed about discussions in decision making structures,
- ❑ The union nominees are better placed to understand the concerns and aspirations of workers. Many of them are the architects of the RDP,
- ❑ Union nominees come from a tradition which respects principles of accountability, particularly mandates and report-backs. Prominent union

candidate and former COSATU general secretary, Jay Naidoo, has indicated publicly that he will seriously consider other options, including resigning his seat, if the new government becomes unaccountable or if it deliberately fails to honour the RDP and worker rights.

***Voter education and canvassing for an ANC victory***

The decision to do voter education and to canvass voters for an ANC victory flowed from the other elements of COSATU's intervention discussed above. Apart from giving a big boost to the ANC campaign it held out a number of other opportunities to COSATU;

- ❑ Union leadership had an opportunity to re-establish contact with membership through factory general meetings, workers' forums and other meetings. This was an important thing in itself, particularly in view of the fact that leadership had publicly acknowledged the existence of a gap between leadership and rank and file,
- ❑ McVicar Dyasopu, CWIU official in PE admits that in 1993 their union structures were "seriously collapsing". He says that after the union and COSATU embarked on the election campaign there was noticeable improvement, particularly with regard to shop stewards' attendance of locals. In Durban former COSATU regional chairperson, now a candidate and the regional assembly, Samuel Mthethwa pointed to the establishment of a new COSATU local in Tongaat as one of the gains the federation has made out of the campaign. Clearly, therefore involvement in the campaign offered COSATU an opportunity to recruit new members, mobilise old members and revitalise its structures,
- ❑ COSATU and its unions are effective in defending worker rights and fighting for better wages and conditions of work on the shopfloor and beyond. COSATU has also launched the biggest and most successful campaigns in the 1980s and

1990s, like the LRA campaign, the anti-VAT campaign, etc. In addition to a solid track record the federation and its leadership have not been tarnished by corruption or abuse of power. During the election campaign it has cleverly used this credibility, using the slogan 'COSATU, the workers' voice. ANC the workers' choice', to win votes for the ANC. There is no doubt therefore that COSATU has brought in many votes for the ANC.

In concluding this section on COSATU's strategic interventions it is important to make certain general observations regarding COSATU and the elections:

1. By getting involved in the election campaign COSATU has been able to bring its solid track record of struggle as one of the key determinants of the election outcome. The federation has been visible before and throughout the transition period (eg anti-VAT general strike 1991, Chris Hani stayaways 1993) and has been instrumental in using mass action to unlock the transition process when it seemed to stall (rolling mass action 1992),
2. Of all the parties contesting the election, the ANC was the only one to be supported by a strong, mass based organisation like COSATU. This was not only a key determinant of the election result but it will make it very difficult for the ANC to sideline the federation after the elections. This will be more so because the ANC will still need COSATU's support over the next five years in order to succeed in implementing its plans,
3. Even if COSATU scales down its political involvement after the elections it will have put its stamp to the transition, through mass actions and by helping install an ANC government in power,
4. COSATU has been able to devote personnel and resources to the election campaign on a large scale while still carrying on with normal union work. This is in spite of the fact COSATU that

and some of its affiliates have limited financial and human resources. Creativity, resourcefulness and resilience are qualities that the federation has built from experience in campaigns during the dark days of apartheid repression.

5. Finally, it is important to note here that COSATU's decision to support the ANC was taken unanimously. No splits or major divisions have been occasioned by the decision in the federation or any of its affiliates. On the contrary the campaign has served to cement the federation, at least for the present moment. All the union officials, local and regional worker leaders and candidates interviewed were unanimous that the decision to support the ANC in this election was a wise one, "COSATU had no choice", said CWIU's national education officer and assistant election co-ordinator, Chris Bonner. "It would have been very difficult to stand back."

### The impact of the elections on COSATU

It will take a long time before the full impact of the election on the federation can be felt and its implications fully understood. However, there are issues and trends that can be observed already. Below I attempt to analyse the impact of the election in terms of certain themes.

**Members and structures:** From the start of voter education activities late last year the campaign has enabled COSATU and its affiliates to reach thousands of their members. The effect of has been that many members have been mobilised and their interest in union activities revived, at least for the time being. The Eastern Cape seems to be the region where unions have been most successful in mobilising members around the elections. A series of workers' forums were held throughout the region. Attendance was generally very good.

According to Vo Tyibilika, COSATU's



COSATU election education in progress

new regional secretary, so successful were the forums in the region that they were beginning to raise the issue of solidarity, and he gives the Sappi strike in March as a case in point. Tyibilika says the forums were also instrumental in orchestrating mass actions to push employers to accept demands around voter education. Unionists in the region are now discussing the possibility of making the forums a permanent feature of COSATU's organisation at industrial area level, along the lines of what used to be called industrial area committees in the late 1980s.

NUMSA's national organiser, Gavin Hartford, who is based in the Eastern Cape also agrees that the election campaign has led to important improvements in union structures. He gives the example of the NUMSA's Uitenhage local which had collapsed but has now been resuscitated as a result of workers involvement in the election campaign.

Many other union leaders and officials also report some noticeable improvements in union structures. Others, like SADTU in Durban and SACCAWU in Cape Town also claim to have recruited a number of new members as a result of mobilisation achieved. However, most unionists admit that the process of involving workers and mobilising is a slow one. Also, as all unions were busy with voter education and campaigning, few of them have had time to assess so as to give accurate information regarding gains and achievements. The biggest gain recorded is that of SADTU in Southern Natal which claims to have recruited about 12 000 new teachers from late last year to early in March this year.

In general, however, two points can be made about the effect of the campaign on membership and structures. The one is that the mobilisation achieved in the process of the campaign has not translated into large membership gains for most unions. Even the SADTU achievement, which stands out as an exception, seems to be a result of the collapse of the homelands rather than the

election campaign per se. The second is that the campaign has not had a significant positive impact on union structures in general. Cases where there have been improvements are few and far between. Even where there have been notable improvements in structures it is still doubtful if these improvements can be sustained beyond the elections because the causes of the earlier collapse of structures have not been resolved. The enthusiasm and energy generated by the campaign may soon dissipate after the elections.

**Servicing of members:** There is no doubt that union activities, particularly the servicing of members, have been adversely affected by the election campaign. Every union released at least one full time official and some shop stewards in each region and even at national level to work on elections. In addition, some unions, like PPWAWU in the Eastern Cape, instructed their officials to do some canvassing in between their normal union work. Former COSATU Western Cape regional secretary, and candidate in the regional assembly, Jonathan Arendse, acknowledges that unions have had to postpone "non-essential union work" because of the elections. POTWA's Eastern Cape regional secretary, Mxolisi Mashwabane, says his union found it difficult to cope with union work, "The COSATU resolution said that officials must focus on the campaign. We have been attending and addressing workers' forums. Partially day-to-day issues have not been taken up as before. For example, some hearings (of members at factories) are not attended, some management meetings are not attended and we are not being in touch as usual. It a problem, particularly in unions with few staff in big regions. It was very difficult to cope."

Another level where gaps have appeared as a result of secondment to elections was that of shop stewards. On the shopfloor it is the shop stewards who attend to the day to day grievances and cases of workers before union officials intervene. They are part of the servicing machinery of the union.

Themba Mfeka, PPWAWU's assistant general secretary, explains the problem, "Shop stewards are influential people in union structures. So this secondment had a negative impact in union structures."

Unionists seconded to the election effort (ANC, COSATU elections teams, IEC, etc) ranged from shop stewards to local organisers, administrators, regional secretaries, education officers and even general secretaries. Others, who occupied similar positions are now elected reps in the various regions and at national level.

Unionists see the campaign as a temporary, once-off event and believe it is a worthwhile sacrifice. However there is no doubt that the backlogs of the last four months or so will begin to weigh down heavily on unions now the election is over.

**Leadership:** The major effect of COSATU's decision to put some of its leaders on the ANC's lists is the loss of many union leaders. The importance of these unionists was twofold. Firstly they were experienced, long-serving unionists many of whom have been in the labour movement for close to 20 years. In many ways they were the bearers of the traditions that have sustained their unions and the federation through dark and difficult days. In the eyes of millions of workers and the world some, like Jay Naidoo, had become the personification of COSATU itself. Secondly, COSATU has lost key strategists who will be sorely missed as the labour movements grapples with mapping out a new vision that will guide the labour movement into an uncertain future.

While most unions and COSATU regions have replaced all the departed leaders with what is known as 'second layer leadership', Salie Manie, formerly of SAMWU and now ANC candidate in the Western Cape, believes that replacing a leader is not as simple as putting a person in the place of another. He believes the vacuum left by the candidates will soon be felt. He makes an example of himself. He was chairperson of SAMWU in Cape Town, SAMWU NEC member and national

co-ordinator of COSATU's economic task force. Manie says that the union (and COSATU) will find it very difficult to find one person to fill all his previous positions. "The union, and



COSATU, invested years of education in me before I could be able to fulfil these responsibilities. So I do not think you can just take any worker and expect him/her to perform all those duties effectively within a short time."

Another possibility which, if it materialises, could haemorrhage COSATU even further is the likelihood that some unionists, particularly those from the public sector unions, may be approached or decide on their own to join the new civil service. While the process of putting up unionists on the ANC lists was easier to control because people had to be nominated by COSATU or ANC structures, the decision to join the civil service lies entirely with the individual concerned. If it happens it will cream off more thinkers from the labour movement. "The new civil service is the next thing to be with us", says CWIU's Chris Bonner. "Staff in the unions are restless. The end (to loss of leadership) has not come yet." At this stage there is no evidence that this will happen but many in the federation have resigned themselves to the fact that it may happen. COSATU's Southern Natal vice chairperson, Ian Mlazi, feels that unions should not stop unionists from going into the civil service as long as they are fit for positions they are offered. "What is important", he says, "is that we should build more leadership after the elections".

**Tensions and divisions:** No serious tensions or divisions have resulted from COSATU's decision to support the ANC in the election campaign. The campaign was

taken up with a great deal of enthusiasm in all affiliates. There are isolated cases where individual workers, shop stewards and officials were supporting or were standing as candidates on the lists of other political parties like the Workers' List Party (WLP), the Workers' International to Rebuild the Fourth International (WIRFI), the Pan Africanist Congress (PAC), the Democratic Party (DP) and the National Party (NP). These cases were few and far between and do not seem to have led to any tensions or divisions in the unions. The only cases which could cause some tension, but only at local level, were both in the Western Cape where a PPWAWU official has been suspended because it is alleged that he publicly opposed COSATU policy and abused his access to union members by canvassing for his party (the WIRFI) during working time, and one in SACCAWU where an official is under investigation for allegedly going into SACCAWU factories while on leave to canvass for his party (the WLP).

### The election campaign

In general, COSATU regional leaders are confident that the majority of their members voted for the ANC. This is corroborated by a recent survey of more than 600 COSATU workers done by academics at Wits University and five other universities in March/April in five of COSATU's ten regions (Western Cape, Eastern Cape, Southern Natal and the PWV).

However, in the Western Cape the survey and other previous surveys of COSATU members showed a significant NP presence within COSATU ranks (*see Coetzee, SALB 17,2, 1993*). Elias Maboe, a SACTWU shop steward seconded full time to the regional elections team is one of those who carried out voter education and canvassing in the region. He admits that many coloured workers, particularly in his own union, indicated they will vote for the NP. Of interest are the reasons why many of them preferred not to vote for the ANC.

Maboe says there are five major reasons given by these workers:

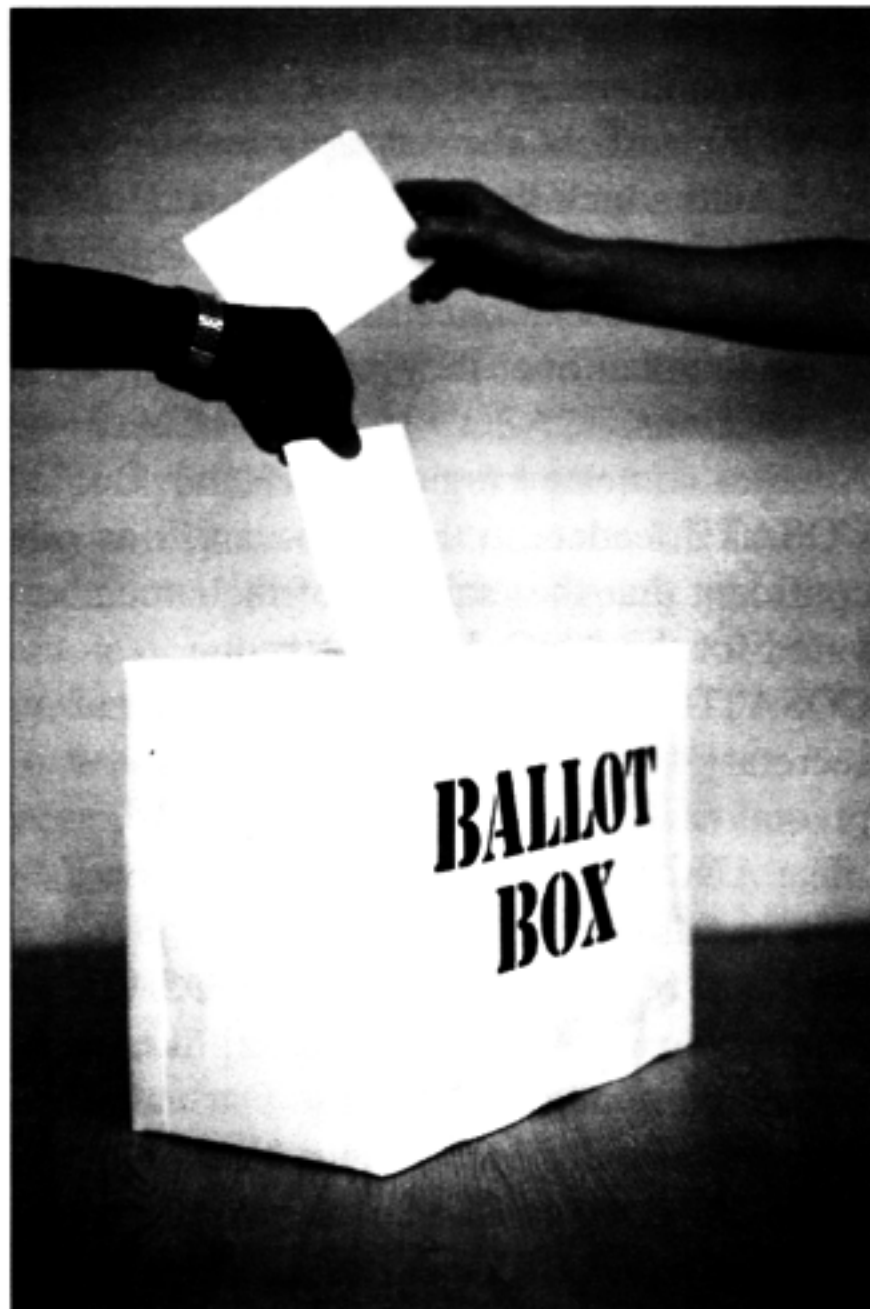
1. They believe that the ANC is behind the violence in Natal and the PWV and if they vote for it the violence will also come to their region,
2. They fear affirmative action and believe Africans will take over their jobs. Maboe adds that this fear is exacerbated by certain employers in the region who tell workers that they will no longer employ coloureds because jobs are open for Africans only,
3. Many coloured workers fear that once the ANC is in power Africans will take away their houses. They quote events in Delf, Tafelsig and Hanover Park last year where new houses built for coloured people were forcibly occupied by Africans,
4. There is also fear that the ANC will take away workers' pension and provident funds once it is in government. At some stage the rumour was so serious that Mandela had to issue a special statement explaining that this would not happen,
5. Many workers also say they fear the SACP which they believe is using the ANC to take over the country. Their concern is that once the communists have taken over they will ban all religions.

Another contested region was Natal. But COSATU leaders in the region are confident that the majority of their members voted for the ANC. Paulos Ngcobo, COSATU's new Southern Natal regional secretary feels that the federation was pivotal to the ANC campaign in Natal, "The ANC would not be able to win on its own in this region. In Southern Natal and the Natal Midlands it is mainly COSATU people who initiate and organise, like the big march on the 25 March in Durban. The tripartite alliance in Southern Natal is weak. We decided to take the campaign upon ourselves." COSATU leaders also believe that workers took their advice to vote for the ANC because COSATU is

effective in defending workers and the RDP makes provision for the protection of worker rights and interests.

All unions carried out intensive voter education, both within and outside the workplace. It is difficult to get accurate figures, but thousands of shop stewards were trained as voter educators. In addition, hundreds of thousands of workers were reached by these trainers or by independent voter education agencies like IMSSA. However, all unions complained that they were not able to reach all workers because many employers were reluctant to allow shop stewards or workers to be trained during working time.

If many employers were reluctant to allow voter education within workplace they were even more opposed to canvassing in workplaces by COSATU or ANC representatives. But in many instances COSATU representatives went into factories on the pretext that they were going to do voter education while in reality



COSATU voter education poster

they do canvassing for the ANC.

Interestingly, COSATU still feels that it has to canvass the votes of its own members notwithstanding the fact that its special congress decided to back the ANC.

Jonathan Arendse, former COSATU Western Cape regional secretary explains, "We are aware that factories are contested terrains. That is why we go around and explain to our members why COSATU supports the ANC. We are not forcing our members to vote for the ANC."

COSATU did not focus its canvassing on its own members only. They also targetted non-union members as well as members of communities where they live. Of particular interest here is COSATU's participation in door-to-door canvassing, especially in the Western Cape. In this region the federation transformed its locals (industrial locals and the joint shop stewards local) into canvassing machines. Shop stewards met for about 45 minutes to get briefings and were then transported to communities identified by the ANC for door-to-door blitzes. Elias Maboe says that this exercise was very successful in exposing people to the views of COSATU and the ANC. He reports that out of every 80 houses visited they were turned away in about four only. Arendse says the NP is the ANC's strongest rival in the region and therefore, "our strongest weapon is personal contact."

The Western Cape seemed to be one of few regions where COSATU structures were doing canvassing in addition to what the ANC was doing. Jesse Maluleka, COSATU's national elections co-ordinator believes this was very important for the federation, "We were saying to our members that participation in the door-to-door blitzes should not simply be as individual workers who join the ANC volunteers, but as part of an organised groups from COSATU."

Apart from factory general meetings another platform for canvassing was the workers forum where speakers explained the reasons for supporting the ANC and



workers put questions to the speakers. Hundreds of these were held throughout the country. The format of the forums differed from region to region. The forums were first started in the PWV region where high profile candidates like Nelson Mandela and Jay Naidoo addressed thousands of shop stewards and workers at a time. In the Western Cape COSATU election organisers made use of cultural events as one of the main attractions at workers forums, with John Pretorius' song Sekunjalo being the favourite hit at all election gatherings.

The questions that workers workers put to speakers at workers' forums show very clearly how most workers are going to judge the performance of an ANC government after the election. These range from jobs and job security, affirmative action, housing training, wages, to questions about the use of the police in strikes in future and what training will be available to workers.

In all regions union leaders complain about lack of co-operation from many employers, particularly small ones. The most contentious issues were:

- paid time-off for workers and shop stewards to attend voter education sessions,
- paid time off for shop stewards to do voter education training,
- the release of shop stewards to go and work full time in COSATU or union regional elections teams
- canvassing on the shopfloor by COSATU representatives.

Various strategies have been used to compel employers to agree to voter education demands and to allow canvassing by COSATU representatives in workplaces. In all regions there have been many struggles, including stoppages and



disputes around demands for voter education. The most notable of these are two hour stoppages by all COSATU workers in the Eastern Cape region in January. According to CWIU's organiser in the region these actions yielded some results as some employers agreed to voter education demands, including the release of shop stewards to do voter education full time.

Other strategies used to get the co-operation of employers have included negotiations with employer bodies like SACCOLA at national level and the various regional chambers of business. A number of regions, particularly the Western Cape have been making use of a provision in the Electoral Act to gain access into factories for the purpose of canvassing and using the IEC as a mediator in the event of disputes on the interpretation of this provision. COSATU's argument is that they need to go into factories to explain to their members why they advise them to vote for the ANC so that members can take informed individual decisions.

### **Accountability of the union candidates**

This issue is the subject of another article in this issue of the bulletin (see article by Collins). However it is important to reflect on how those leaders who remain in COSATU see the issue of accountability of the labour candidates. When the issue of putting up COSATU leaders on ANC lists was first mooted in 1992 Jayendra Naidoo explained that the federation envisaged a situation where the unionists would become ANC candidates, "but they'll have a sort of ambiguous dual accountability". Now, two years later, it seems the debate was never taken beyond that point. Interviews with regional leadership reveal that no mechanism for collective or individual accountability by the candidates has been worked out by the federation. Each COSATU leader and each candidate expresses individual opinions rather than agreed policy on the matter.

No ideas have emerged on the form the

relationship between the labour MPs and the federation will take. However, it is a matter that could come up again in the near future when the federation begins to work out its relationship with the new government.

### Conclusion: The future

From the above discussion a number of conclusions, many of which have a bearing on the future, can be made.

1. While COSATU will make some organisational and political gains out of its involvement in the election campaign, it will emerge weaker after the elections. Whatever gains it makes will be heavily outweighed by three main factors, namely, internal organisational problems, loss of key leadership and the difficulty of adapting to the challenges of democratisation of society. Members will remain mobilised and militant for some time, but lack of leadership and capacity will severely limit the ability of the federation to consolidate its base to prepare for the challenges of the future.
2. COSATU will be called upon to make sacrifices, particularly with regard to wages and mass action, in order to ensure that resources are used in a way that benefits other underprivileged sectors in society. The recent call by top ANC leaders to striking public sector workers to end mass action, however valid the reasons for it, could become a precedent for similar calls in future. The views of regional leadership are divided on this issue. However, most leaders tend towards a position which accepts making sacrifices provided there is transparency in the way government decisions are taken and implemented. Shaun Pather, a teacher who is a member of SADTU, explains the conditions under which calls for sacrifices would be heeded, "Last year the government's offer of a five percent increase to civil servants was not accepted by our members because there is a lot of mismanagement and corruption under the present government. But in future five percent may be accepted if the

rest of the money goes towards the RDP, eg. building more classrooms. SADTU leaders will be able to convince members to make sacrifices as long as the sacrifices are reasonable and government is transparent."

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**"COSATU will emerge weaker after the elections"**

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3. The relationship with the new ANC government will be co-operative but tense. Many leaders of COSATU express the view that an ANC government will be more sympathetic to the needs and interests of the workers. But it is also valid to expect that the nature of the relationship to be influenced by the number of votes the ANC gets in this election, regionally and nationally. A low ANC showing may make the relationship more co-operative as the ANC will feel less secure and need the support of the trade unions. On the other hand, a big ANC vote may make some within the ANC to believe that the time to dispense with the unions has come, thus making the relationship more tense and less co-operative.

Without a clear mechanism of accountability the position of the labour MPs may become very difficult as tension between the unions and the government may bring them into head-on confrontation with their constituency. The relationship may get more complicated if some COSATU people go into the civil service because some will become automatically part of the employer of COSATU members in the public sector.

While it is difficult to predict accurately what the relationship will be after the election, many COSATU shop stewards and officials believe that if an ANC government fails to deliver, particularly with regard to worker rights and the RDP, they reserve their right, as an independent organisation, to resort to mass action. Many of them repeated to me verbatim Nelson Mandela's closing remark when he opened COSATU's

special congress in September last year, "If an ANC government fails to deliver, you must do to it exactly what you did to the government of De Klerk."

4. There is a sharp division of views on what should happen to the alliance after the election. The two biggest affiliates hold two diametrically opposed positions, with NUMSA arguing for an end to the alliance while the NUM argues for its continuation. Others hold the view that the alliance should be redefined and be based on concrete issues. It would seem that once the election is over and once the leadership has begun to take stock of their organisational capacities the argument for scaling the alliance down into a relationship based on concrete issues will win the day. If this scenario materialises the RDP and worker rights may become the central issues on which such a relationship will be based.
5. There is no doubt that the democratisation of the state will have a tremendous influence on industrial relations after the election. Indeed there are signs that employers are aware of this. Faced with global competition and the likelihood of pressure from a new government to introduce meaningful changes, some employers have started experimenting with approaches towards less confrontational and more co-operative relationships with their employees. Examples of this are the introduction of worker participation, affirmative action and training programmes on the shopfloor by a number of companies. This is an eventuality for which COSATU and its affiliates are poorly prepared. According to Chris Bonner, "COSATU is facing a crisis because it is not dealing with major happenings on the shopfloor. Organisers are not coping with new shopfloor issues, they just run away from these." Of course co-operation will not do away with conflict. But what may happen is that lack of capacity and strategic thinking may make the use of conflict as the only weapon an attractive

option for some because it has worked for them in the past.

6. Prospects for trade union unity will continue to improve after the election. There are a number of factors which will propel the three main federations (COSATU, NACTU and FEDSAL) towards unity, namely:
  - ❑ All federations will need to redefine their alliances with political parties and this will lead to a reduction of political involvement,
  - ❑ More emphasis will be put on issues of common concern - jobs and job security, training, capacity building, common proposal to tripartite bodies, etc.

There are already strong signals that co-operation among the federations will continue to grow after the elections. On the 15 April the executive of the three federations met in Johannesburg and resolved to work towards increased co-operation.

This article is an attempt to understand the nature and impact of COSATU's involvement in the election. There is no doubt that this involvement constitutes a historic intervention which offers many opportunities for South Africa's largest union federation. However, another observation is that COSATU is facing serious organisational capacity problems, has lost its key leadership to parliament and is strategically ill-prepared for the new era of democratisation. Thus the federation is at the crossroads. The crisis that it is facing threatens to deprive COSATU of opportunities it has helped create for itself and its members.

A number of unionists say that after the elections COSATU and its affiliates must "go back to basics" and begin to address their organisational weaknesses. Usually this term is taken to mean going back to the strategies the unions used in the past to build their strength. This is a positive sign, except that it assumes that the context remains static. The reality is that the context in which unions organise has changed since the 27 of April. ☆

# *The workers' voice in parliament?*

## **COSATU Candidates speak out**

SA Labour Bulletin writer Deanne Collins reports on her interviews with a cross-section of the candidates in the week before the elections.



**C**OSATU-nominated candidates have taken their place in the National Assembly as well as the Regional Parliaments. Jay Naidoo, ex-COSATU General Secretary, will be Minister without Portfolio in the new Cabinet.

COSATU and its affiliates put a great

deal of energy and resources into securing the candidates' place on the ANC National list, as well as campaigning for an ANC victory.

While steps are being taken to fill the gaps left by these nominations, there can be no doubt that the loss of union leadership has had a debilitating effect on the trade union movement. Whether or not this sacrifice proves worthwhile will depend on what the candidates can deliver.

### **ANC candidates**

From the outset, it is clear that while the candidates may have been nominated by COSATU, they are going to Parliament representing the ANC. This point was clearly articulated by a speaker at a recent ANC Conference on Reconstruction:

"One thing must be clear, while parliamentarians may originally have been nominated or held office in SANCO, COSATU or SADTU for instance, they do not represent those organisations in Parliament."

The COSATU candidates agree. All the candidates interviewed stated that, at the end of the day, they are ANC candidates and, as such, they will be accountable to the ANC.

### **Representing the workers**

Within the broad ANC constituency, however, the candidates do see themselves as representing particular interest groups. Moses Mayekiso, ex-NUMSA General Secretary, says that: "I was chosen by the working class – the unions and the civics – and first and foremost I have to represent that class"

interests. In the ANC there are many class interests. It is our duty to make sure that the working class has high priority...we will be guided by the working class."

Kgabiso Mosunkutu, ex-POTWA President, acknowledges that his constituency now stretches across movements. Working people are, however, its backbone. He feels he will always be shaped by the needs of the trade union movement.

For ex-COSATU General Secretary, Jay Naidoo "My constituency is the country. Given my past, however, my constituency is the workers and the poor".

Elizabeth Thabete, former CWIU Gender Co-ordinator, was nominated by the COSATU women's structures. While she will not focus solely on women's issues in Parliament, she feels that she has an obligation to represent these interests.

### Constituency based?

Given the proportional representation system, none of the Members of Parliament will be tied to a specific constituency. However, the ANC has already announced its intention to allocate Members of Parliament either to geographic or sectoral constituencies. Depending on how candidates are allocated, this could provide opportunities for the COSATU candidates to focus on areas where they are most competent or committed.

Kgabiso Mosunkutu, for example, would ideally prefer to be deployed in the area of telecommunications, where he would be able to represent the interests of POTWA members. Phillip Dexter, ex-NEHAWU General Secretary, would hope to be located in a position where he can contribute to the restructuring of the Public Sector.

### Implementing the RDP

Jay Naidoo is going to Parliament "to make sure that we deliver the goods and implement the RDP". Kgabiso Mosunkutu agrees. "The main reason we are going to Parliament is to ensure the RDP is driven. We will have to safeguard the RDP and give no room to those who want to stop it." He did not elaborate on who those particular forces might be.

### "Influencing the ANC"

Phillip Dexter feels that the broad role of the COSATU candidates will be to "influence the policy of the ANC". The role of the COSATU MP's will be to put a particular perspective, to think in relation to how workers would be affected by a particular issue. He points out that various interest groups, especially big business, presently engage in vigorous lobbying of Parliamentarians on issues that affect them. The Labour MP's could operate in the same way.

### A site of struggle

All the candidates interviewed stressed the need for a powerful, independent trade union movement. Elizabeth Thabete says: "We must build COSATU and remain strong as a Federation. We cannot rely on Parliament." This view is also expressed by COSATU General Secretary, Sam Shilowa.

Jay Naidoo takes this further: "We are moving into a different phase of struggle. We must intensify the struggle." He sees the existence of a powerfully organised civil society as critical. There must be a strong MDM presence outside of Parliament, whose role would be to put pressure on the candidates.

### Accountability

How will the candidates relate to their unions and to COSATU in the future?

In interviews with the candidates, it became clear that there has been very little discussion on these matters and that no procedures have been set in place. Most candidates floated the idea of regular meetings with their unions's Executive structures, as well as with the COSATU Central Committee. Some candidates feel that the MP's could act as ex-officio members of these structures.

Phillip Dexter favours the British example of the "sponsored MP", where certain MPs rely on the trade union movement to elect them. While not directly accountable, they are bound to keep in touch with that constituency by means of regular meetings and report-backs. In this way, they are able to keep the

unions informed of issues coming up which affect them.

Mayekiso adopts a different perspective. He feels that, on labour issues, the candidates must get a mandate from the unions. This is the only way to avoid the situation "like other African countries, where the trade union leaders forgot their constituency when they went to Parliament". Once given, he would feel bound by a mandate, though he points out that "a mandate is not a Bible: you give in on certain issues". He would not give in on central political issues, however. He feels it is his duty to make sure the government comes round to workers' way of thinking.

He acknowledges that there is potential for a conflict of interests between workers and the ANC, because of the multi-class nature of the ANC. He sees this conflict being resolved "by debate, not by a commandist approach, where the ANC says 'we are the government and we are saying this'. We will have to debate and convince others of the rightness of our position."

Jay Naidoo says that "you can't have MPs operating on a narrow mandate of just COSATU. There will of course be links...but there will be no direct mandate." Instead, he favours a system of formal consultation at all levels of society. These would include the restructured National Economic Forum, as well as RDP Councils and policy forums at regional and sectoral level. The new government must dedicate resources to ensuring that these forums are operational.

### **A labour caucus?**

A labour caucus could be a way of strengthening the workers' voice in Parliament. Some candidates suggested that this might include not only COSATU representatives, but representatives of the "broad left". It should not be some shadowy body, but an accepted fact. Others disagree, however. They point out that the government will not be an ANC government, but a Government of National Unity. As such, the only parliamentary caucus to which the COSATU MPs should belong is the ANC caucus.

## COUNTERPOINT I

### *NACTU's position*

When the PAC list of parliamentary candidates was first published, the names of a number of prominent NACTU figures, including that of NACTU General Secretary, Cunningham Ngcukana, appeared on the list. NACTU Assistant General Secretary, Mahlomola Skhosana says that the PAC was informed that "the comrades would not avail themselves." He is not aware of any NACTU official standing for any party and says that any official of NACTU or NACTU affiliate who stands on a party ticket does so as an individual and must resign their position in NACTU.

Towards the end of 1993, NACTU held a Consultative Conference where the issue of Parliament was debated. The decision was taken not to back any political organisation or party.

Instead, NACTU members were encouraged to look at the manifestos of the political parties and decide what is in their best interests. According to Skhosana "Political leaders should not look to the leadership of the labour movement to deliver votes to them."

Skhosana feels that "one cannot expect too much of them (the COSATU candidates standing for the ANC)", as "they are not going there on a worker ticket." He feels that "the struggle for economic and social justice will not be won by having a few trade unionists in Parliament. Workers will still have to struggle for justice. Experience shows that once worker leadership get into Parliament, they cease being called "comrade" and start becoming "your excellency".

He concludes that "a labour movement which is independent from political parties and government is the key to democracy in this country".

**When all is said and done, will the COSATU candidates resign from Parliament if called upon by workers to do so?**

The candidates view this as a "very tricky question". Elizabeth Thabete feels that, if it came to the push, they would have to "because workers sent us in the first place." Moses Mayekiso says that there must always be the right of recall, even for the government : "that must be encouraged – that is democracy". If the new government were to force an issue – for example, a wage freeze, against the will of the workers, he would feel bound to resign, because "then there will be nothing to be there for".

Phillip Dexter feels that if a decision is taken which goes against workers' interests, the COSATU candidates would face a number of options. Having fought and lost the issue, they could chose to stay on and fight as dissidents within Parliament. They would also have to mobilise the unions outside Parliament. In the last resort, however, it would be a personal moral issue. Each person would have to make their own decision.

Jay Naidoo feels that if there is not significant progress in implementing the RDP within a given period of time (he suggests three years), "then there will be no point in remaining in government." Kgabs Mosunkutu feels that if workers call on him to resign "emotionally, I do not see a situation where one would fail to respond to that call." He feels, however, that it would have to be a collective decision taken in consultation with workers and other COSATU candidates.

**Re-Opening the debate**

It is clear from other contributions to this issue of the Labour Bulletin that workers on the ground have expectations of "their" MPs which, if the views of the candidates outlined here are anything to go by, may well be disappointed.

This cannot be simply written off as a result of a misunderstanding or even

because of insufficient discussion and consultation. Rather, it may reflect an unwillingness on the part of all concerned to confront a number of critical issues.

Amongst these issues, which will require rigorous debate in the labour movement in the immediate future, are: the limitations of Parliament as an instrument of real democracy; the usefulness and limitations of the Tripartite Alliance and the possibility of a political formation which directly represents the interests of the working class.



**COSATU's view**

COSATU's new General Secretary, Sam Shilowa, says that having made the decision to back the ANC in the elections, COSATU felt that it should ensure that there are people with a working class bias in Parliament. He points out that one of the main roles of the new government will be to draft a new constitution. He expects the COSATU candidates "to ensure that the new constitution does not impeach on workers' rights." Candidates should promote and ensure the right to strike, to collective bargaining rights and to full participation in restructuring.

Shilowa feels that the COSATU presence in Parliament should result in a levelling of the playing fields, so that the balance of power is more even. He stresses, however, the importance of a well organised and independent COSATU. COSATU does not expect the candidates to fight struggles on behalf of workers but "to ensure an enabling constitution that will enable us to wage our own struggles."

For Shilowa, an independent COSATU does not mean dissolving the Alliance. Instead, he feels that the Alliance must be strengthened and maintained so as to ensure "fundamental transformation

## COUNTERPOINT II

### *The Workers' List Party*

Professor (Prof) Ndlovu, ex-SACCAWU NEC member and vice-chairperson of the SACCAWU Wits Region headed the list of parliamentary candidates for the Workers' List Party.

The Workers' List Party believes that, while there can be no Parliamentary road to socialism, Parliament can be used to propagate working class demands. Ndlovu believes that Parliament should be used in conjunction with struggles on the ground.

He saw his constituency as the working class and his task as relating to this

constituency through consultation with COSATU, NACTU and other unions as well as other working class formations.

He saw himself taking up and supporting union campaigns around issues such as retrenchment, the living wage and women's rights.

Ndlovu envisages that, in the future, organisations will be united into a Mass Workers Party, committed to fighting capitalism.

Once this is achieved, direct structures of accountability will be established. An elected WLP MP should resign from Parliament if workers recall him, or if he feels his independence is being compromised.

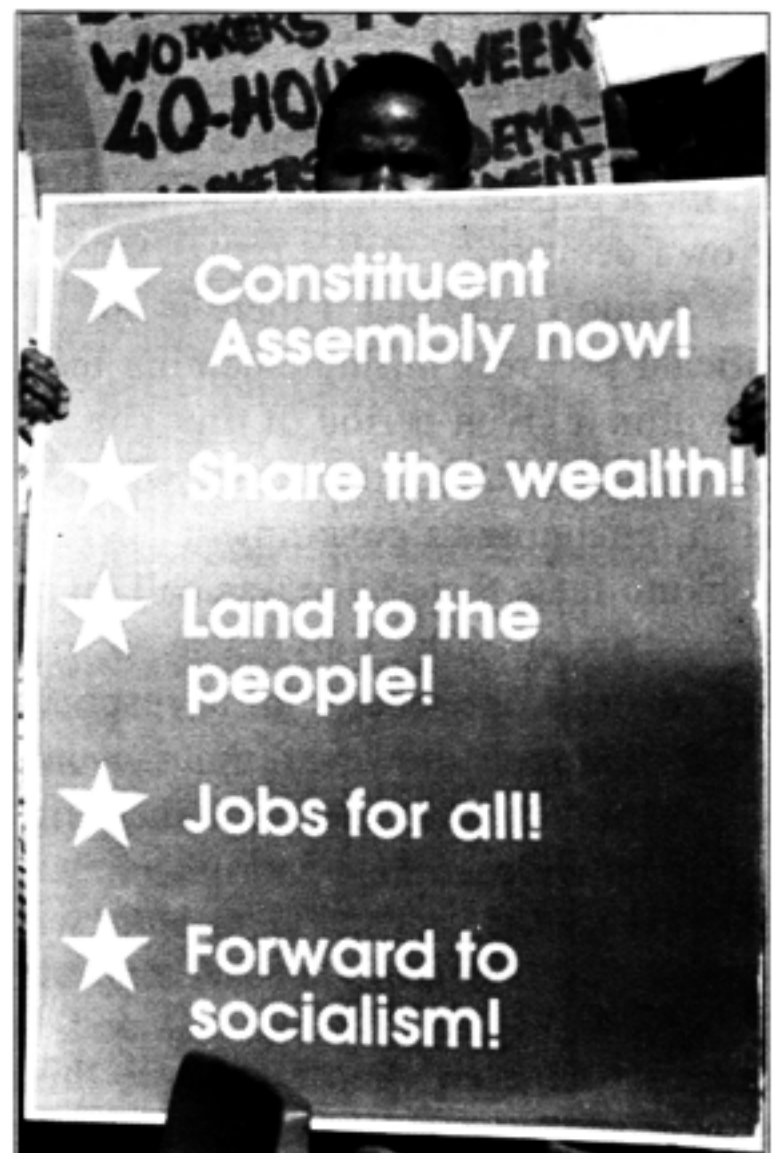
leading to the total transfer of power." In a recent paper on the future role of COSATU, Shilowa states that "we need to differentiate between independence and non-alignment...independence must be understood to mean the right of COSATU to articulate its position as agreed by Constitutional structures and our rank and file. It also means that we are not a conveyor belt of our alliance partners. It will be a sad day for trade unionism if COSATU was to become a sweetheart federation. Our members will do to us what we have done with the old TUCSA unions."

Shilowa says that COSATU is not in favour of formal links between the Candidates and the Federation. While he agrees that there must be channels of communication, he says that "the candidates have been released...you can't pin them down...COSATU does not want to become a labour wing of the ruling party."

He argues that the candidates know they have been elected primarily because COSATU put its weight behind them."

If necessary "we will have to prick their conscience to constantly remind them

## COUNTERPOINT III



What the workers want?

where they came from." He also notes that those candidates who do not perform will not find themselves elected come 1999. ☆



SPECIAL FOCUS:

# The Public Sector in the New South Africa: *Restructuring for Democracy*



Luci Nyembe

**S**pecial Public Sector Focus Editor LUCI NYEMBE is a researcher at the Centre for Applied Legal Studies, working on the restructuring of South Africa's Civil Service, and enquiring into questions of Governance such as accountability.

She has assembled a broad cross-section of articles dealing with the Public Sector, its Reconstruction, and the role of Trade unions in this process:

- Open and Accountable Government: First principles and practice;
- An interview with an "old" public sector trade union as it confronts the "new" South Africa;
- A "new union" (COSATU/NEHAWU)

view on trade unions' role in the reconstruction struggle;

- Reflections on India's post-independence attempts to reform the colonial civil service it had inherited;
- A discussion of how best to implement Affirmative Action programs for black women in the Civil Service;
- A profile of the new General Secretary of the South African Democratic Teachers Union, in which he discusses teachers and education in the reconstruction period.

In addition - and in contrast - to Luci Nyembe's South African focus, we include two accounts of the recent landmark strike in the Zimbabwean Civil Service.

# *Overview of the number of workers organised in public service unions or staff associations*

There are around 1,8 million employees in the South African public sector. The following tables refer to members of the public services and teaching services of the

central government and the homeland administrations. Local government unions and unions organising in parastatals and other government institutions are excluded.

<b>Union/staff association</b>	<b>Membership (approximate)</b>
Public Servants Association (PSA) (all categories)	103 000
Public Servants Union (PSU) (in Natal only)	2 500
Natal Public Servants Association (NPSA)	26 000
Public Servants League (PSL)	40 000
Natal Provincial Administration Personnel Association (NPAPA) (mainly in Pietermaritzburg)	3 500
National Education Health and Allied Workers Union (NEHAWU) (organised in central public service and in all homeland services)	100 000
South African Nursing Association (SANA)	66 000
South African Democratic Teachers Union (SADTU) (organised in central and allhomeland teaching services)	100 000
Hospital Personnel Association (HOSPERSA)	40 00
Institute for Public Servants (IPS)	20 000

These are very rough figures of the numbers of organised public service employees. The figures are, however, misleading, as some employees are members of two and even three unions/staff associations. There are a number of other professional associations whose membership is not listed above. On the

basis of this very cursory analysis, it would be fair to say that about 400 000 – 450 000 out of 1 million public service employees (central and homeland administrations) are organised, while around 600 000 are unorganised.

**“Elections do not make a democracy. Accountability does.”**

# *Open and accountable government*

By LUCI NYEMBE

Most South Africans will tell you that their experience of government is of a closed, antagonistic and secretive elite, of domination of blacks by whites and of a state administration which has systematically engaged in human rights abuses, from the imprisonment of children to meagre pensions for black citizens, to the denial of access to information and freedom of association. Democrats have always stressed the need for open and accountable government as essential for democracy. In fact, democracy could not survive if the various levels of government were not obliged to account publicly for their actions and decisions.

## **When is a government “open”?**

An open government must be, as a minimum,

- ☐ transparent in its decisions and their implementation
- ☐ accountable for its actions (to the extent where defaulting officials can be removed and prosecuted)
- ☐ an active promoter of freedom of expression and freedom of information
- ☐ an active promoter of popular

participation in the mechanisms of democracy.

The new constitution coming into effect in 1994, proposes a number of bodies and procedures to ensure government accountability.

## **What the Interim Constitution says about open government**

There are many ways in which government can be held accountable – through Parliament, through the courts and other means. Let’s look at some of these:

Chapter 3 of the Constitution deals with the *fundamental rights of persons and organisations*. These fundamental rights include the right to freedom of expression, freedom of association, access to information and the right to administrative justice. The right to administrative justice provides, among other things, that every person has the right to a review of a decision made by a public official or a public institution, if that decision affects or threatens their interests. The decision can be reviewed by an impartial body or tribunal presided over by a judge and the ruling of the judge can be made binding on the official or institution.

The Constitution also provides for *public access to Parliament* ie to sittings of the National Assembly or the Senate and to joint sittings of the National Assembly and the Senate. This arrangement already exists with the present apartheid Parliament. One means of restricting public access to Parliament is to have a very small public gallery, so that citizens have to rely on the media for information.

The Constitution establishes a number of agencies to promote open government. *The Public Protector* has the power to investigate any complaint of maladministration, abuse of power, corruption with respect to public money, bribery of public officials or acts which prejudice any person. He/she must try to rectify the situation by mediation or negotiation, or, if it appears that an offence has been committed, to inform the authority



responsible for prosecutions. This is not a substitute for judicial review and public officials may be called before a judicial tribunal or be prosecuted in the ordinary courts.

Provincial assemblies may also establish public protectors with the same powers and functions as at the national level.

*The Human Rights Commission* will consist of ten members and a chairperson, and its composition must be broadly representative of the South African community. The Commission shall have the power to promote open government in two key ways: (a) to make recommendations to state departments and public institutions on measures for promoting human rights and (b) to request government to provide information on legislative and executive actions taken in relation to human rights. The Commission can investigate any violation of human rights and can assist the affected persons to remedy the matter, including providing financial assistance so that the matter may be taken to court, if and where necessary.

*The Commission on Gender Equality* has the aim of promoting gender equality and making recommendations to Parliament or a provincial legislature on any laws which may affect gender equality or the status of women. The powers and functions of the Commission are not established in the constitution and this will be dealt with by an Act of Parliament.

*The Public Service Commission* is responsible for making appointments to public service posts. The Commission is independent of government and the Commissioners are obliged to act fairly and impartially in making such appointments. For the first time, appointments to key civil service posts will be open to all South

Africans, without discrimination on grounds of race or gender. In fact, the Commission is responsible for ensuring that black people and women are recruited for all posts in which they are presently under-represented, in both the professional and scientific fields (architects, engineers, economists, research and air traffic control to name a few) and in the management echelon (directors to director-generals). *The Judicial Service Commission* has a similar task in relation to the appointment of judges.

### **Public spending**

Accountability is nothing if it is not accountable for public spending – corruption, mismanagement and wastage have plagued past governments. Apartheid governments have been authoritarian and have refused to accept public responsibility for corruption. In Britain or the US, government ministers are under pressure to resign in the event of a scandal and large-scale corruption can be the downfall of a democratic government.

In South Africa, all the major scandals have been uncovered by the press, rather than by the Auditor-General, who is meant to be responsible for controlling the public purse and ensuring that public funds are spent efficiently and effectively. Previous Auditor-Generals have been servants of the government and have not had the power to investigate secret government accounts such as the accounts relating to hit-squads.

The Auditor-General appointed in terms of the new Constitution will have the power to act in the public interest, to investigate any government accounts. The Auditor-General shall have access to all information required to carry out such investigations and, most important of all, the Auditor-General can make his/her report public 14 days after submitting the report to the authorities. The Auditor-General can not be influenced by a Minister or public officials and can not be forced by government to participate in a "cover-up".

While much of the substance of accountability depends on the character of

the persons in government, the offices and procedures outlined above will play a crucial role in building open and accountable government.

### **Reconstruction and Development and access to information**

The Constitution represents a vast improvement over the existing arrangements, but this does not mean that these ideals will become reality overnight. There will be struggles over the implementation of the principles of fairness and impartiality and when all the new laws have been drafted, it will depend on ordinary people – workers, women, students, the landless and the homeless, who must use the constitution and other means at their disposal to actively build democracy.

The Reconstruction and Development Programme or RDP, which has been worked on as the key ANC policy document for the democratic government, and which has been drawn up from inputs by all partners in the Tripartite Alliance, as well as the SA National Civic Association and other community groups, is a programme which will form the cornerstone of our fragile democracy in its first few years. Elements of the RDP include programmes for meeting the basic needs of people (jobs, land, housing, water, sanitation, etc), developing our human resources (better education, skills upgrading and professional training) and building the economy.

Achieving the goals of the RDP will require open government, so that programmes for development do not fail because of claims that there are insufficient funds, while Parliament votes itself salary increases. Open government must promote ways in which ordinary citizens and their organisations can participate in drawing up the plans for housing, job creation and so on, as well as having the opportunity to influence major public decisions, such as increased taxes.

The RDP has a section entitled A

*Democratic Information Programme.* This section calls for a new information policy to allow the free flow of information between government and non-governmental bodies and communities. Information must be accurate and comprehensive, so that people can influence government decisions based on accurate information. I remember a story which a friend likes to tell about how the people of Valhalla Park went to the Cape Town City Council complaining about the high electricity costs. The Councillor brought in lots of files with lots of information that people could not see, read or analyse, and told them that they had been charged too little. He then turned them away. People protested outside the Council offices, without much success. Government was not obliged to give people information.

### **Some models from other countries**

Canada, the United State and Australia have Access to Information laws which allows the right of any person to seek information from any government body. There is also the right to appeal to an independent body, usually an Information Commissioner, if the request is denied. In this scenario, a person has to request specific information, which, if released is then regarded as public information. This aspect of the law has been criticised as being too restrictive, as information can only become public on request.

Another area of debate around this law, was whether requestors should pay for the information or whether the taxpayer should pay. Providing information to members of the public can be costly for government, but

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**Many countries have "Access to information" Laws, and the right of appeal if access to information is denied**

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unnecessarily high fees can prevent ordinary people from getting access to government records. A general principle would be that fees should not be so high as to deny the public

access to information. In these countries, government departments deal with thousands of requests every year – the Canadian Federal Government dealt with 60 656 requests between 1983 and 1992.

Another example of open government is the Open Meetings Law of the State of New York where the public may attend meetings of the legislature, city councils, town boards, planning boards, zoning authorities, industrial development agencies and other such committees. The meetings of non-governmental bodies are not open to public scrutiny as they do not receive funds from government.

In the Phillipines, a number of organisations have been established to promote open government. These are organisations established by ordinary citizens, not by government, like the National Citizens Movement for Free Elections (NAMFREL) which the organisers say “is always necessary because democracy can never be taken for granted. Elections do not make a democracy. Accountability does.”

NAMFREL has three main projects – the first is pollwatching, to ensure that there is no cheating during the counting of electoral votes. The second is CongressWatch, which publishes posters, reports and newsletters giving the public information about individual parliamentarians and the policies and programmes they have voted for or against. This is conducted as a non-partisan activity and information is provided about all parliamentarians, not

just about those who may be from unpopular political parties. The third project is CourtWatch, which studies the problems in the justice system and make proposals on how to correct them.

In South Africa, the Cape Town based Community Law Centre has run a project where student legal advisors have gone out to juvenile courts and insisted on fair representation for young people standing trial. This has received a positive response from some magistrates and has given young offenders greater opportunity for a fair trial.

During the days of British rule, India, like South Africa, had an Official Secrets Act. In 1978, the Consumer Education and Research Centre was established to promote public accountability, ensure consumer safety and fair trading practices. The CERC has challenged government to make certain “privileged documents” public and won. In one case, a corrupt public health official was found guilty of accepting bribes and disbarred from practice.

### Conclusion

South Africans are entering a new era. The dark ages of official secrets are being replaced by the right to know what is happening in government. Though government may create many agencies to ensure greater accountability, it is the duty of all South Africans to exercise our rights to build democracy. This can be done by democrats working within government to build openness, and by individuals or groups working through the organs of civil society who persistently hold government accountable and will not be satisfied until their demands are met. ☆

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**“The open Meetings Law of the state of New York allows the public to attend meetings of the legislature, city councils, industrial development agencies etc”**

# Interview: Caspar van Rensburg, Deputy General Manager, Public Servants Association

**Luci Nyembe:** *When was the PSA formed and what is your present membership?*

**Van Rensburg:** The PSA was established in 1920 and recognised by the Commission for Administration as a staff association. We have 102 000 members including public servants and scientific personnel. In the Central Bargaining Chamber, which negotiates improvements to conditions of service, the PSA has 42% of the votes.

**Luci Nyembe:** *Tell us a bit about your membership and organisation.*

**Van Rensburg:** Originally, we had only white members, but we assisted in the establishment of the Public Servants Union and the Institute of Public Servants who recruited black and Indian personnel. In the 1980s we started competing with them for membership and we now represent all racial groups including about 31 000 general assistants. I estimate that more than half our membership is now black.

We have members in all categories of employment in the public service – artisans, professionals like helicopter pilots and a few deputy Director Generals. We are not canvassing membership in the management echelon and do not represent the majority of senior management personnel. Our members would be those who have been members for many years and who have been promoted into the ranks of management.

**Nyembe:** *The public service is often accused of being bloated, lazy, inefficient and corrupt. Is this a fair perception?*

**Van Rensburg:** This is a generalisation. The workforce is diligent, hard-working and not properly remunerated. As public servants they are career-orientated and will serve the government of the day. Because the public



**Caspar van Rensburg**

service has implemented the policies of present government does not mean that are aligned to the National Party. There are instances of corruption and these must be dealt with.

**Luci Nyembe:** *But is the present public service, with its culture of apartheid discrimination, really capable of serving a democratic government and implementing policies based on non-racialism, non-sexism? Should we remove and replace those who are unwilling to serve the new government and retain and retrain those who are committed to a democratic government?*

**Van Rensburg:** The public service must act in accordance with the policies of government and therefore it will serve the government of tomorrow as diligently as it

serves the present government. Personnel who are not willing to serve the new government, do not belong in the public service. Those who are willing to serve should be retrained for their new roles.

**Luci Nyembe:** *Democratic elections take place in April. Most opinion polls show that the ANC will be the new government. Do you see this as positive or negative? Are your members prepared to work under an ANC government?*

**Van Rensburg:** Definitely, there is no other option, that will be their official duty. But, the public service and the new government must be given the opportunity to learn to know each other and work together. There has been no communication between the public service and the future government. Opportunity for communication must be created before 27 April, so that both sides can begin to adjust their perceptions of each other. I believe that we will find more good will than we expect and that the public service can adapt.

We are prepared to work under an ANC government. The PSA couldn't care who the government is. We represent members from the far-right to the left and we are concerned with the employer-employee relationship and the rights of our members.

**Luci Nyembe:** *In a survey carried out by the Human Sciences Research Council in 1992, the report stated that the PSA had not communicated effectively with its members regarding political and administrative change. Your comment?*

**Van Rensburg:** In the past year, we have done more to inform our members, particularly around the constitution and the Bill of Rights. We inform our members through our magazine and our liaison staff have made contact with over 68 000 public servants about what the future holds. We have been able to respond more reassuringly to members concerns and have been instrumental in making our constituency more restful about the future, with specific emphasis on employee rights and rationalisation.

**Luci Nyembe:** *An ANC government will introduce a number of significant reforms in the public service – greater public accountability, transparency, public participation in decision-making, effective services to townships and rural areas. Public servants will be expected to be more responsive to the needs of ordinary citizens and will have to improve their performance. What will be the attitude of public servants to such reforms?*

**Van Rensburg:** Public servants will be instrumental in making the transition. Without their expertise it will not be possible to fulfil these aims. They have gone through PW Botha's rationalisation exercise, the tricameral changes, and the public service will again in full devotion give effect to the new order. The public service must comply with the regulations set out in law.

**Luci Nyembe:** *If the PSA disagrees with the changes introduced by government, will you resist that change, will you dig in your heels or will you lead your members into the future?*

**Van Rensburg:** Transitions are never easy. Our role is to show people that they have rights, but that they also have duties and responsibilities. They should not act in contravention of applicable legislation. We cannot support them if they act contrary to government policy, government decisions and legislation. This would be to the detriment of our members. Our role will be to make sure that our members' rights are secured, but we cannot promote obstruction to the lines of authority and decision-making in government.

**Luci Nyembe:** *The new Public Service Commission will oversee appointments, efficiency and effectiveness and establish a Code of Conduct. There will also be Commissions at provincial level. What are the PSA's views on such a Code and what values do you feel should be written into the Code?*

**Van Rensburg:** Values should include that public servants should not accept gifts from



the public and should not perform remunerated work outside the public service; freedom of political expression in the workplace; the duty to give effect to the policies and decisions of government and a devotion to duty.

In terms of the constitution, central government and provincial governments will have their own policies which may be different and diverse. We feel it is necessary for there to be uniformity in the attitude of all public servants. We would argue very strongly for a central ethos, for a single Code of Conduct to apply equally to all public servants under single legislation for both central and provincial levels.

**Luci Nyembe:** *What should be the new image of the public service?*

**Van Rensburg:** The public service must be seen to serve the public. They must show an understanding of their responsibilities and must be community-friendly. While government must give them due recognition and raise morale, public servants must also take the initiative to improve their image.

The government must take responsibility for improving the image of the public service. Civil servants are not recognised as valued employees. With the rationalisation of the public services of central government, the TBVC and self-governing territories, we must have a Code of Conduct which is binding on all public servants and on government.

**Luci Nyembe:** *A new government will have many demands on its resources and may be unable to grant large salary increases!*

**Van Rensburg:** Morale can be raised through other means, through offering security of employment, work satisfaction, feeling proud of your work/employer and through recognition of achievement.

**Luci Nyembe:** *What are your views on an affirmative action programme? What do you see as either positive or negative about such a programme and how can the negatives be overcome?*

**Van Rensburg:** We have no problem in

principle. It is right that each and every person must have equal opportunity. But we need to know more about the policy. There should be consultation with the workforce and training programmes for affirmative



action. Under the present employer there is no communication at all in this regard. We believe that such a programme must be thrashed out between employee associations and the future employer as it would be wrong to pre-empt what a future government will do.

Certain elements of the programme will be the employer's prerogative, but some elements will be matters of mutual interest. Once again, there must be a central policy as having many different affirmative action policies will be divisive. It will be a bad idea to get rid of the present incumbents in the managerial echelon, as the new office-bearers will be inexperienced. Replacement of management should be phased in.

**Luci Nyembe:** *Do you believe that your members should exercise their right to strike and under what circumstances should they do so?*

**Van Rensburg:** I believe that our members should exercise their right to strike where their rights have been affected so fundamentally that they have no other option, for example, a halving of their pension benefits or a unilateral decision on conditions of service. But this decision is not in the hands of the PSA, it is in the hands of public servants themselves. We will follow the procedures provided by law – deadlock, ballot and give effect to the majority decision. We would not support a political strike, we will not enter into the political arena. ☆

# Restructuring in the public service: *a COSATU perspective*

By PHILLIP DEXTER \*



## Introduction

The South African public service is perhaps one of the most important spheres of political, social and economic activity in the country. The government, through the public service, employs 1,1 million workers, around 8,5% of the economically active population. These workers are the employees that deliver services in the various government departments, from the provinces to the police force, and from the Department of Agriculture to the Department of Foreign Affairs. The

apartheid regime has huge resources at its direct disposal, including the potential to use those resources in the future.

Once the exclusive domain of conservative, white males, the public service is now on the threshold of an important and radical transformation process. The Interim Constitution and the ANC's proposed Reconstruction and Development Programme (RDP) hold out the promise of substantial change. The extent to which this is realised in practice will be influenced by the role that labour, and in particular COSATU as the largest union federation, will play in this process. The federation's role will also determine to what extent the changes that are bound to follow are in the interests of the workers in the public service.

## History

After its successful election campaign of 1948, the National Party skilfully continued a twisted 'affirmative action' programme begun earlier in the century. 'Poor Whites', as the white working class was known, were given jobs in a rapidly growing public service, which included the state administration, health, education and railway transport services. The effect of this labour preference policy has been to create a public service with enormous structural problems, including large numbers of executive managers (from

\* Phillip Dexter was the General Secretary of NEHAWU until sent forward by his union as candidate for the ANC in the new parliament.

Deputy Director to Director-General) who have been promoted through the ranks on the basis of allegiance to successive apartheid governments, rather than any real competence to manage public services efficiently and effectively. At a recent meeting, a state department official was asked why South Africa was the only country in the world which penalised workers for late application for a benefit to which they had contributed. His answer: "Because it's in the legislation"!

The apartheid policy of creating bantustans, "own affairs" and the tricameral system, has added to the complexity of the problems in the public service. While almost half the public servants in South African are black, such statistics, often bandied about by the regime, are misleading because black people in the public service are confined to the lower grades or to bantustan public services.

Bad government, which has used state resources for party political purposes, namely the implementation of apartheid, has resulted in a system where the allocation of resources is irrational and quite wasteful in economic terms. Duplication of services, inferior services and the extent of corruption and mismanagement is severely underestimated. The apartheid public service has created institutions and personnel that are accountable to no one but their superiors, unrepresentative of the South African population and unresponsive to the needs South Africans and in particular of the black community.

### **Workers in the public service**

Not only are most black workers in the lower grades, but most services set up exclusively for black communities are under the control of white managers. This means that even in institutions established to provide services to the black majority, there exists a culture of apathy on the part of management, and a degree of alienation on the part of workers that has important

consequences for the recipients of these services. More often than not, when workers are aggrieved by the actions of white managers, it is black people that bear the brunt of the industrial action that follows.

The enormous differentials in salaries and conditions of service make the public service a volatile industrial relations arena, as is witnessed by the high levels of industrial action. A general assistant in the public service earns about R9 000 per annum with no housing subsidy and meagre pension benefits. A Director-General earns R260 000 per annum, excluding perks and subsidies.

### **Dealing with the problems**

It is often the knee-jerk response of a number of political commentators to assume that because of these problems the only answer is to trim or reduce the size of the public service. Given the extent to which certain sections of the community have been excluded from access to services and the opportunity for employment at the executive and senior executive level, such a view is extremely naive. Given the complex nature of the transition to democracy in this country, it is not unlikely that the future public service will be larger than the current one. The challenge is to maintain strict control of the budget, so that the public service does not eat up more of our resources than the country can afford.

We can make a number of assumptions on the restructuring of the public service. Nine provincial legislatures and provincial administrations will be established within weeks of the elections on 27 April. Since health, education and 19 other services will be delivered largely at the provincial level, the size of provincial government is likely to grow beyond the present 600 000 personnel employed by the present provincial administrations, TBVC and self-governing territories. The size of central government is likely to be reduced from the present roughly 750 000

personnel, as the provision of services is taken up by the provinces.

### **Restructuring – COSATU’s vision of the process: a new spirit of public service**

Sam Shilowa, the General Secretary of COSATU, has pointed out that restructuring must have the objective of making the public service representative of the South African population and responsive to the needs of the community. The ethic of serving the people must be inculcated into the culture of the public service. He also argues that services should be provided on a more rational basis, which would mean streamlining the number of departments and personnel which will exist at a national and provincial level. For example, the number of executive ranks could be reduced from six to four.

An important aspect of the restructuring process is the elimination of the gross income disparities between service providers and managers by rationalising the salary and grading structure. A new public service ethos can not be based on the principle that managers are rewarded 20 times more than workers who provide the services. This will be a tricky area and it is necessary that, whatever decisions are made, and however these are to be implemented, they must be based on negotiations with the various stakeholders – trade unions as representatives of employees and

communities as recipients of services. The process must be participatory.

The apartheid government has tried to develop its own ‘change management’



in the public service by involving the various staff associations. These conservative associations pose a serious threat to transformation as they do not wish to see the “good old days of apartheid” disappear and are not committed to better services for the black community. How the democratically elected government deals with these creations of apartheid will be critical to the success or failure of any restructuring or reconstruction programme. In terms of COSATU’s contribution to the restructuring process, it stands in our favour that, as Shilowa puts it, “COSATU will not be constrained in the way that the ANC as a government will be. Where the government cannot deliver the required change, then COSATU will, through workers taking action. This popular action, if linked to the communities needs, will remove the emphasis on the balance sheet”.

### **Challenges for the unions**

Currently NEHAWU, the COSATU affiliate organising in the public service, has organised only a small percentage of public servants. Its membership stands at about 100 000 and cuts across a number of departments, the bantustans and the parastatals. The proposed merger between POTWA, SAMWU and NEHAWU will certainly improve the capacity of the new union to organise, but some pressing issues need to be dealt with.

In the first instance, most of the ‘professional’ or ‘white collar’ public servants are either unorganised or organised in the staff associations. A coherent strategy needs to be implemented to ensure that workers are organised into the federation, and out of the staff associations. We have not dealt with the issue of professionalism in a satisfactory way, as is witnessed by nurses leaving SANA to form CONUSA, rather than joining COSATU.

Affirmative action also poses a serious problem if it is not implemented in the

proper manner. Minorities within the public service already see this as a threat to opportunities for them, and the unions will have to ensure that a process of education and information takes place that will remove many of the fears and prejudices which exist.

Rationalisation, no matter how well negotiated and organised, will always have the potential for casualties. More often than not, these will be the workers or the beneficiaries of certain services. The imperative of government is to govern and the ANC will not be immune to this. How the unions handle this complex relationship between the Alliance partners is of critical importance, particularly in the public service where the interface is so much sharper than in the private sector. Unions in the public service will have to change from a purely oppositional role to

one of a sophisticated strategy of challenging, supporting or ignoring the new government where necessary. It is also critical that industrial action is not taken blindly, but is targeted at the right places.

### Conclusions

The Reconstruction and Development Programme (RDP) is, thus far, the programme that will offer the best co-ordination and integration of the different interests of the various stakeholders in the public sector restructuring process. But the RDP merely sets out a broad strategy and a minimum programme. COSATU must play an effective role in the future, both to further the aims of the RDP and to articulate the aspirations of workers in the public service. ☆



March 1994: Striking Bophutatswana public sector workers demand answers on their pensions' security

*"It is also critical that industrial action is not taken blindly, but is targeted at the right place"*

# *The Administrative Reforms Commission of India and its relevance for South Africa*



India's long negotiations towards the 1947 liberation from colonial rule: Gandhi and British Prime Minister Ramsey Macdonald meet in London in 1931

The administrative arm of the state carries out policy. If this arm is not carefully supervised it can sabotage any meaningful change.

How do you reform the

administration to avoid this arm suffocating progressive moves?

VASANT MOHARIR\* draws lessons from the Indian experience.

**A**s the process of decolonisation in the "third world" proceeded after World War 2, the political leadership of newly independent countries was often in a hurry to introduce many economic and social changes in the light of rising expectations of the masses and was really looking to its administrative leadership as the main change agent in this process. But due to weakness of other social and political institutions, such as trade unions, women's groups, etc, the bureaucracy emerged as a strong well-knit group in the society at the time of independence, often resistant to change.

Also, massive programmes of technical assistance to developing countries were started. In this process, the administrative system of the country was considered very crucial and a large number of foreign experts were sent to many developing countries in Asia, Latin America and Africa to suggest administrative reforms.

These (western) practitioners failed to provide alternative models which were appropriate to the economic and social environment of the developing countries and which would hasten the pace of economic and social development.

### **Breaking through the resistance of entrenched bureaucracy: is it possible?**

The politics of administrative reform relates to the fact that reforms cannot be implemented without strong political support from the ruling party as they often result in changing the power of bureaucracy vis-a-vis other groups in the society or between various groups and agencies within the government. For instance, they may weaken the power of the bureaucracy over ordinary citizens and this will require strong political direction from the President and Parliament. In the practice of administrative reforms in

developing countries, this aspect has been neglected resulting in lack of implementation. In general, politicians are not interested in administrative reforms per se, but in terms of realizing other higher social and economic objectives. Thus, often, political leadership may pay lip service to the need for administrative reforms, even allocate some financial resources, but their full political weight will be extended only if tangible political advantages can be secured through administrative reforms.

Although often political leaders and parties may make a scapegoat of administration to divert attention from other pressing problems, it is very rarely that politicians pay adequate attention to it. It is seldom that political parties put administrative reforms on an election manifesto. The indifference of political leaders to administrative reforms is also caused by not linking the content of administrative reforms to major economic and political changes.

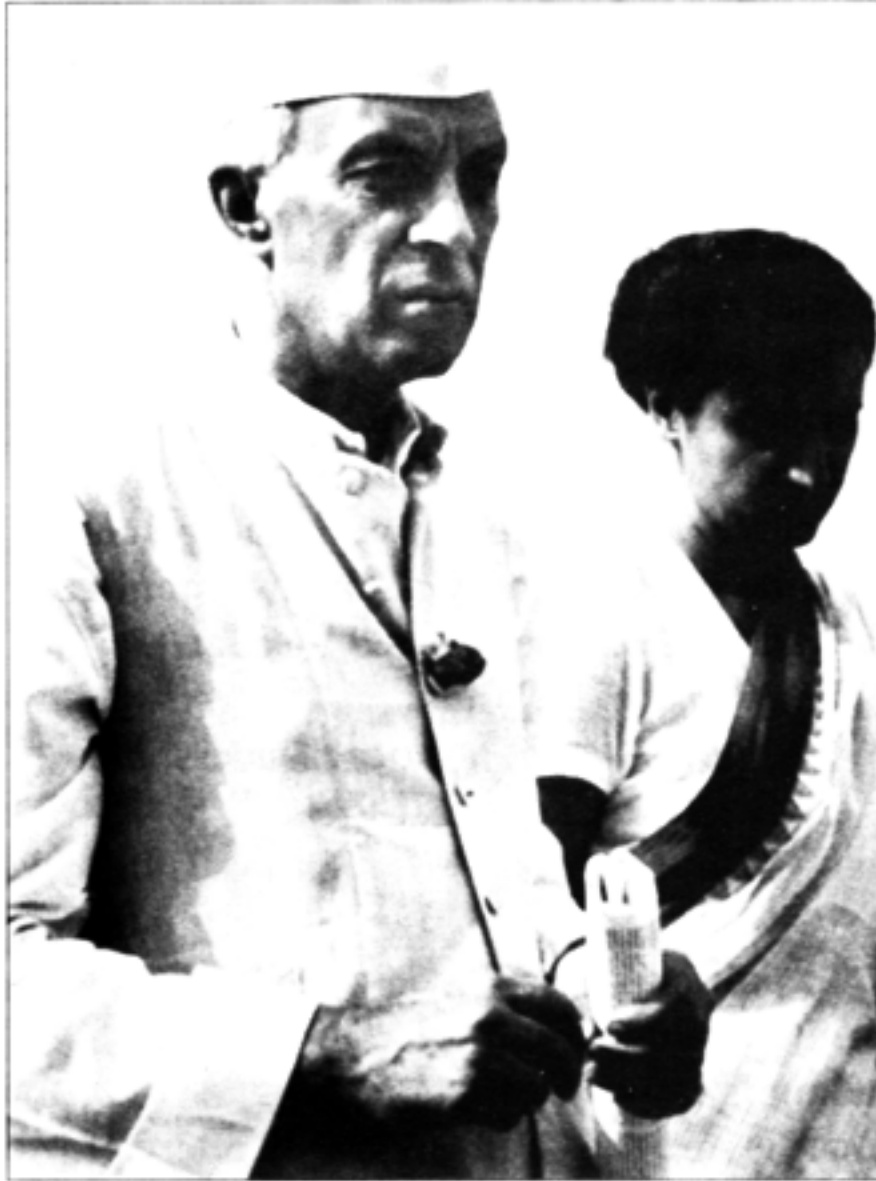
### **The need for a conscious strategy of administrative reform**

Actual experience of administrative reforms in developing countries shows that often the reforms failed not because the contents of reforms were wrong but that either there was no conscious strategy to introduce them or the implicit strategy was inadequate. Out of the experiences both of the success and the failures, the following aspects of strategy have been identified as crucial:

#### ***1. Linking administrative reform to major economic and political changes***

Political leaders and people generally, can better see the reason for administrative reform in terms of substantive political, economic and social change. If reforms can be shown to lead to more equitable access to public services or to the development of backward regions or to increased industrial output or exports or more democracy/ participation, getting support becomes easier. Unfortunately,

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Frustrated reformer? Nehru, India's first post-independence Prime Minister with his daughter Indira, who became Prime Minister in 1966

many reform efforts concentrate on improving the conditions of work for civil servants, their salaries, their housing, training, etc. This can give rise to a cynical reaction from society that reform is for the benefit of administrators rather than for the benefit of the society. Though reform of salary scales and other working conditions may be equally important, in terms of strategy support to administrative reform movement is likely to be stronger if initial reforms lead to a visible improvement in the delivery of services to clients.

### **2. Timing of administrative reforms**

The best time for major reforms is a political and economic turning point. For most developing countries this was at the time of their independence when comprehensive change was being introduced in all areas of economic and social life. South Africa is at the threshold of such a comprehensive change and the present is the ideal time for major administrative reforms. Many developing

countries missed this opportunity at the time of independence and launched such changes much later when bureaucracy got entrenched and resistance to change became very strong.

### **3. Resistance to change**

When reforms aim at reducing the size of the bureaucracy or the power of senior bureaucrats, or increase control over them, resistance is to be expected. Either the losers need to be compensated or sanctions or persuasion needs to be used to overcome resistance. At times the resistance may not come from administrators but the clients who may stand to forego certain benefits from the previous system. Not all the clients are in support of eradicating corruption.

### **4. Implementation of administrative reform**

Implementation has been the Achille's heel in administrative reforms. The implementation record of most administrative reform interventions in developing countries has been poor. Very few of the reformers recommendations have actually been implemented due to bureaucratic inertia and resistance, changing priorities of political leaders, wrong timing and vague, non-operational recommendations of reform bodies. Lack of a conscious strategy for implementation as a part of the reform design, including provision for monitoring and overseeing of reform implementation by outside bodies, has often been responsible for it.

## **The Administrative Reforms Commission of India**

At the time of independence in 1947, India had inherited a system of administration initially developed by the East India Company for its colonial purposes, characterized by recruitment of senior administrators on the basis of a rigorous examination, a high degree of centralization of decision-making, political neutrality of the civil service, division of the civil service into water-tight compartments minimising horizontal and



vertical mobility, the existence of a large number of grades/scales and occupational groups but maintaining the hegemony of generalist administrators, both at the Centre as well as in the provinces.

### **Major changes in administration after independence**

Despite its association with the colonial period, the basic character of the inherited system of administration was not changed in India by the new leadership. The changes which were introduced immediately after independence had to do more with the constitutional changes leading to the adoption of a federal, democratic, parliamentary form of government and the introduction of five year plans. A major administrative reform in the federal context was the setting up of the Indian Administrative Service as a successor to the colonial Indian Civil Service (ICS), with recruitment of only Indian personnel and local training and provision for the recruitment of persons from outside the service, particularly Indian women. A number of new training institutions in general and sectoral areas of administration, along with an Organisation and Methods (O&M) unit in the Cabinet Office were set up, based on recommendations from external consultants.

### **Attempts at democratisation**

A major reform in the area of democratisation was setting up of elected councils at district and sub district levels called Panchayats and creating a separate cadre of Block Development Officers and Village Level Workers to concentrate more on developmental work. Some of the reforms introduced in the context of economic and social planning were the creation of a Planning Commission, setting up of an Industrial Management Pool to manage the large number of public enterprises and an Institute of Public Administration set up to encourage advanced education and research in public administration.

### **The failure of first attempts leads to creation of a government body to supervise reform of administration**

Although many of these changes improved the situation a little, they were inadequate in the light of the enhanced tempo of economic and social planning, starting from the Second Five Year Plan (1956-61). The size, scope and nature of expertise available to the O&M Division, were inadequate to meet this developmental challenge and complaints of administrative bottlenecks slowing down the speed of development were made in the legislature and elsewhere. In order to address these bottlenecks and prepare the ground

for more comprehensive administrative reform, a Department of Administrative Reforms (DAR) was created in 1964, as part of the Ministry of Home Affairs, with a senior, experienced member of the Indian Civil

Service as its head. The DAR, which was more broadly staffed than the O&M Division, concentrated on in-depth studies of some of the government agencies like the Central Purchasing Agency, Central Public Works Department, Ministry of Industry, Treasury, etc. along with setting up of administrative reform units in departments and staffing them with newly trained staff.

### **The Commission – though given a wide brief – bogs down**

Activities of the DAR were showing results, but the politicians and the people at large were impatient and called for a more comprehensive scrutiny of the whole administrative system. Thus the Administrative Reforms Commission was set up in January, 1966, with a leading

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**“In developing countries, very few of the reformers’ recommendations have been implemented”**

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**“Prioritise reforms that improve delivery of essential services to the citizens – don’t start with improving the conditions of the civil service employees”**

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political personality as Chairman and six other members. The government leadership wanted to ensure that substantive and far reaching changes were suggested by the Commission and that the bureaucracy would not be allowed to create obstacles in the way of their implementation.

The government asked the Commission to consider “the need for ensuring the highest standards of efficiency and integrity in the public services and for making public administration a fit instrument for carrying out the social and economic policies of the Government, and achieving social and economic goals of development, as also one which is responsive to the people.” The Commission was asked to look at not only the machinery of the government at the central level but also administration at the provincial and local government level, to examine the administrative-political area of national-provincial government relations and the problem of providing redress to citizen’s grievances against administrators and politicians. These wide terms of reference, coupled with the changes in its chairmanship and the research based style of decision-making it adopted led to a very long period (5 years) of deliberation.

**Good intentions not enough: the importance of achieving results within a limited time-span**

The method adopted by the Commission was aimed both at some form of popular participation in the reform effort by way of interviewing eminent persons from the public and private sector as well as rigorous, empirical studies of administrative problems by researchers from the DAR and other research and training institutions. For each of the major

areas of its work, the Commission appointed a Study Team with generally a chairperson from outside government and a civil servant or researcher as secretary. During the five years of the Commission’s life, there were 20 study teams, 13 working groups for specific subjects, four expert groups on science and technology issues and one task force on redress of citizens’ grievances.

**New politicians, new policy: good-bye to the administrative reform work of five years!**

Although at the level of the Commission, politicians dominated, at the level of the study teams retired and working civil servants constituted 60 percent of the membership, the remaining coming from the professional groups of educationists, economists, lawyers, journalists, industrialists, etc and present and retired members of legislature. These external inputs led at times to some innovation but the domination of the civil servants was strong enough to filter out more radical changes. This coupled with the changes in political priorities of new Prime Minister, Mrs Indira Gandhi and the excessive time taken by the Commission to process its recommendations, led to a general lack of interest in implementing its recommendations, despite Commission’s efforts to prevent bureaucratic sabotage during the implementation phase.

**Lessons learnt from the experience of administrative reform in India**

The following lessons can be drawn, which can guide future administrative reforms in other developing countries:

1. Administrative Reforms are political in nature and without sustained, long term political support, their effective implementation is difficult.
2. Although the need for administrative reforms may be comprehensive and radical, the preconditions for their success are rarely available. In view of

- this reformers should aim at a mixed scanning strategy, selecting a few areas of administration for a more fundamental, comprehensive change while others are to be subjected to the process of incremental change.
3. Do not underestimate the power of bureaucracy to sabotage reforms going against its interest. Incorporate adequate incentives, sanctions, wider political and social support to reform in the design of reform itself.
  4. The timing of reform is crucial for its success. If major administrative reforms are undertaken at the time that other fundamental political and economic changes are taking place, they have a better chance of legitimacy and success.
  5. In the absence of alternative operational models of developmental bureaucracies, more benefits can be realized by concentrating administrative reforms in functional areas of administration such as educational administration, health administration, industrial administration, etc.
  6. In designing specific administrative reforms, the use of internal and external expertise together is likely to be more effective rather than reliance on only one.
  7. Objectives of administrative reforms are not only efficiency related but should also be aimed at making the bureaucracy representative of the society at large and responsive to the people and their representatives.
  8. Integrate the processes of administrative reforms and

development planning, thereby providing a permanent rationale for administrative reforms.

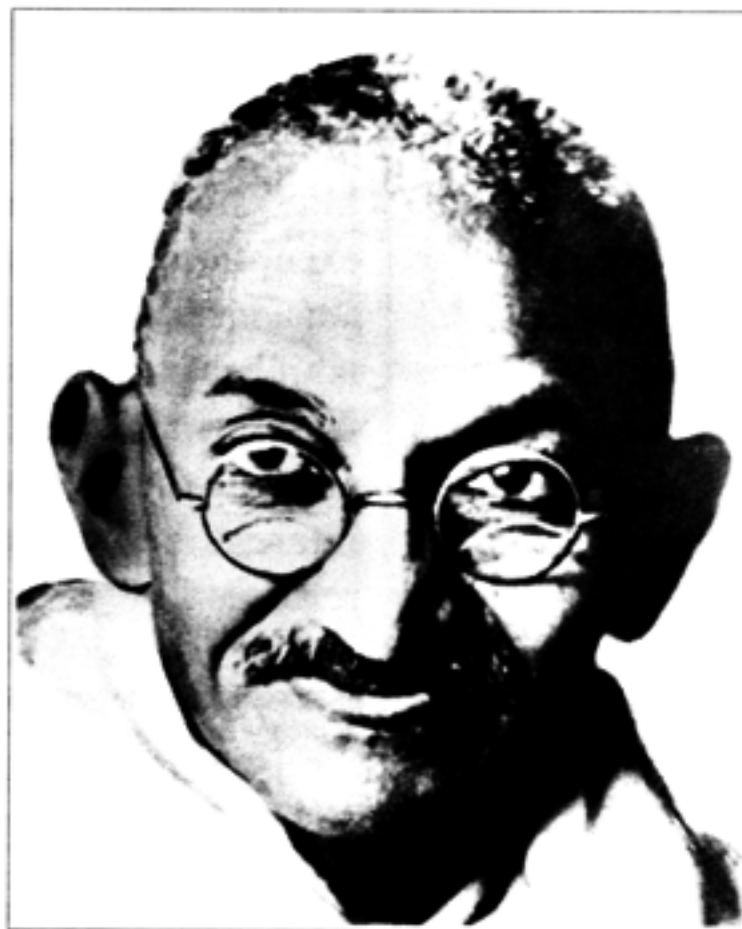
9. In sequencing of administrative reforms, give priority to reform which will improve citizen satisfaction and delivery of essential services, rather than improving conditions of service of the civil service itself.

The relevance of the Indian experience for South Africa

In a way, the problem of administrative reforms in South Africa is more urgent and complicated than in other countries. At present South Africa is involved in a double transition; transition from an apartheid to a non-apartheid society and transition from a non-accountable, minority government to a democratic accountable government providing participation to all groups in the society. The speed of change has to be fast, if the expectations of the masses are not to be dashed to the ground. It is therefore surprising that so little attention has been paid to this problem in the multi-party negotiations and the discussions of various political groups in South Africa. The problem of administrative reforms in South Africa is not only of replacing white senior

administrators with blacks, but of a critical review and reform of each of the major policies and each of the major institutions concerned with those policies, to build the new democratic, non-racial South Africa.

In order to do justice to the magnitude and complexity of the problem, all available resources in the area of public administration/development management/human resource development need to be marshalled in



Symbol of the Indian anti-colonial struggle

support of the administrative reform effort. Drawing up priorities and an operational programme of administrative reform is a necessity. For this it is necessary to create a high level body a ministry or a Commission on Administrative Reforms representing important social groups and staffed by qualified people with the proper orientation (ie progressive). Combining the innovative tasks of reform with the ongoing tasks of managing the civil service is not likely to be effective at this stage. However, such a commission will need inputs and information, from some of the existing institutions.

### **How to maintain public interest in reform of the administration**

In view of its importance, the administrative reform movement in South Africa needs to become a social movement and discussion of specific reforms and their strategy need not be restricted only to public administration experts and administrators, but the society at large needs to be involved in the process. This can be done by constituting "Ginger Groups" of interested citizens in different regions which create wider public interest in administrative reform and provide feedback on specific problems and issues. Such a strategy was used by the Hoover Commission in the United States and is necessary in South Africa to sustain interest in reforms like affirmative action in public sector.

### **"Efficiency" and "cost reduction" are not the most important concerns**

Objectives of administrative reforms and criteria for selecting different reform options need to be more broad based in South Africa than the current concerns of efficiency and cost reduction only.

Concerns of representative bureaucracy, affirmative action, adequate distribution of administrative person-power and agencies in different parts of the country, eradication of poverty and inculcation of

the right conduct and ethics, accountability and answerability of administration, proper balance of the sexes in the bureaucracy, are probably more overriding concerns than cost reduction alone.

### **Training: crash programme needed for new and old civil servants**

In view of the need for reorientation of existing civil servants and to train in a crash programme a large number of new entrants to civil service, training of administrators at all levels becomes an important, high priority in administrative reforms. In a society divided by tribal, religious and linguistic differences, administration, especially the senior ranks, can provide a unifying function and bring to bear common standards of objectivity and service delivery.

### **Can SA succeed where others have failed?**

The needs and opportunities for administrative reforms in South Africa are considerable. There is also the accumulated experience of other developing countries which introduced similar reforms in the past. Moreover, South Africa has its own indigenous expertise in public and development management and need not depend on foreign expertise in all areas. The present timing for such reforms is also ideal. Maybe South Africa can provide the exceptional example of successful administrative reform in its true spirit which can be a model for other countries. Administrative reform experts and scholars all over the world will be watching with interest the progress of administrative reforms in South Africa in future. ☆

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**"It is suprising that the multi-party negotiations have paid so little attention to the issue of administrative reform"**

## Challenges for the trade union movement:

# *Affirmative action for women in the public sector:*

By THULI MADONSELA AND THULAS NXESI\*



**Thuli Madonsela**

### Introduction

The public sector is highly unionised – more than 485 000 public sector employees are organised into trade unions and staff associations. The rise of public sector unions has changed the composition of the South African labour movement. In the 1970s and 80s, organised labour was predominantly blue-collar, male and located in the private sector. The emergence of large public sector unions within COSATU and the recent affiliation of the SA Democratic Teachers Union (SADTU), has introduced large numbers of professionals and women (nurses, teachers and academics) into the labour movement. This poses new challenges for the federation.

Important issues for the labour movement go beyond dispute procedures and wage bargaining to the development of plans for affirmative action for men and women. This is a complex problem, particularly where women are faced with sexism not only from their employers, but also from their fellow

trade unionists. Strong affirmative action plans are essential for transforming and building democracy in our society. Such plans must skill and empower black women in various fields, in particular those in rural villages, squatter camps and townships who are the worst victims of abject poverty, disease, unemployment, homelessness. Remember, according to Cole Kgositsile, over nine million African women live in rural areas and will need special attention when working out national development programmes.

Allow us to state at the outset, that we do not see the public service as the proper place to “create employment” for the unemployed, rather that the staff composition of the public service should reflect the relative population size of blacks, coloureds, whites, Indians and women.

This article raises debates around the following questions:

- What is affirmative action?
- Why affirmative action and equality for women?
- What are the possible strategies for affirmative action for women and what are the challenges facing the trade union movement?

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**Where are the black people and women in our public service?**

The following tables are useful, just to give us a handle on the racially skewed composition

of the public service. We are forced to make deductions about the employment of women, as government does not keep statistics on the gender composition of public employees.

**Table 1: Distribution of public service staff in selected occupations in respect of population groups for the central government and the self-governing territories as at 30 April 1991**

<b>Occupational Family</b>	<b>White</b>	<b>Coloured</b>	<b>Indian</b>	<b>Black</b>
Natural science professional staff	3 353	12	21	55
Architects, engineers and related staff	1 210	5	4	24
Economic staff	662	5	1	49
Medical staff	11 086	284	1 271	748
Air traffic control staff	65	0	0	0
Secretarial staff	7 601	499	240	1 186
Management echelon	1 423	7	8	25

**Table 2: Workforce profile versus population distribution at central government level, 1991**

<b>Race</b>	<b>Number</b>	<b>Workforce profile at central government level (%)</b>	<b>Population distribution (%)</b>
White	309 157	40,7	13,
Coloured	120 518	15,9	8,7
Indian	31 728	4,2	2,7
African	297 616	39,2	75,3
Total	759 019	100	100

These tables show that, although black people are employed in the public service, they are not employed in highly skilled jobs which pay high incomes. White males occupy 99% of management positions, leaving only 1% for Africans, Coloureds, Indians and

women. Secretarial posts are staffed largely by white women. In air traffic control, there is not a single post filled by a black person. Employment in the public service has been a key means for keeping blacks and women poor and powerless.

## What is affirmative action?

Affirmative action is what advocates of womens' rights describe as the special measures taken to encourage female entry into jobs or areas that have traditionally been dominated by males. Some define affirmative action as "any action designed to overcome and compensate for the past and present discrimination" or inequalities which may be based on race, gender or class.

For decades, indeed centuries, the vast majority of women have been systematically denied entry into a considerable number of occupations and positions, where pay rates are high and where key decisions are taken.

Without doing any detailed research, let us consider the following questions:

Do women at your work place enjoy the same rights as their male counterparts?

How many women are in management positions in the school system compared to their male counterparts?

How many women are in the key decision making positions in our progressive organisations at all levels, for example site/plant level, local, regional or national levels?

## Why affirmative action for women?

The statistically high level of participation of women in the labour market disguises the fact that they are employed largely in menial work and poorly paid jobs. This gives rise to very serious economic pressures, as in many instances, women who are employed may be the major or sole breadwinner for an extended family. Opportunities to enter more skilled, better paying jobs, will contribute to social development for black families and in black communities. As women are a large proportion of the society, their access to key civil service jobs is essential if the public service is to be responsive to the needs of women and successfully meet their needs.

Discrimination against women has also allowed employers to undermine the collective strength of workers. Equality of the sexes would help to build the unity of workers. Since our ability to fight for individual and collective rights depends on



our unity and solidarity, equality is critical to all our struggles.

However, gaining access to male-dominated sectors is not easy for women. Systematic discrimination in both social and training policies is widespread and so deeply ingrained that it is seldom conscious. For example, a man who likes the company of women and "their" lifestyle becomes the source of ridicule "Yindod 'e theni le engubafazini."

Women also often find the effort of working in a predominantly male environment too great, for example sexual harassment, difficulty in organising domestic labour and child care (traditionally regarded as womens' duties). These are duties which have reinforced sex stereotypes and inequality by placing the major social responsibilities which accompany child birth and child care on the shoulders of women. Although male comrades' attitudes are changing, they seldom lead a fight for womens' issues without being pushed hard by the women who are directly affected. This is yet a further reason why women should be elected into key positions in trade unions.

## Principles and strategies for affirmative action

The challenge facing the labour movement, to contribute to drawing up action plans which will see blacks and women in key posts in the public service in the next five to ten years, is enormous. Any strategy must acknowledge that the most disadvantaged are always those in the rural areas, on farms, in squatter camps

and urban townships. Men and women from these areas must have access to positions in local and provincial governments and administrations and in the national government and central administration.

South Africa has the advantage of being able to look at successes and failures around the world in formulating its own approach. Pioneer experiences show that the following factors play an important role in the success or failure of affirmative action plans:

- ❑ setting clear objectives and making a commitment to specific outcomes (appointment and training of women for key posts by 1995)
- ❑ appreciation of the nature of the problem (provision of child care, reasonable working hours, a good training package and encouragement to move into highly skilled jobs)
- ❑ the relevance of the solution to the problem (publishing an advert inviting women to apply may not be sufficiently attractive, whereas making child care a part of the remuneration package could be very attractive)
- ❑ the manner of implementation, evaluation and scope of the plan (are women put under excessive pressure to achieve and is the evaluation particularly demanding)
- ❑ ability and willingness to enforce the affirmative action plan (there should be bodies to which a female employee or a union acting on behalf of its members could lay a complaint against the employer and receive redress).

## **Principles**

***Equality must be the guiding principle.***

The fundamental right to equality established in the Interim Constitution recognises that real equality is more than just equal opportunity to jobs and incomes. Equal opportunity could still deny women access to jobs, if, for example, large numbers of women fail the entrance examinations for appointment to key posts. Real equality means that measures must be taken to ensure that black people and women have as good a chance as anyone else of passing the test,

winning the job and earning the salary. At present, gender inequality in the public sector is a form of legalised injustice. Those with good education (paid for by apartheid) are appointed to the key posts (paid for by apartheid) and these public officials deliver good services to white communities. Real equality is therefore essential to providing equitable services to all sectors of the population.

***We need a new definition of "merit".***

Experience in working in communities and implementing social development programmes, fluency in the various languages spoken in South Africa, the ability to facilitate meetings between government and non-government bodies, the ability to resolve disputes – these should all qualify as important elements of the merit principle. Presently, merit is a guise for racism and nepotism in appointments. Research by groups like the Australian Affirmative Action Agency suggests that people in decision-making positions tend to believe that those who closely resemble them are best suited to do the job well, while those most different from them will be least able to perform. The privileged Afrikaner men reproduce themselves in this way and also determine the culture and values of the public service. A management echelon which reflects the wide composition of society – women, coloureds, Indians, whites, Africans, different language groups – is more likely to effect a real change in the culture and composition of the entire civil service.

***Affirmative action for black women.***

African women, the most "different" group, are clustered in menial and low paid jobs such as cleaning, tea making, the lower rungs of nursing and teaching, while Coloured and Indian women tend to be accommodated in the lower ranks of the clerical corps. Discussion on either race or gender affirmative action tends to omit specific reference to black women. Since black women do not belong exclusively to either category of race or gender, separate approaches to race and gender risk excluding them from the picture. This would severely



limit the success of any affirmative action programme. Advancing black men and white women, while ignoring black women, would leave the majority of women and their dependants in the same state of poverty as they are now.

***Many models for affirmative action.***

Affirmative action is not a mechanical phenomenon, where one does a simple head count of the numbers of blacks and women entering the service. This mistake was made in America 30 years ago when blacks and women were brought in and trained into white male dominated institutions and occupations without questioning the institutional culture. When they "failed" to assimilate, the blame would be attributed to them and to the wrong selection criteria, and a re-selection would take place. This meant that due to a high rate of turnover, blacks and women did not replace white males in particular occupations and at the decision-making level.

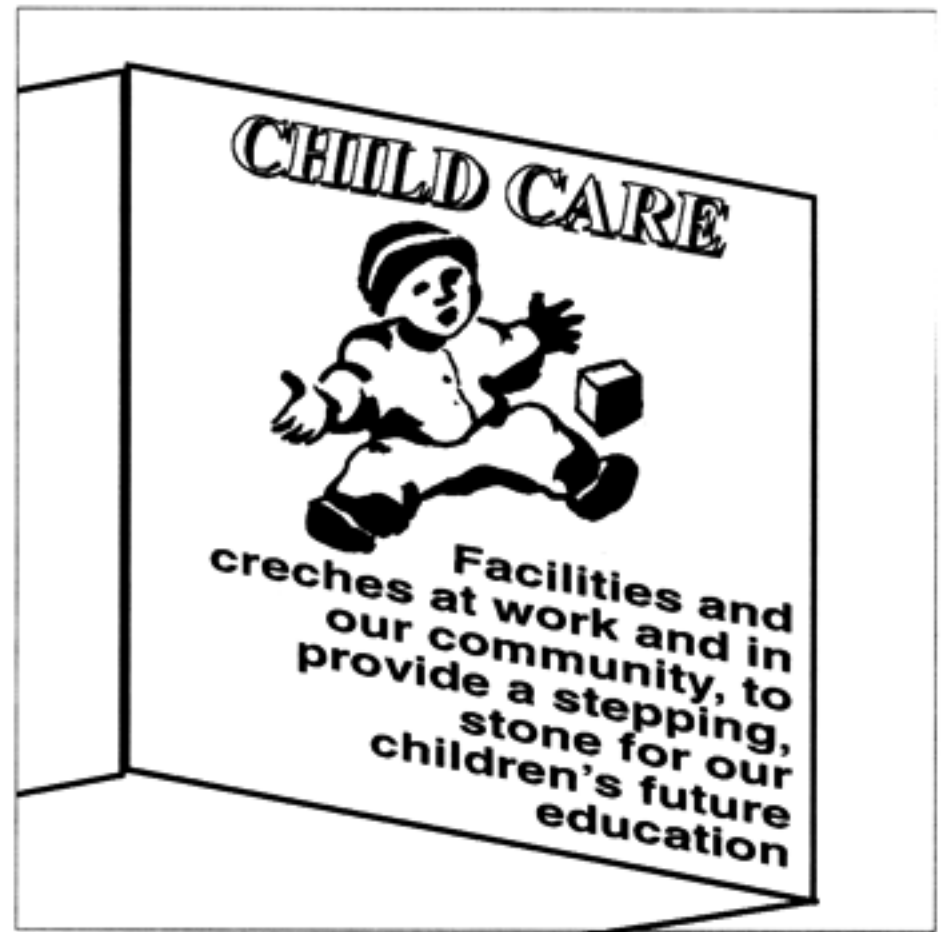
***Institutions must be transformed.***

Womens' ability to emulate men is restricted and black women are least likely to behave like white men. Affirmative measures must be based on the real life patterns of women. Such measures must attempt to free women from concerns of parenting, sexual harassment, violence and general abuse. Further intervention should prioritise recruitment, training, career pathing including placement in positions that are pivotal for advancement. Existing management must also be trained on the value of diversity in the workplace and in the provision of services.

***Balancing equity and efficiency.***

The present arrangement is neither fair nor efficient. For women, this means denial of income opportunities, while for society it means a narrow human resource pool, a narrow cultural perspective and poor service from a "protected elite" who do not have to compete fairly for jobs. Concerns for both equity and efficiency require an intensive training programme to be made available to women, if South Africa is to build a representative public sector.

***Cautious but decisive state intervention.***



The ANC's Reconstruction and Development Programme lays the basis of an approach.

Further development of the plan could provide a legal framework for real or substantive equality. Specific guidelines on employment and appointment to political positions in local government could be legislated (as in Namibia). This could combine compulsory and optional elements with penalties for employers/managers who fail to implement the former and incentives such as tax breaks for employers/managers who introduce the options. Another way of getting public sector managers to implement affirmative action, is to make this a requirement for their own promotion to higher ranks within the service.

**Strategy**

There are three possible strategies for affirmative action:

***1. Voluntary action by the employer***

This refers to a situation where employers including government are encouraged to voluntarily introduce affirmative action. Whilst some employers have taken steps on such programmes, they have produced only token results.

***2. Government-enforced action***

Government can introduce affirmative action through human rights legislation and through specific affirmative action laws. The future democratic government would need to ensure

that there are clear policies and statements, which are translated into plans and training programmes addressing the obstacles women face with access to various fields, including education. Affirmative action through education should encourage women to study subjects which they have traditionally been discouraged from – mathematics and the natural sciences – as well as presenting topics which will empower them in the work environment – dealing with sexual harassment, women and work, etc.

One of the difficulties of this approach is that it is seldom that governments act to defend the interests of the most exploited workers against the hiring policies of large corporations. In fact, many governments are dictated to by big capital in the arena of economic policy.

### **3. Union-won action**

Many unions have adopted policy statements in support of equal opportunity and various affirmative action programmes. But now action is required:

- ❑ Members must be educated and organised around affirmative action and affirmative action for women in particular.
- ❑ Unions must make affirmative action a priority for policy-making in the workplace. Affirmative action should not be the subject of a narrow approach to “negotiating affirmative action”. This can have serious negative results, where many unions are engaged with one employer and where the majority of those unions do not represent black workers or women. In fact, the conservative white staff associations can be a major obstacle to affirmative action plans.
- ❑ Further problems are encountered where the employer shifts responsibility for affirmative action to the “negotiations” and claims that “the unions signed the agreement”, even where it is a poor agreement. Whatever the nature of consultation on this issue, employers must be held responsible for implementation. The consultation process should also recognise the greater weight of arguments presented by unions representing black

workers and women, while acknowledging fairness to white employees.

Unions must demand equal pay for work of equal value. The demand for equal pay (parity) has already had a huge impact within and outside the labour movement. The demand for parity has been one of the key mobilising strategies of SADTU.

### **Conclusion**

Guidelines for the public sector:

1. Set clear objectives and have clear written policy on priority areas, target groups and relationships between these groups
2. Consultation with unions, staff associations and employees
3. Establish an Affirmative Action Commission with broad powers to implement and monitor the programme and to keep a database of personnel and posts throughout the public sector
4. Delegation of responsibility to senior officers in state departments and other state institutions
5. Provision for parental rights and child care facilities
6. Appropriate wage policies, reduction of the gaps between grades
7. A Code of Conduct to guard against sexual harassment, racism and workplace violence, etc.
8. An impartial appeals body to deal with grievances and complaints
9. Public announcement of the policy
10. Submission of regular reports to the Affirmative Action Agency and to Parliament

For those who are not sensitive to the issue of gender inequalities, they need to understand that it is as sensitive as the race inequalities in our country. ☆

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# *Challenges for trade union leaders*

A profile of THULAS NXESI,  
General Secretary of the  
South African Democratic  
Teachers Union.  
THULAS NXESI speaks to  
LUCI NYEMBE.

## **Introduction**

The SA Democratic Teachers Union (SADTU) was launched in Johannesburg on 6 October 1990. In the three and a half years of its existence, it has organised 101 000 teachers in the central public service and the homeland public services and seen its members through a major national wage strike. It has members in all the homelands including KwaZulu, Ciskei and Bophuthatswana. However, the authorities have been obstinate and have refused to grant the union recognition, despite numerous attempts at negotiation. It has recently affiliated to COSATU.

## **Heavy leadership loss to the election process**

1994 is a particularly critical time for SADTU. Like in many trade unions, senior union officials have gone into government. The General Secretary and President are both on the ANC's national list, and key regional leaders including the chairpersons of the Northern Cape, Western Transvaal and the Eastern Cape and the Transkei regional secretary are on various regional lists. The Northern Transvaal, one of SADTU's most vibrant regions, has lost both their chairperson and regional secretary. Almost half the National Executive Committee is on various ANC national and regional lists.

It is at this time that Thulas Nxesi, a teacher with many years experience, takes over as General Secretary of SADTU. Cde Thulas is the former secretary of the National Education Union of South Africa (NEUSA), one of the first radical teacher organisations in the country. Formed around 1983, NEUSA played an active role in the teacher unity talks and the establishment of SADTU. It was banned in the late 1980s. Cde Thulas was very active in organising teachers and developing ideas around "alternative models for education". He was elected the first assistant General Secretary of SADTU at its Inaugural Congress and on 1 March 1994, the SADTU National Council elected him as its General Secretary.

## Rebuilding leadership

Thulas is under no illusions about the difficulties facing the new union leadership during the early days of the new democracy. In fact, SADTU is still in the process of electing members to fill the vacant positions. Thulas argues that there has been a lack of seriousness about developing worker leadership, particularly second layer leadership, and that this has been a weakness of the democratic movement as a whole. In this context, mobilising people for the election lists has contributed to a disintegration of organisation at the top and many unions and other organisations are still in the process of rebuilding.



Asked why he did not accept nomination to the election lists, Thulas says that this was both a personal and organisational decision. He says that comrades will have to emerge and take up leadership of the organisation and that new leadership is vital at the regional level. SADTU has

developed a proposal for a training programme whereby SADTU hopes to develop its new cadre of worker leaders. Thulas says that the training programme will be very practical – setting up a local office, handling grievances, reporting, meeting procedure, handling conflict, advocating rights, negotiations skills:

“We launch branches, elect people and then they don’t know what to do, how to represent teachers, how to report back. Teachers do not have the necessary leadership skills. They have been suppressed and prevented from leading in the past. The majority of teachers are women, but the majority of stewards are men. Training is needed to change this balance.”

Thulas argues that training must enable teachers to become a resource in developing ideas around education policy, alternative teaching methods, professional development

programmes. The union will initiate such programmes as a contribution to the process of reconstruction and development.

“To contribute to reconstruction and development, SADTU needs strong organisation at national and grassroots level. To implement a new education system will require strong union leadership in the schools. Young people feel that education is meaningless because of the twin problems of poor education and unemployment. Education itself has to be reconstructed, teacher education must be revisited. We must change attitudes and perceptions among teachers that they should gain further degrees merely to get higher incomes. Higher incomes should be an incentive for improving teaching methods and getting higher pass rates. The union will be instrumental in this process of education renewal. The demand for appropriate training programmes must be seen to advance the interests of teachers, union members and students, and must qualify teachers for effectively higher incomes.”

## Affirmative action

“Women must be empowered to participate in professional development programmes. We must build confidence. There must be affirmative action in the union movement to maximise the participation of women. This should not be just words – each union should have a written policy on affirmative action in its ranks.

Affirmative action in schools should lead to a replacement of puppet principals and heads of department. Promotion should be on the basis of skill and performance. We expect that the Reconstruction and Development Programme of a new government would forge greater co-operation between teachers and principals than in the past. However, the principal is the authority representing government policy at the school level, so there would still be a tension between him/her and members of the union. Our view is that principals should not be members of the union and members promoted to those posts would have to resign their union membership.

The other view is that principals are also

employees of the department, i.e. they don't have any policy-making powers. This is one tension within SADTU.

Affirmative action will give SADTU members equal opportunity to become part of management and we have no problem with this. Everybody should be given an equal chance for promotion. Opportunities should be created for women who have the potential. Union membership should not prevent people from taking those life chances. In fact, in developing its views on affirmative action, the union should fight for women to be trained to occupy management posts, even if they can then no longer be union members. This is necessary because we are talking about broader education issues as well as union issues."

### Strikes

The union has two concerns: the labour rights and members and education as a public interest issue. The union would like to see the interest of teachers, unions, parents and government converge as far as possible in relation to these issues.

A question we will have to confront is the exercise of the right to strike. Under the old administration, things were relatively clear. We went on strike for better conditions for teachers and students. Under the new regime things will be more complicated. Our members have not been introduced to the key concept of trade unionism – the balancing of rights and responsibilities. In the past we could blame the government. What do we do under a democratic government?

We need to review our demands. While stressing the responsibility of government to provide resources to education, including better wages, we must also stress the responsibility of teachers to provide a good educational service. We need to create consultative structures of teachers, students and parents to deal with the tensions between rights and responsibilities that will inevitably arise. If there is mechanism to deal with disputes, we will see less disruptions.

The culture of learning and teaching must be revived. This will take time. We need to

embark on processes to revive teaching – setting targets, monitoring progress, measuring performance. Things have deteriorated to such an extent that we need to address problems of anti-social behaviour – assault, carrying of dangerous weapons, non-return of text books. There should be grievance procedures for both teachers and students. This will help to reduce the tensions which lead to violence.

Teachers must have the right to strike. But teachers, unions, parents, students and government must work together to resolve problems before they lead to this end.

This can allow for a reconciliation of different views. If the government was not open to hearing our views on certain matters, we would reserve the right to take action. We can't stand at a distance and say the government should encourage participation. We must take the initiative and we may also need to contribute materially to the functioning of such structures.

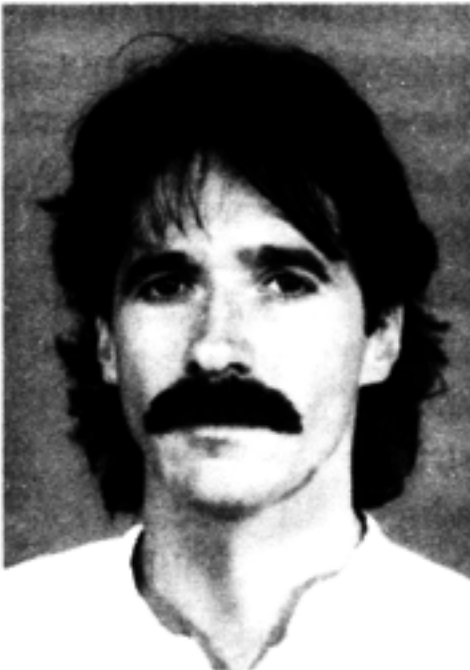
Another change which will affect education and bargaining is the establishment of provinces. Since the delivery of education will be a provincial matter, it is likely that there will be a greater emphasis on collective bargaining as well as on policy matters at the provincial level. This will compel the union to strengthen its structures at the provincial level and not rely on the national level for bargaining.

In short, the challenge is to transform our organisational activities from a confrontational style to a social partnership in the arena of education, without neglecting the rights and interests of our members. One thing is clear, if the government tramples on our rights, we will confront it.

Another challenge is the existence of racial tensions between teachers' organisations. The challenge is how to make our organisations truly non-racial. The continuing racial segregation in schools does not help. Tensions and suspicions still surface. We must come up with a plan for integrating schools in a more radical way than the present system, where integration depends on what individual families can afford." ✧



**Niki Jazdowska  
is a trade union  
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is a freelance  
journalist**

# **Zimbabwe: *Public sector unionists celebrate landmark victory***

By **NIKI JAZDOWSKA** and **RICHARD SAUNDERS** in Harare.

**I**n a landmark victory for Zimbabwe's trade unions, workers in the parastatal Posts and Telecommunications Corporation (PTC) have forced the capitulation of government and management following a bitter long-running dispute which culminated in an 8-day national strike in late February.

In an unprecedented climb-down by government and humiliation of state-appointed management, Information, Posts and Telecommunications Minister David Karamanzira appeared on national television on 22 February, at the height of the strike, to order the PTC to accede to all demands put forward by its 9 000 striking employees. The nation-wide shutdown of post offices, savings banks and telephone services had paralysed the country.

The strike was launched by the 7 800-strong Posts and Telecommunications Workers Union (ZPTWU), after three years of negotiations with and court orders against the PTC failed to prod management to implement agreed adjustments to salaries, job grading and conditions of service. It was brought to a sudden end by government's abrupt decision to reverse its support of PTC management. As a measure of the degree of this quick turnaround, union leaders were driven directly from police detention to the press conference at which Minister Karamanzira handed down new orders to the PTC.

The union's triumph represents the first-ever total collapse of state nerve in the face of striking workers.

Privately, leading figures in the Zimbabwe Congress of Trade Unions (ZCTU) national labour centre wonder whether the victory marks a decisive shift away from the state's

uncompromising labour politics of the 1980s and early '90s.

The ZPTWU's disciplined organisation of the strike and the swell of third party support for the ZPTWU from key opinion makers, indicate for some that the state's past commandist approach to labour control is no longer viable.

Within the ZCTU, ZPTWU's success against a comparatively rich and powerful PTC management has underlined the value of meticulous union organising and boosted the confidence of unions in their call for more open, participatory tripartite labour relations.

A distinctive feature of the strike was ZPTWU's ability to attract 2 000 new members during the stoppage, bringing the union's current strength to 88% of the PTC workforce.

### **The lead-up to the strike**

In earlier actions within ZPTWU and other unions solidarity among workers has often been lax and inconsistent, particularly during strikes. But this time union officials prepared carefully by keeping in close communication with branch representatives across the country. Earlier strengthening of union structures made this possible.

Three years ago ZPTWU launched an internal nation-wide educational programme with the help of its international umbrella body, the Posts, Telegraphy and Telephones International (PTTI). Hundreds of new members were recruited, after years of factional bickering and diminishing membership. Communication and feedback links within ZPTWU were improved.

The current dispute with PTC management began in the late 1980s when the union was still weak. The conflict has been punctuated by stormy relations involving management intimidation and obstructiveness on the one hand, and wildcat strikes and union-led legal appeals on the other.

The latest legal appeal was to the national Labour Tribunal. By the end of 1993 the Tribunal ruled in ZPTWU's

## **Gift Chimankiri\* talks about the background to the strike**

**W**e had about 75% membership before the strike. Now it's about 90% – around 7 500 workers.

Trouble with the current P&T management began in mid-1992, when a job evaluation exercise, conducted jointly by management and union, was unilaterally implemented by management without allowing the union any say as to what wages should be paid to the agreed grades. The management gave themselves big increases while 67% of the workers either got no increase at all or a miserable Z\$4 per month (about R9) increase.

Our union ran a campaign to expose the goings on in the P&T to the public. Soon after, we began to discover and expose other self-serving practices on the part of P&T management: for example, P&T contracts being awarded without proper tender to "friends of friends". When management objected that this area was managerial prerogative and had nothing to do with the union, we argued that anything affecting the profitability of the P&T was an issue for employees also, since their wage increases would relate to the profitability of the company. Management were badly rattled by our inside knowledge of what was going on in the P&T: when they attempted to deny an alleged malpractice we were able to put the original documentation on the table in front of them, proving our allegations. On one occasion a senior manager presented with such facts burst out in

*Continued on page 55*

*Gift is the General Secretary of the Zimbabwe Posts and Telecommunications Workers Union.*

favour, and ordered the PTC to pay a 12% increase back-dated to July 1992. Still, the PTC refused to pay out, claiming that they could not afford it. Instead they lodged an appeal with the Supreme Court.

In the meantime, corporation management implemented a new strategy aimed at undermining ZPTWU from within. First, top PTC officials encouraged the establishment of a splinter union in the corporation. When this failed, with the Ministry of Labour's refusal to register the splinter union in June 1993, management approached ZPTWU rank-and-file through mail-outs, falsely stating that union officials were refusing to negotiate.

By late 1993 PTC Management was inexplicably claiming that ZPTWU was unconstitutional and should be deregistered. When ZPTWU leaders countered these accusations, they were told by the PTC there would be no further management-union contact until union counter-charges of management deception were withdrawn and an apology made. In January 1994, the PTC began withholding the bulk of union dues it collected on behalf of the union.

Faced with an increasingly intransigent management and rapidly depleting resources, ZPTWU started organising for a national strike. Leaders were sent around the country to co-ordinate with branch representatives.

### **The strike begins – and government arrests union leaders**

Early in February 1994 the strike began in the form of a go-slow. By 16 February it had escalated into a full-scale national work stoppage.

Government response was quick and hostile. The Minister of Labour, John Nkomo, threatened to issue a Disposal Order, allowing the corporation to fire all 10 000 workers. ZPTWU leaders, three of whom were detained by the police, were warned in private that the Minister would deregister the union. Meanwhile PTC management announced that it would have no problems finding replacements for its

skilled staff.

Under intense pressure, the detained ZPTWU officials, were forced to announce an end to the strike on Friday, 18 February. However, in anticipation of their absence, a new strike leadership within the ZPTWU continued to mobilise for collective action.

At the same time, public sympathy for the strikers was growing.

A majority of parliamentarians were vocal in their condemnation of the PTC's high-handed flouting of the Labour Tribunal's findings. Letters of support poured into the national newspapers. Overseas, affiliates of the ZPTWU in the international trade union movement threatened to isolate Zimbabwe from world posts and telecommunications networks.

When, because of confused communication, some PTC post offices and savings banks reopened for business on Monday 21 February, groups of striking workers clogged the queue and then announced the strike was continuing.

Under the supervision of local union leaders, hundreds of workers flooded out of their workplaces in a remarkable show of solidarity. By the end of the day a complete stayaway was back in effect.

### **Government capitulates**

The decision to re-arrest top ZPTWU leaders the next day was short-lived in the face of mounting chaos and growing public anger over PTC intransigence. After only hours in detention and following the mediation of ZCTU Secretary-General Morgan Tsvangirai, ZPTWU officials were brought to the press conference at which the Minister of Information announced the government's capitulation to the strikers' demands.

Since then, pressure has been maintained on the PTC by ruling party parliamentary backbenchers who have recommended that President Mugabe replace the top management and Board of Directors of the besieged parastatal, and rectify severe salary imbalances between top and ordinary staff.

Backbenchers called on Deputy Minister of Information Chen Chimutengwende to



resign when he told parliament he was unaware that strikers were grieving the enormous disparity in salaries – more than \$200 000 in extreme cases – between top and lower grade posts.

### **And another blow to the legacy of Ian Smith**

In the meantime, trade unionists in general were further bolstered by a decision of the Supreme Court handed down soon after the end of the ZPTWU strike. On Friday 25 February, the Court ruled in favour of the ZCTU-led appeal against a section of the Law and Order (Maintenance) Act restricting public demonstrations.

Long used by the Rhodesian and Zimbabwean government to control the activity of perceived opponents, Section 6 of the Act required advance police permission for any public demonstrations. The ZCTU appeal, part of a court case dating from the arrest of six demonstrators in the June 1992 ZCTU protest, argued the Section violated the right to freedom of expression and assembly, and was unconstitutional. The appeal was finally carried when government conceded the argument with no contest.

Labour leaders, along with human rights activists and officials in Zimbabwe's growing number of opposition political parties, have lauded the decision as a hall mark of democratic advance.

In the context of previous government intimidation of opponents – and labour activists in particular – the de facto scrapping of Section 6 by government is as much a landmark in Zimbabwean social relations as ZPTWU's victory earlier in the week at the PTC. ☆

**“25.2.94:**

**... Zimbabwe Supreme court rules unconstitutional the Law & Order Act requirement of police permission for public demonstrations”**



**Gift Chimanihiri**

*Continued from page 53*

frustration: “This organisation is a sieve!”

Pretty soon the management hit back. Firstly they wrote to me advising my position in the P&T was terminated. (The long-established practice in our union is for the General Secretary to be a P&T employee seconded to the union, whose P&T job is held open for him pending his return.) We had to go to the High Court to get a reversal of this victimisation.

After that the P&T systematically began pressurising the union executive members to remove the union leadership since it was “not seeing eye-to-eye with management”. They also attacked the union leadership in the press, and started promoting a splinter union amongst employees, providing it with transport, access etc.

When all these moves failed to remove the leadership, the P&T unilaterally broke off contact with the union until the union “apologised” for its behaviour. But our Congress late

*Continued on page 56*

Continued from page 55

in 1993 supported the union leadership, so even this tactic of the management failed. Finally, in January this year the P&T management began withholding all but a small fraction of the members' subscriptions, which meant the union was going to collapse very soon through lack of resources.

So the strike which began in February was only secondarily about wages and conditions. It was primarily about the P&T's refusal to negotiate, and its determination to destroy the union. Soon after the strike began the union leadership was all arrested in the early hours of the morning at their homes by large groups of heavily-armed police. I asked them why they were acting in this fashion, since I was at my office every day and they were at liberty simply to call me in to their office if they wished to speak to me. It was blatant bully-boy tactics designed to intimidate!

We were arrested under the Law and Order Maintenance Act, on the basis that we were undermining the maintenance of essential services. But we claimed our strike was lawful because Clause 120, subclause 4(b) of the Labour Relations Act provides that, irrespective of other laws, workers can take action where there's the threat to the existence of a registered and certified union.

We won the strike confrontation because our membership support was very strong, and because the public supported us. In one instance we had to appeal to a crowd of about 1 000 members of the public queuing at the Harare main post office. We just explained to them why there was no postal service and they simply dispersed without further ado.

The hardline attitude of the management of the P&T was not, in

my view, just bad industrial relations practice. The Deputy Postmaster General, who is in charge of personnel, salaries etc is a political appointee. Although the government is talking more nowadays of the importance of collective bargaining, it seems to us that the real policy is seen through the actions of the government's political appointees, and this particular individual had no qualifications whatsoever in industrial relations – he was a lawyer. Anyway, since the strike I have not seen him. It is said he is "on leave".

So what is the government's "real" policy towards labour, then? There are stories that the coming-to-power of the MMD in Zambia (with ex-miners' leader Chiluba now president) has caused a panic amongst ZANU leadership for fear that the unions may play a similar role in Zimbabwe. This fear may explain the hardline attitude of the P&T. Even after the strike, although the wage issue has been settled at the instruction of the Minister, no progress had been made in any of the other grievance areas.

As "essential service" workers we do not normally have the right to strike. But the alternative open to us – the Industrial Tribunal – is hopelessly slow, with delays of a year and more. The government must sort out this mess or it must accept that there will inevitably be strike action, even by essential service workers, in defence of their interests. ☆

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**“Soon after the strike began, union leadership was all arrested at their homes by large groups of heavily armed police”**

SPECIAL FOCUS:

# Socialism via Social Democracy?

The December 1993 edition of the South African Labour Bulletin carried a substantial debate on the topic "Social Democracy or Democratic Socialism?"

A key contributor to this debate, Australian political scientist Winton Higgins, pointed to the political practices in Sweden during the 20th Century as a useful example of how Social Democracy as a political system could be used proactively to promote the goal of Democratic Socialism. Higgins suggested that certain similarities between Sweden and South Africa, especially in respect of the "social movement" character of their labour movements, meant that the Swedish approach to, and use of Social Democracy was well worth considering as South African socialists strategised for the future.

In this edition, **Liv Tørres**, herself a Scandinavian, takes issue with Higgins, pointing to the differences between Scandinavian societies and South African society, and questioning the extent to which the Swedish socialists quoted by Higgins ever represented, or still now represent, the main thrust of Swedish Social Democracy which now – rather than advancing towards Democratic Socialism – appears to be in retreat.

A further contribution by **Winton Higgins** in this edition, focussing on his home ground, examines the importance of an Industrial Policy from a socialist perspective, and analyses the success of Australian trade unions' attempts to hold the governing Australian Labour Party to an agreed Industrial Reconstruction plan.

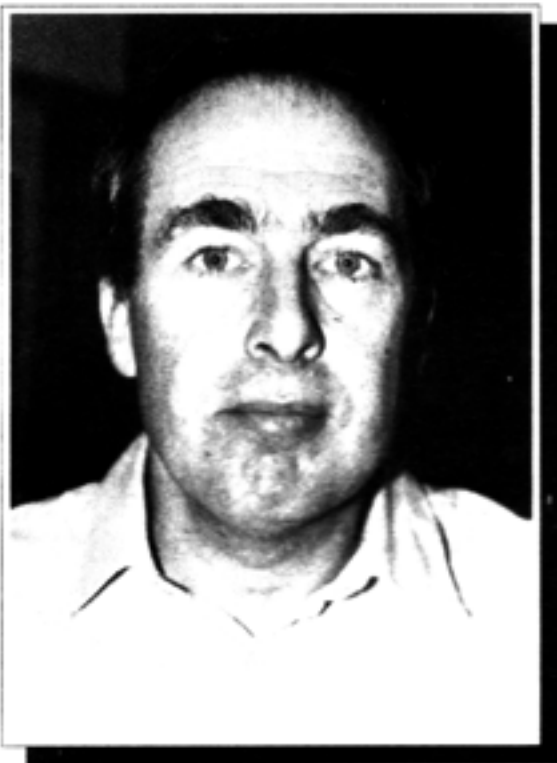
To provide context to the Australian comparison, economist **Frank Stillwell** charts the progress of the Australian Government -Trade Union Accord over the last 10 years, the Accord being the forum through which national Wage Policy Agreements have been arrived at.

Responding to the foreign contributors, SALB Guest Editor **Mike Murphy** attempts to isolate the important common lesson for trade unions in the here-and-now of post-election South Africa, arguing that a focus on Social Contracts (or Government/Labour Accords) and Social Democratic "statecraft" to the neglect of a revived and sustained involvement of members in their own trade unions will result in an empty-shell "House of Labour" which can aspire neither to Socialism, nor Social Democracy, nor meaningful trade unionism.

“We are all social democrats these days.”  
(Richard Nixon, 1974)

# Calling a spade a spade

A Post-election perspective on the  
“Socialism via Social Democracy?”  
debate, arguing that neither  
socialism nor social democracy are  
on the immediate agenda and that  
unions must focus on the  
preconditions that will allow these  
options in the future



By LABOUR BULLETIN guest editor,  
MIKE MURPHY

**A**t a recent COSATU policy conference on a labour market, a contribution by the ISP – stressing the need to accept the dictates of the world free trade market – provoked a prominent worker leader to ask “Are we in favour of socialism or aren’t we?” The response was a somewhat embarrassed silence, only partially filled later on by the assurance from the senior leadership that (in keeping with COSATU congress policy) “Of course our goal is socialism.” This was immediately followed by the qualification: “That is our long term goal”. Of course this raises a further question: how long is “long”?

In the Labour Bulletin special focus “Socialism via Social Democracy?” following this article, Liv Torres responds to the (Labour Bulletin December 1993) contribution by Winton Higgins, which pointed to Scandinavian Social Democracy as a model for SA socialists to consider as they look to the possibilities for socialism in the New South Africa. Torres is less optimistic than Higgins about the applicability of the Scandinavian model to South Africa, and raises the question as to whether social democracy is really a route to socialism or just a route to social democracy. She also asks whether social democracy succeeded in Scandinavia because capital there could “afford it”, an option not open perhaps in a poorer country like South Africa.

In the Scandinavian model as explained by Higgins, social democracy was a step towards a longer term goal of socialism. But as Torres points out, that goal has not been achieved after 60 years and seems to be getting further away if recent developments are measured against classic notions of social democratic progress, for example more equitable wealth distribution, full employment etc. Given *this* length of “long” and it is not surprising that social democracy has long since become a goal in itself for most social democrats in Scandinavia.

Higgins’ further contribution in this

issue discusses the need for industrial policy as a necessary plank in any social democratic platform, and the article by his compatriot Fred Stilwell analyses the Australian experience of wage control policy over the last decade as a major element of a social democratic-style government/labour relationship.

All the contributions have in common the notion that social democracy involves social pacts of one or other kind between government and labour. But does this lead on to socialism?

In South Africa, socialism has, without close definition, been held up as the goal of the predominant streams of the South African labour movement for the last several decades. It has been a dream which has inspired many worker activists and leaders to make great personal sacrifices. And the stubborn resistance of the status quo forces to even conventional liberal democratic political practice over this period (for example, the resistance to all-race elections) caused the pressure for change to grow, and with that pressure the hope that the dream aspired to could be achieved in one great tidal wave as the dyke of apartheid resistance was washed away.

With the concession of liberal democratic practice now made by the South African ruling class, and with the Minister of Justice Jimmy Kruger's 1977 political project ("We have to create a black middle class") now in full swing, the dream of a rapid achievement of socialism has been diluted, even in "pro-socialist" COSATU's terms, to the RDP.

COSATU accepts that the RDP is not a socialist programme. But is the RDP social democratic?\* In Richard Nixon's terms, certainly: it contains undeniable social upliftment elements. But going beyond this lowest-common-denominator standard, it

has to be conceded that the RDP is an extremely mildly reforming initiative. It is, after all, self-funded. It does not aim at a social redistribution of wealth, for example via greater tax on the wealthy, but relies on more efficient, and better directed, use of present resources which are at the state disposal.

To appreciate the extent of what the RDP is *not*, it is instructive to compare it with recently published research of Andrew Whiteford of the Human Sciences Research Council and Mike McGrath at Natal University (see Weekly Mail, 8 April 1994, "Getting Poorer All the Time"). The analysis of property vs wealth levels over the last 15 years concludes that the poverty of the families below the poverty line is much worse. As was the case 15 years before, nearly 50% of families in South Africa are below the poverty line, but now half of these poor families get less than half of the poverty line income level.

In terms of 1991 figures it would have taken R8 billion to correct this, and this R8 billion would have been available if the top 10% in society, that is the 10% wealthiest, were to drop their annual incomes by just 8%, from R137 000 per year to R126 000 per year. This is worth repeating: The top 10% giving up a mere 8% of their income could immediately wipe out the worst poverty of 50% of the population.

In terms of human needs, this seems so little to ask. Momentarily, one conjures up an electoral configuration to achieve it: The "Let's Give a Little" Party appealing to the generosity of the top 10% to abolish poverty through an act of conscience. The leader of the party, would appear on television to intone with Churchillian force: "Never in the history of human conduct was so little asked of so few to achieve such vast humane effect."

Pure fantasy. Whiteford and McGrath's research suggests, quite correctly, that the mere idea of such redistribution would bring about an enormous exodus of local wealth and expertise. Just imagine the effect on the Stock Exchange, not to

\* This article does not address the issues of state intervention and public ownership which are standard components of social democracy, but focuses solely on the wealth redistribution component.



Worker demands: Expectations, hopes or dreams?

mention those all-important foreign investors!

So we return to the RDP, which does not aspire to anything as grand, which does not intend to tax the rich any more at all, and we must take note that the RDP has already been described as essentially a wish list (Bobby Godsell, *Labour Bulletin* Vol 18 No 1), "utopian" (Simon Barber, *Sunday Times* 10 April 1994) etc. What this means in practice is that achieving even half of what the RDP proposes is going to require very considerable struggle. The incremental, step by step road to social democracy (a la Scandinavia) via rich-to-poor wealth redistribution is not even on the agenda at this stage. Somewhere the other side of a successful RDP Mark I, Mark II and Mark III, ie many years down the line, the social democratic route may open up as an option, when capitalism can "afford it".

And herein lies the challenge for COSATU leadership: will it re- kindle the struggle for a meaningful wealth

redistribution or lapse into becoming "politicians"? A union leader in a negotiation has to offer something concrete to his/her membership, or face immediate rejection by them. A politician does not have this pressure – many go on purveying the same dream for decades before being called to book. History shows that, at least in the world of liberal democratic practice, "You can't fool all of the people all of the time, but you can sure as hell fool enough of them long enough to allow politicians to escape with the lion's share of the loot!" Evasiveness comes over time to be the hallmark of the politician. The electorate becomes cynical, the political process becomes debased, "politician" as a word comes to mean much the same, in popular usage, as the word "liar".

So does COSATU leadership, with eyes fixed on the long term future, say to its members: "Yes, we are building socialism step by step." Or will it acknowledge that this is so long term a perspective, so empty of concrete meaning, that it is actually



damaging to present it this way? A promise postponed indefinitely is sooner or later recognised as a broken promise. A trade union leadership that plays at "politics" in this way will condemn itself over time to a

disillusioned and dwindling support base.

The alternative for COSATU is to honestly admit something along the following lines:

1. In the short and even medium term, democracy will bring vastly less economic benefit than was hoped for by most people, especially workers.
2. The balance of forces in 1994 in the Alliance, in South Africa in general, in the world overall, turned out to be much less in workers' favour than was believed even a few years ago.
3. If ever there was a vision of state socialism – with a new ANC government in that role solving our problems – we can forget it. It won't happen.
4. The most "socialist" bit of our experience to date was not the illusion of a worker-friendly, powerful central state, but our own involvement in democratising our own immediate lives through our own grassroots organisations in our factories and in our communities.

The future of socialism in fact is the future of this last element: democracy on the ground. Unless this is kept alive and fostered, there is absolutely no prospect whatever of any notion of socialism in the foreseeable future. For union organisations like COSATU, which enter into the real world of negotiations on behalf of its members to secure the best possible deal in unfavourable circumstances, this thought must remain central:

The national bargaining forums, accords, wage policy committees etc, will

yield neither socialism, nor social democracy, nor even a slightly better life for union members if they are entered into to the neglect of the revival, development and sustaining of an active, participatory base.

The conventional liberal democracy is very good at "buying off" the groups that have potential to challenge the prevailing wealth distribution. On the labour side the cheapest buy-off target can be confidently predicted: union leadership. There will be a mixture of appeals to conscience ("workers are privileged: they have jobs – think of the starving millions"), incorporation (a trade union leader up to his/her eyebrows in tripartite meetings cannot be out mobilising members) and other, cruder, buyout initiatives.

There is no simple antidote to this – you cannot refuse to negotiate for fear of being sweet-talked to by the boss! But the indicator of labour's health will be the extent to which union leadership can maintain a high degree of membership involvement. When the call comes, as it most probably will, for a wage freeze "in the interests of the unemployed", it will provide a crucial challenge. Do unions fear their members militancy and seek to demobilise them to win compliance with this call? Or do they actively bring members into the debate about what to do in the current conjuncture, with the balance of forces as it is?

It is possible that the best step in such circumstances for labour to take is a negotiated wage freeze, with perhaps a social wage increase softening the blow. But the process whereby worker agreement to this is achieved is all-important.

In an interview in late 1993 Jurgen Habermas (perhaps Western Europe's preeminent postwar social philosopher in the Marxian tradition), when asked what was left of socialism in a world where the "communist" bloc had collapsed, replied: "Radical democracy".

If we apply this formula to South Africa's "Socialist-orientated" trade unions

in the 1990s after the first democratic election, then an important part of "radical democracy" would be simply to tell union members the truth: Socialism is a long, long way off. But to do this without being blown away by grassroots anger when that grassroots is in practice being told that they cannot have their dream, requires a return to the fundamentals which have been the strength of the South African Labour movement to date: Functioning union structures, the practice of mandate unionism, and the promotion of democratic debate and participation.

Unless union leadership has such vibrant, effective structures beneath them, they will inevitably be pushed into becoming "sellers of the bad news" through the mechanism of making the bad sound good, ie they will become apologists for the status quo. In other words we will – in union terms – have turned full circle in the last 25 years and ended up with another TUCSA.

This same point is made, although more indirectly, by the contributors to the "Socialism-via-Social Democracy?" debate.

What has allowed Social Democracy to advance worker interests over a long period in Scandinavia, for example, was an emphasis on building worker participation in those trade unions.

The same message, put differently, comes from the Australian contributors: You can enter into Labour-Government accords or pacts and there may be gains or losses, which may be more dependent on the state of the national and international economy at any given time than on the detail of the accord.

But what unions cannot afford is to allow top-level hobnobbing with government or capital to distract them from the fundamental task of maintaining membership involvement. Fail on this score, and it's farewell to Socialism, farewell to Social Democracy, and farewell even to meaningful trade unionism. ☆

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# The South African struggle: *to socialism via social democracy?*

By LIV TØRRES\*

## I Swedish "socialism" – South African blue-prints?

Winton Higgins argues for a social-democratic route to socialism for South African labour (*SALB Dec' 93*). He sees social democracy as a process towards socialism by regulating the market and establishing institutions, with labour represented, securing full employment and a welfare state system.

The role of social-democracy as a means to socialism, and its relevance for South African labour should be more carefully evaluated. One advantage of choosing a social-democratic road is, according to Higgins, that it will give South African labour access to a wealth of international experience. However, the international experience indicates a more cautious approach. Serious attention should be given to the reasons for the retreat of social-democracy. The instruments and content of social-democracy in Denmark, Norway and Sweden changed from the beginning of the 1980s. Unemployment rates have increased drastically, class differences are increasing and the welfare system is under pressure. The value of the traditional alliance between unions and labour parties and its institutions is being questioned. Are the gains of Scandinavian labour transferable to South African labour movements?

## II The essence of social-democracy

Scandinavian social-democracy aimed at reducing welfare and income differentials through state interventions in the market and redistribution by means of active



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labour market policies, regulation and macro-economic planning. The public sector absorbs a relatively large number of employees. Full employment, efficiency, economic growth and a fair distribution of resources were the goals for Scandinavian social democracies. Fair was understood to mean far smaller class-differences than in other market oriented economies.

Social-democracy and market regulation is not only an answer to the failures of free-market forces in providing welfare benefits and sufficient living standards to the people. It also addressed the need to secure capital with stable, foreseeable conditions for investments and expansion.

Social-democracy was equally about extending democracy to all social spheres including the economy and the workplaces. Economic and industrial democracy was an aim in itself, but also a means to make sure that people had the resources to take full advantage of their political rights.

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Corporatism or tripartism is the core of Scandinavian social-democracy: the unions actively participate in formulating state policies as well as business strategies and organisation of work at the shopfloor level.

### III The social democratic road to socialism?

Higgins argues that in the Swedish case, socialism is the goal or vision of social-democracy. However, the concept, goals and practices of social democracy have been under constant change. Social democracy is seen both as a process and a means to achieve certain goals, as well as the end-product we see today. So "social-democrats" is a broad group including several ideological currents. For some, a radical transformation of society was the goal, but for most the goal of maximising the market economy soon took precedence over socialising the means of production. The latter goal was taken out of most social-democratic parties' programmes during the 1930s.



The social-democratic route of market regulation, redistribution and democratisation may, but may also not, lead towards socialism. Politics does matter, as Higgins states, in the sense of positive

interventions into socio-economic development. However, the role of the state and of politics in a process of transformation also raises question marks as to whether that process will lead towards socialism. Scandinavian social-democrats became increasingly dependent upon capital (Fulcher 1987). Workers were not in a majority and had to make alliances with other groups, like farmers. Keynesian policies further diminished class divisions and weakened class organisations

(Przeworski 1985). Social-democrats could maintain full employment and finance the welfare policies only through a market economy and a well-functioning capitalism.

So were the Scandinavian countries ever on the way towards socialism? There was a continuous redistribution of socio-economic and political resources up until the early 1980s. From then on, however, the process changed towards liberalisation of finance and credit markets and decreased redistribution through the taxation systems, etc.

Sweden also has one of the most concentrated private-ownership structures in the world.

The Scandinavian model came under increasing pressure from the 1970s. Internationalisation of the economy, changing industrial structures and employment patterns resulted in growing tensions within the political constituencies with shifting political alliances and consequently a higher political mobility at grassroots level (Dølvik & Stokland 1992).

Why did social-democracy not lead to socialism? First, socialism as the goal for social-democracy was perceived only by a few. Others saw social-democracy as a goal in itself. The presentation of policies as socialist because they can be made consistent with socialist goals does not make them socialist in their intentions or consequences. The radicalism of Swedish labour was not necessarily reflecting the movement as such, but may just as much have been workers' reaction to the corporatist strategies that labour pursued (Fulcher 1987).

Higgins argues that whether social-democracy leads to socialism depends upon political will and skills amongst leadership and that the political changes in the 80s are due to change of leadership. However, changing leadership is a sign of changing constituencies and priorities amongst workers and voters.

Actual developments have taken a different course in Scandinavian countries than that predicted by Marx. There is an

increasing tendency of differentiation and segmentation in the labour market, rather than equalisation (Hernes 1990). Structural changes have thrown up new union constituencies. A growing public sector created the basis for a "public sector class" (Lafferty 1987). White collar, service sector and public employees all have specific interests tied to their employment, resulting in increased inter-union competition and a decline in traditional solidaristic strategies (Ferner & Hyman 1992).

The state played a major role in deregulating labour markets, partly due to industrial changes with an increasing number of smaller capital- and technology-intensive companies needing more market flexibility, but also because regulation had reached a limit with people reacting to the infringements upon their personal lives and liberty.

The right-wing wave in Scandinavian politics at the beginning of the 80s and the following instability was not a necessary outcome of economic and political changes, but indicate the shortcomings of the Social Democratic parties and the labour movements in integrating new interest-groups as well as maintaining solidarity and commitment amongst their traditional constituencies.

#### **IV A South African social democratic labour movement?**

Higgins points out the convergence between Swedish and South African labour movements with respect to industrial unionism as opposed to craft unionism, strong shopfloor organisation with internal democracy and a readiness to enter into negotiations with employers' organisations and the state. These converging points do however, not necessarily make social-democracy the road for South African labour. Higgins states that by going the social-democratic route, the South African trade union movement will become the heir to a notion of the socialist project that is at once more authentic and more usable. It may be more genuine and more usable, but

not necessarily easily realised. First, one should be careful in indicating that social-democracy is a process of transformation that easily leads to socialism. Second, there is a big question mark as to whether socialism was actually perceived as the goal for social-democracy.

The social-democratic route through social regulation of the market, redistribution and democratisation clearly has relevance for South African labour in itself. Policies based on regulation of the market, redistribution and stimulation of the "demand" side of the economy as opposed to the "supply" have boosted crisis-ridden economies before and created the conditions for nation-building and reconstruction.

However, that social-democracy road is not easily transferable to South Africa. The Scandinavian model we point at today was a unique Scandinavian experiment based upon the convergence of a specific period in the world economy and typical features of Scandinavian societies. Scandinavian societies are highly homogeneous societies based upon egalitarian cultures indicating a legitimacy for compromises and co-operation. Labour and business are well organised and centralised to implement national decisions, which is essential to the success of social-democracy. Further more, the Scandinavian route has been an "all-level" strategy. Worker participation at company-level has been an essential supplement to union involvement in national corporate bargaining. The motivation behind worker participation was three-fold. Workers had a right to take part in decisions that affected them at work and worker participation would increase loyalty to the company and hence efficiency. From the unions' point of view, worker participation was a strategy to maintain activity and consciousness at the shopfloor

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**"The Swedish social democracy road is not easily transferable to South Africa"**

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and simultaneously control that deals being negotiated at the national level were implemented at the local level.

For labour to gain by social-democracy, we learnt that certain conditions had to be fulfilled. These factors were essential for the gains of labour up until the early 1980s, and critical for the problems labour is experiencing today.

First, there is a need for an alliance with an active state or governing party that is able to deliver. Corporatist arrangements do not necessarily have to be tripartite. In Scandinavia, consensus has traditionally been reached on the basis of tight alliances between labour and government alone. In other countries institutional arrangements have formally or in practice ended up as alliances between state and employers. A strong relatively centralised and bureaucratic (but not authoritarian) state is needed for corporatist decisions to be implemented to the advantage of labour (Rothstein 1992).

Second, unions may advance workers' short-term interests by settlements with the state on a "social wage" or universal benefits to the whole population. Universal rights and benefits, in particular through legislation, also reduces the tendency of capital to regard worker rights as a competition factor and concentrate production in "low-pay" areas or plants. In a long-term perspective however, a strategy of universal rights may undermine the recruitment strategies and strength of organised labour. With universal benefits, all workers may "free-ride" on the deals between labour and the state without joining unions. Universal rights may also

tend to lose their redistributive character and hence undermine a substantial goal of labour.

Third, the social-democratic route presupposes control over the national markets. With



increasingly open economies and dependency upon international fluctuations, the aims of social democracy got increasingly difficult to realise.

Fourth, although economic growth is presumed to follow from corporatism, economic growth may also be a precondition for corporatist institutions and social-democracy to gain legitimacy: in Scandinavia we had the money to pay for social-democracy!

Is there an alternative to social-democracy and corporatism? In South Africa, one now often hears that the choice is either corporatism or a revolutionary union movement! Juxtaposing two strategies like that forces political choices in extreme directions. There are clearly alternatives between being full partners of every decision-making body and "not talking at all".

The above mentioned conditions for the gains of Scandinavian labour are also critical factors for the future strategies of South African labour. With an increasingly open economy, a relatively fragmented union movement (compared to Scandinavia), huge unemployment and lack of economic growth there is good reason to approach corporatism with caution. A new South African government could be relatively weak and the ANC may make policies on the basis of national interest rather than labour's priority. Labour will also have to take the "national interest" into account in a transitional reconstruction period, maybe even at the expense of their own members. Furthermore, support from workers for labour participating in national institutions may be limited. Finally, whereas Scandinavia has had strong centralised states with popular legitimacy, a decentralised South African state will have problems in reaching national decisions, and implementing policy, ie "corporative agreements" in a unitary way at the provincial level.

Institutions may be the crystallisation of specific class forces and balances of power, but once established they have a life and

reality of their own. The argument above has the following implications. First, one should be sober in the expectations as to what can be gained by social democratic instruments and institutional participation. Furthermore, the institutions where labour takes part should be approached with caution. Labour should take care that the institutions are transparent, focusing on clearly defined policy questions and have a clear time frame and terms of reference. This will make it easier to pull out, to legitimise actions to members and assure independence. Finally, top priority in a

reconstruction process must be to assure the support of rank and file workers. Strong labour movements are built at the shopfloor. In this respect, Higgins is right in pinpointing the need for vitality at the shopfloor and for clarity of the organisations' political commitments. It should also be mentioned however, that the social-democratic route and corporatist participation, is easily followed by centralisation of union structures and alienation at the shopfloor. Keeping up activity and support at the shopfloor may be achieved through strong union support and

involvement in worker participation in decision-making bodies at the workplace level – as an offensive strategy. The answer as to whether corporatism and social-democracy turns out to be the road to socialism or not, or indeed a successful goal in itself, lies at the shopfloor and in the all-embracing strategies of the union movement. ☆

*Fravaer sinker arbeidet-*



*svikt ikke dine kamerater*

Swedish workplace poster depicting absence from work as a failure in social solidarity

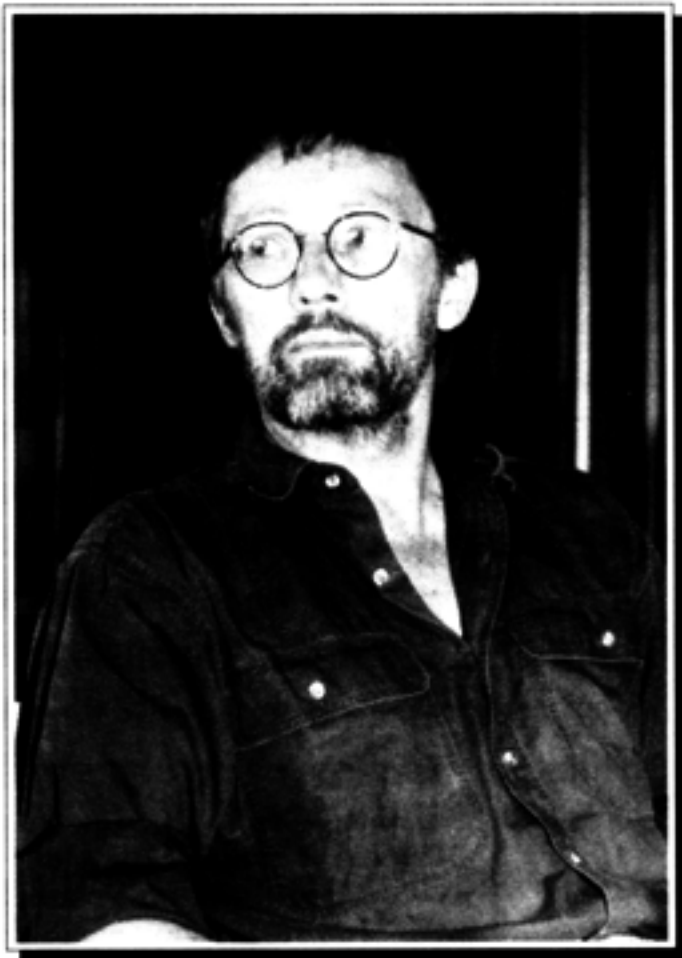
*“Scandinavian societies are highly homogeneous societies based upon egalitarian cultures indicating a legitimacy for compromises and co-operation”*

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# Industry policy, socialism *and the* Australian experience

“For socialists, the manufacturing sector is the motor for socio-economic development. Industry policy becomes an instrument of social change”



By WINTON HIGGINS\*

In the previous issue of the Labour Bulletin I presented one special strand of social democracy as a useful political orientation for South African labour as it faces the challenges of socio-economic reconstruction in the present period. This special strand I called the new democratic socialism, and one of its hallmarks is its emphasis on production politics, in contrast to the tendency of mainstream social

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democracy to retreat into an exclusive concentration on distributional politics, above all welfarism.

In this article I want to develop the suggestion in my previous piece that industry policy is an important and available vehicle of social democratic production politics in industrialised countries, like South Africa, which are taking the brunt of increasing international competition. No country today can sustain a viable manufacturing sector without at least some elements of industry policy.

But socialists have much higher ambitions for manufacturing industry than its mere survival. For them, this sector is the motor for a socio-economic development towards high employment rates, broadly distributed improvements in living and working conditions, and the democratisation of society. These ambitions distinguish a socialist industry policy from one concerned only with the maintenance of industrial capitalism. When the labour movement mobilises around this sort of policy and the ambitions it encapsulates, industry policy ceases to be the plaything of technocrats and becomes instead an instrument of social transformation.

## What is industry policy and why is it necessary?

Industry policy is essentially about social and public institutions – from the labour

movement and business lobbies to the state itself – taking responsibility for the national manufacturing effort. A number of technical and organisational conditions have to be met if a country is to enjoy a successful industrialisation. Industrial establishments have constantly to be established, modernised, rationalised or expanded, and reintegrated into the manufacturing sector as a whole. Enterprises have to be reliably supplied with external finance on appropriate terms. Marketing arrangements and trade policies need regular adjustment to changing patterns of demand and international trade. The industrial relations and training system requires ongoing adjustment to new social and technological developments. None of this can be left to chance – or to the market, which is the same thing.

Recent economic history shows starkly that there are winners and losers in the international trade in manufactured goods. The winners are countries like Japan, the 'Asian tigers' (South Korea, Hong Kong, Singapore and Taiwan) and Germany which enjoy large trade surpluses in this area and which operate high-profile industry policies. The losers include the UK, USA and Australia, with their massive deficits in trade in manufactured goods and their shared commitment to 'market solutions'. In short, the governments in these countries have never accepted responsibility for national industrial performance, and the result has been industrial failure. And when this central motor of wealth creation fails, a country loses its policy options in socio-economic development as it is more and more constrained by the need to 'manage the damage' to its balance of payments and standard of living.

Industry policy is not a form of central planning – it complements market mechanisms and creates an environment in which industrial enterprises can make rational medium – and long-term decisions. If industrial enterprises are to be effective they have to work in an environment and have access to resources that support decisions to research and develop new

products and manufacturing systems and to work towards greater market shares in the longer term.

But unregulated markets – especially an unregulated financial market – collapse this industrial timeframe into the yearly and three-monthly calculation of profit. Unregulated markets thus systematically impose irrational financial criteria on industrial decisionmaking at the enterprise level. This is where the syndrome of manufacturing decline begins – in failure to invest in research and development (R&D), to replace worn-out and obsolete plants, to establish new plants, to introduce innovations in processes and products, and to invest in sales and service networks in new markets. None of these activities turns a short-term profit, but all are vital to manufacturing success.

Institutions that devise and implement industrial policy in countries like Japan work from manufacturing industry's special technical and organisational requirements. They ensure that industry makes necessary technological linkages (for instance, between steel and car manufacturers, or the computer and machine tool industries to foster the production of numerically controlled machines). They stimulate the national R&D effort and the establishment of new industries to commercialise its successes. Industry policymakers provide seeding capital and regulate financial markets to assure industry's financial needs on appropriate terms. They develop trade policies and export facilitation schemes to ease entry into new markets.

Whether we start with the correlation between industry policy and industrial success, or with the peculiar technical and organisational requirements of manufacturing activity, the need for industry policy is quite clear. What is really problematic in each country is whether an institution or movement exists to promote and devise industry policy, and if so, for what purpose. For industry policy is ultimately a question of political will.

The political issues involved in industry

policy, have been with us since the industrial revolution. Ever since then different social interests have contested the purposes which the vastly expanded possibilities for wealth creation inherent in mechanisation should be put to. In those countries where the state has initiated industrial development (above all, the Asian industrial winners), it has done so to seek national economic dominance on a regional or global scale. In this scenario industry policy usually takes a labour repressive form, as labour is made into a cheap and docile sacrifice to 'the good of the nation'.

However, progressive social interests – historically represented by socialists and 'collectivist' liberals – have opposed this agenda with another set of aspirations for industry to serve. These aspirations include targeted production and distribution of the material supports for a higher standard of living for the population at large, the abolition of poverty and drudgery, and democratic participation in a stimulating and meaningful worklife for all who seek it. Here, industry is seen as the major contributor to social improvement and enriched citizenship for each individual in industrial society.

As I indicated in my previous article, the Swedish social-democratic labour movement provides us with an historical example of a progressive social interest that sought to impose these priorities on the industrialisation process. Historically, the Swedish unions began their long intervention in 'production politics' in the 1920s. Swedish social development and industrial success for over half a century from the



social democratic breakthrough in the 1930s illustrates well enough the potency of the political will to cultivate industry for social development.

What prospects do other labour movements, like the South African one,

have to replicate this process in quite different national settings and under present conditions of international competition? The Australian union movement began to champion industry policy ten years ago in a period of considerable socio-economic and political change. Its fortunes and misfortunes offer pointers to South African labour about the opportunities and difficulties of an engagement with industry policy under conditions that are in some ways comparable to South African ones.

### **Australia under reconstruction**

Australian manufacturing unions and the Australian Council of Trade Unions (ACTU – to which virtually all Australian unions have been affiliated in recent times) began pushing for industry policy in the early 1980s. As I will indicate later, this initiative represented a sharp reversal of the labour movement's own political tradition, and that of the country as a whole. The initiative was a belated response to the distorted and lacklustre industrialisation of Australia since before the first world war, a process that the labour movement itself had helped to mould, and that was simply unsustainable in the harder economic climate of the late twentieth century.

The industrial legacy Australian unionism was trying to overcome in the eighties bears a clear resemblance to South Africa's. Both countries fostered import-substituting industries for a relatively small domestic market. In other words, the manufacturing sector in both cases produced a wide range of goods behind very high tariff walls, nourished by state hand-outs and in the absence of any discipline to modernise or rationalise their operations, or pursue higher rates of productivity. Most countries that successfully industrialised were crucially concerned with these elements of competitiveness as their prosperity rapidly came to depend on manufactured exports. But Australia and South Africa 'paid their way' with agricultural and mining exports, and their industrialisation served quite different purposes.



In Australia, the labour movement entered into an historic 'deal' with urban capital in the early years of this century, a deal that decisively influenced the movement's own future development and the industrialisation process that was soon to begin. These three components of the deal were the White Australia policy (to keep out 'cheap, coloured labour'), protection (to stop the importation of the products of this labour) and an arbitration system that would grant each existing craft union an exclusive license to represent workers in its own little corner of a highly fragmented labour market. From labour's point of view, the rationale of the deal – and of the industrial development that took place in its shadow – was to guarantee job security and 'comparative wage justice' to white male workers under conditions of permanent labour shortage inside 'Fortress Australia'. It was a recipe for income

distribution to a relatively privileged and exclusive working class, without resort to a welfare state.

It was also a recipe for industrial disaster. As Australian manufacturing evolved to its high point in the mid-sixties it was characterised by disorganisation, especially in the form of too many too small plants and technological backwardness. To give one example – that of the all-important car industry – no less than 26 car models were being produced under local-content provisions; but only three models exceeded 20 000 units a year and thus come anywhere near internationally sustainable economies of scale (Ewer et al 1987, 16). The craft union-arbitration nexus also preserved traditional, narrow skill classifications which obstructed technological innovation and job reorganisation.

This kind of development is no doubt



**“THE CASE AGAINST SOCIALISM  
IS A DEADLY ONE**

**“IT CONCERNS THE SPIRITUAL, MENTAL AND PHYSICAL  
FUTURE OF OUR FAMILIES”**

(Mr. Menzies' Policy Speech)

**THE SOCIALIST DOCTRINE HAS LOST ALL  
SPIRITUAL CONTENT:**

Church leaders have pointed out, the literal descendant of  
the materialism of Karl Marx

**• SOCIALISM MUST MEAN THE REDUCTION OF  
HUMAN FREEDOM:**

You must have a controlled economy with a few big  
brave who are still the greatest of the people

Australian Prime Minister Menzies's anti-"socialist" propoganda in the 1950s

*– The Australian labour/capital “deal” in the early years of this century was a recipe for income distribution to a relatively privileged and exclusive working class without resort to a welfare state”*

familiar to South Africans. Here, too, industrial efficiency came a poor second in the political agenda after the goal of fostering manufacturing as a privileged haven, under job-reservation schemes for white, male labour organised into often militant craft unions. As in Australia, manufacturing was more of a distributive than a productive mechanism. This did not discomfort dominant social groups (and thus become a 'problem' for policymakers) so long as mining and agriculture – which accounted for around 80% of Australian export earnings during most of the industrialisation process – continued to underpin their standard of living and intensifying international competition could be kept at bay. The 'problem' emerged in the 1970s and 1980s when the terms of trade turned precipitately against primary commodities.

In a pure world, the policy response to this decline in economic fortunes would have been quite clear: the adoption of an industry policy to usher in an industrial renaissance along the well-tried lines of the industrial 'winners' overseas. In South Africa, of course, the old white labour movement was embedded in the apartheid regime and its socio-economic disorders which excluded the possibility of reform. But in Australia the wider labour movement was also embedded in a regressive political culture partly of its own making – economic liberalism. Industry policy (and production politics in general) involve policymakers in ongoing interventions into both public and private economic management. It is unreconcilable with economic liberalism which invokes the sanctity of unregulated markets and property rights (together with the managerial prerogatives that derive from them).

The Australian labour tradition was a tacitly economic-liberal one in two ways. Firstly, it is a truism of craft unionism that unions should abstain from managerial and productive issues – 'the boss's problems'. Indeed, craft unions – in contrast to industrial unions – by their nature are incapable of tackling production issues, since

their structure does not match the structure of industry. Their abstentionist rhetoric merely makes a virtue of necessity. Secondly, in its periods in government, the Australian Labour Party (ALP) had neglected the problems of the manufacturing sector as consistently as its conservation competitors. Liberal economic policy in Australia has always been a bipartisan affair. As more fundamentalist fashions in economic liberal doctrine – monetarism, and then economic 'rationalism' – came to the fore in the seventies and eighties, tariffs and other regulatory mechanisms were dismantled, not least by the succession of federal ALP governments since 1983. This development, however, represents more of an intensification of the old Australian labourism rather than its reversal. It followed the conventional (liberal) economic wisdom enshrined in the old policymaking bureaucracies that Australia did not have the 'resource endowment' to be a manufacturing power except in isolated 'niche' markets. Traditional benign neglect of industry gave way to malign neglect.

When Australian metal unions began to raise the issue of industry policy in the wake of the collapse in manufacturing employment (200 000 jobs lost in the decade to 1983 – Ewer et al 1987, 23), they probably underestimated the opposition they would meet, not least from the leadership of the ALP. The latter initially even committed itself to develop and implement a comprehensive and selective industry policy in the historic 1983 ALP-ACTU Accord that clinched its electoral victory in the same year. When the metal unions produced the first major manifesto on industry policy (MTU 1984) they addressed only the theoretical and technical issues, no doubt in good faith, believing that the Government would honour its solemn commitments under the Accord.

It is worth noting that manufacturer's business lobbies around this time produced proposals of their own for an Australian industry policy, especially the Metal Trades Industry Association and the Victorian (later

Australian) Chamber of Manufactures. Many of their suggestions converged with the unions'.

The manufacturing unions and the ACTU were showing signs of moving away from the old labourist fold towards a social democratic development (Higgins 1987). In several industries – above all in the metal industry – union amalgamations were transcending impotent craft structures and producing unions with the coverage and resources that enabled them to intervene in managerial and policy issues. No corresponding institutional and political development occurred in the ALP, which remained a mere electoral machine. In office it continued to be beholden to vested interests and the old policymaking bureaucracies that had always enthralled it. The gap between these two arms of the labour movement would frustrate the unions' bid to engineer an industrial renaissance in Australia.

In the brief creative period during which industry policy was a main union focus, the movement's thinking matured from a technocratic to a social democratic model. The metal union's first proposal (MTU 1984) was largely inspired by Japanese industry policy, and explored technological and institutional requirements of sustainable industrial expansion, and the state policies and institutions that could support them. Many of the document's insights have enduring validity. First, productivity improvements depend on sustained high-volume production, rather than the latter stemming from the former. Second, the unions launched a formidable attack on the myth that international trade is 'free'. Trade flows in the late twentieth century are essentially 'administered', not only in all sorts of trade agreements and protectionist regimes, but also by the trade policies and export facilitation programmes of countries that do operate industry policies.

In the early 1980s, when unions were developing these ideas, they were also promoting industrial democracy. Schematically, we could say they wanted

'Swedish' industrial relations under union auspices, overlaid by technocratic 'Japanese' industry policy pursued by a nation-building state. In hindsight, they had not yet integrated these tasks in a broader, social-democratic definition of labour's role as the bearer of industrial regeneration.

This integration came three years later in the ACTU and Trade Development Council's (1987) landmark proposal, *Australia Reconstructed*. The document arose out of an ACTU delegation to investigate public economic management in Norway, Sweden, Austria and Britain. Faith in technocracy now gave way to the union movement's determination to play its own direct role in industrial, economic, social and labour market policy formation, and to mesh its concerns in all these areas in the interests of furthering its own social priorities – equity, efficiency and democratic organising principles understood as mutually reinforcing values. The document explicitly adopted the notion 'strategic unionism' to express the unions' new political role.

*Australia Reconstructed* went into considerable detail on the institutional reform that would be needed from the governmental level to the enterprise to give effect to these new aspirations and meet the technical, financial and marketing requirements of manufacturing revival. Clearly, without the institutions to develop and implement policy on an ongoing basis, any industry policy proposal is stillborn.

Reneging on real institutional reform – even those promised in the Accord – was precisely how the ALP government frustrated the unions' push into industry policy. It cynically went through the motions of specific institutional measures it had promised in the Accord. The latter called for

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**“The Australian Labour Party posed an irreparable obstacle to union efforts to achieve an industrial renewal through comprehensive and selective industry policy”**

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1987: Australian Labour Party leader and Prime Minister, Bob Hawke, with Reagan's secretary of state, George Schultz. Exercising socialist statecraft?

a review of the old Industries Assistance Commission (IAC, later simply the Industries Commission – IC), the main upholder of the traditional economic liberal neglect of the manufacturing sector. The government simply commissioned a review on it from a prominent anti-union, economic-liberal businessman, who duly found that the IAC needed no reform.

The Accord promised a new, high profile economic policymaking body which would be an alternative source of advice to government (as opposed to the IAC and Treasury) and in which the union movement would be strongly represented. The government duly established the Economic Planning Advisory Commission (EPAC), but then allowed the IAC and Treasury to colonise it. The Accord called for a revamp of the existing tripartite Australian Manufacturing Council, but the government dragged its feet on this reform.

The other aspect of Labor government recalcitrance on industry policy was its crusading commitment to deregulation and small government. It adopted monetary,

fiscal, trade and exchange policies that left no room for an industry policy. The potential levers of a more creative management of Australian industry were simply junked in the doctrinaire pursuit of 'the level playing field'.

Australia, then, never got the comprehensive and selective industry policy that the Accord promised and that is an uncontroversial support for successful manufacturing elsewhere in the industrialised world (Higgins 1994). For pragmatic, electoral reasons, the government did commit itself to specific 'plans' in certain troubled industries – above all steel, heavy engineering and textiles, clothing and footwear (TCF). The Steel Plan 1984-6 was its one clear success. It made government assistance to rationalisation dependent on commitments from management and unions on investment levels and productivity gains. The heavy engineering plan struck greater institutional problems, and the government clawed back a substantial part of its financial allocation to the plan in order to meet its own fiscal policy targets. The TCF plan was

effectively scuttled in the interests of the accelerated dismantling of tariffs and of the mythical 'level playing field'.

The only real effect of levelling the playing field has been to mulch manufacturing activity in Australia. The Labor government in recent years has celebrated the rise in manufacturing's contribution to overall exports to around 25%. What it does not say is that manufactured imports have risen apace. In 1991-2 the country's deficit in manufactured trade was \$A17 billion, almost exactly the same figure as that posted six years earlier (BIE 1993, 3).

The ALP leadership's recalcitrance posed an insuperable obstacle to union efforts to achieve an industrial renewal through a comprehensive and selective industry policy. The movement's line of retreat has been to co-operate in the government's surrogate for industry policy – labour market reform. Some aspects of this process, such as award restructuring and better training programmes, are necessary to (but hardly sufficient for) industrial recovery. Other aspects, like the dismantling of centralised wage fixing, disarm organised labour and adversely affect weaker groups in the labour market.

### **Industry policy and socialist statecraft**

South Africa is an industrial country in the sense that it has a diverse manufacturing sector that accounts for roughly a quarter of the 'formal' labour market. But much of this sector is too much in need of rationalisation and modernisation to survive the competitive pressures it will meet as the country normalises its economic relations with the outside world. If it is to maintain existing employment levels in the manufacturing sector, let alone raise them, it will need to implement an industry policy. Without an industry policy, the country would be bound to experience a sharp manufacturing decline that would add to the already massive unemployment and cripple the sector that has most to contribute to a rising national income in the future. Policy options for

socio-economic reconstruction would disappear in a permanent balance of payments emergency.

As in Australia, the political will to devise and implement an industry policy is unlikely to come from anywhere but the union movement. In terms of the socialist project, organised labour is precisely where this initiative needs to come from. Organised labour is the unique bearer of an interest in industrial progress and the deployment of its fruits in social betterment. As I suggested in my previous article in the *Labour Bulletin*, the central offensive weapon of a socialist movement is its ability to contest the economic rationality of capitalism, and of managerial prerogatives and unregulated markets in particular. The logic of the institutional and organisation reform of manufacturing over time is to displace these essential aspects of capitalist economy in favour of a democratising economy.

A union movement like COSATU can glean a number of lessons from its sister movements' earlier attempts to pursue this logic. The clearest lesson to come out of the Australian experience is the unions' need to bind its affiliated political party to its reconstruction initiatives. Australian unions met ultimate frustration at the hands of an entrenched economic-liberal orthodoxy which incurably infected its own affiliated party in government. In South Africa, while the ANC is inevitably coming under international and domestic pressure to conform to economic liberal protocols, these pressures lack the institutional roots and intensity they have enjoyed in Australia. Progressive forces in South Africa have a far better chance of overcoming this historically most important bulwark of capitalist economy in their pursuit of interventionist policies.

The positive lesson from Australia is the union movement's ability to develop in a hegemonic social-democratic direction, and in line with this higher level of ambition, to nurture a policymaking capacity which gives it a critical political initiative. As Pontusson (1992) has suggested in an illuminating

analysis of the Swedish case, success in labour-led reform probably depends on the movement's ability to gain the support of some section of capital, so as to secure sufficient overall support and divide potential opposition. The Australian case illustrates that unions can win industrial capital's support for industry policy, even where the economic-liberal orthodoxy is strong.

In sum, COSATU's socio-economic commitments make an industry policy initiative a high priority. Industry policy in the South African situation is a feasible political project especially given the industrial unionism that COSATU embodies. But the feasibility of industry policy depends on the reliable political backing of the unions' political affiliates, on COSATU committing major resources and energy into

developing its own institutional capacity, and on it continuing to negotiate wide-ranging industrial reconstruction with manufacturing employers. ☆

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# Government and unions in accord

## Lessons for South Africa from the Australian experience

By **FRANK STILWELL** \* ♣

**T**he relationship between a democratically elected South African government and the trade unions is an issue of major economic, social and political significance. Is it appropriate and feasible to establish a 'social contract' as an instrument for economic management and political cohesion? Should unions agree to wage restraint in exchange for government commitments to improve the 'social wage' \*\* and the living conditions of the most economically disadvantaged?



**Frank Stilwell**

What can be learned from experience elsewhere? The ill-fated social contract in

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\*\* Social wage: necessities funded by the state, such as health care, old age care, education and public housing which make life better in general for workers.

the UK in the 1970s between the Labour Government and the Trades Union Congress (TUC) is the most obvious negative example. On the other side of the globe there is a more recent case which has proved more durable and effective, albeit not free of contradictions. This is the on-going Accord between the Australian Labor Government and the Australian Council of Trade Unions (ACTU) which has been a key element of economic policy since 1983. This article reviews that experience and draws some general lessons. The most obvious concerns are:

- whether sustained co-operation within a social contract is possible;
- whether it can make an effective contribution to improved industrial relations, economic performance, socio-economic redistribution;
- whether it can be flexibly adapted to changing political-economic conditions;
- whether it is compatible with other aspects of effective economic policy;
- whether it impedes or enhances democracy and rank-and-file participation in the union movement.

Each of these concerns has obvious relevance in the South African context.

### **The Australian experience**

The Accord between the Australian Labor Government and the trade unions represented by ACTU has lasted for more than a decade. Both sides have accepted the arguments for wage restraint while recognising the need for compromises in order to maintain the existence of the Accord, a key element in the claim of the government to be able to achieve social consensus and industrial harmony. The Accord has had the qualified support of most elements in the bureaucracy, including the Federal Treasury which could normally be expected to oppose, on ideological grounds, the violation of free-market principles associated with such a regulatory element of economic policy. Regulation of labour combined with deregulation of capital, while lacking symmetry, seems to be regarded as a

pragmatic means of bringing about wage restraint and reducing inflation.

The durability of the Accord needs to be understood in terms of some distinctive Australian economic conditions. The key institution for the implementation of wages policy is the Industrial Relations Commission (IRC), previously the Australian Conciliation and Arbitration Commission (ACAC)[FOOTNOTE The IRC determines the awards for different occupational groups, covering working conditions and wage relativities. It holds regular 'wage cases' to hear arguments from employers, unions and governments about whether general wage increases should be given to the workforce.]. This has legal standing in its capacity to determine wage levels and differentials, contrasting with the collective bargaining processes which prevail, for example, in the USA and the UK. Although formally independent of government, the IRC has generally implemented the broad direction of wages policy advocated by the government. As part of a general neo-corporatist approach to economic management, wages policy, even a programme of sustained wage restraint, has been carried out without the head-on confrontations usually associated with such a manifestly class matter. To understand the processes involved requires a more careful examination of the history of the Accord.

### **A progressive start: 1983-85**

The original Accord was established early in 1983 as a written agreement between ACTU and the Australian Labor Party (ALP), then still in opposition in the federal parliament. Its agreed policy details focused on prices, wages and working conditions, non-wage incomes, taxation and government expenditure. The existence of this Accord was an important element in the electoral appeal of the ALP, promising balanced economic management and harmony in place of strife. Coming to office in March 1983, the Labor Government set out to implement this agreement, centring on the restoration of a system of centralised wage fixation based

upon full wage indexation [FOOTNOTE Indexation: Annual wage increases are automatically the same as the increase in the inflation rate.]. It called a National Economic Summit, to which business as well as union representatives were invited, and got general agreement to proceed with its plan. The IRC agreed to implement the indexation arrangements on the condition that the unions gave their formal commitment not to pursue further wage rises. Its first four half-yearly national wage case decisions all embodied full wage indexation.

So the Accord was working. Wage restraint seemed to be effective in reducing inflationary pressures. Economic growth picked up and the government used its growing tax receipts to finance an improved 'social wage', involving spending on health, education, housing, social security and environmental amenities. Critics argued that the public expenditure on these items remained disappointing and that there was little progress in establishing controls over non-wage incomes. Already there were signs that the wide-ranging agreement was being narrowed, not simply to a prices and incomes policy, but to a more narrowly constructed wages policy.

### **A key turning point in '85**

A major change took place in 1985, involving a re-negotiation of the Accord. The Australian dollar fell sharply in value by about 30% in the first half of that year. This raised the price of imported goods and generally had an inflationary effect. Under the terms of the original Accord, this would have meant a corresponding increase in wages. Predictably, employers claimed that

this would undermine the international competitive advantage generated by the currency devaluation. After a considerable period of negotiation, the trade unions agreed to a 2% discounting of their wage increase in



that year. In exchange, the Government agreed to initiate tax cuts and to support employees' claims for improved superannuation (pension) schemes. These tax cuts and improved superannuation were intended to match the negative effect of the wage discounting and, indeed, to enhance workers' standards of living by giving them some benefits of productivity increases within the economy.

This first renegotiation of the Accord – heralding the Accord Mark II – was highly significant. It broke down the previous commitment of wage indexation and showed how much government was concerned to accommodate pressures from employers.

### **Towards more 'labour market flexibility'**

Further renegotiations of wages policy and the Accord followed. These involved a shift away from the cost-of-living criterion towards an attempt to construct productivity-based criteria for the determination of wages. Both the government and the unions became increasingly concerned about the issue of productivity. Of course, businesses always claim to have this general concern but it is significant that in the Australian case the leaders in creating the conditions for higher productivity were the original Accord partners. 'Modernisation of the economy' was the shared concern of labour and the state. But this meant renegotiation of the Accord, differentiating wage rises according to the capacity of different groups of workers to bargain away restrictive work practices and show productivity increases in their industries. One of the predictable effects was to generate divisions in the workforce according to their capacity to obtain wage increases.

### **'88: Indexation replaced by the "structural efficiency principle"**

By 1988 workers only became eligible for a full pay increase subject to their agreeing to the 'structural efficiency' principle. The structural efficiency of industries was to determine whether workers should get wage



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# BLOODSHED — FIERCE RIOTS AT ROTHBURY

## POLICE FIRE ON MOB

### Loss of Life and Many Wounded Reported

#### BULLETS AND STONES

#### Fierce Fights at Rothbury Colliery Gates

#### ONE MAN KILLED: 45 WOUNDED

## FOUR THOUSAND MINERS IN BUSH



Area at Rothbury Colliery.

and not to do anything that would lead to rioting.

Original plans were that the miners were to concentrate at a main camp in the open near the camp and avoid the search in a body past the colliery gates and others.

It was intended to be a demonstration and not to do anything that would lead to rioting.

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It was intended to be a demonstration

The early days: violent labour/capital conflict in Australian mining

rises. Clearly, some segments of the workforce were going to face great difficulties in demonstrating their case for a wage increase under this principle. For those capable of doing so, the potential advantages were considerable. In the Commission's own words, the structural efficiency principle 'should involve matters such as broadening the range of tasks each worker would undertake (multi-skilling), establishing skill-related career paths, fixing proper minimum rates for classifications in awards and appropriate relativities between different categories of workers' (ACAC 1988). The limited focus on removing restrictive work practices thereby gave way to a more positive conception of the process of productivity enhancement in industry. There was little recognition of the contradictions that lay ahead (as documented in Ewer et al, 1991).

Subsequent decisions of the IRC further developed the emphasis on labour market flexibility and productivity-based wage increases through the restructuring of awards governing wages and employment

conditions for different groups of workers. Also, there were more wage-tax deals, building on the foundations for this type of agreement previously established by the Accord Mark II. Accords Mark III-VI followed at roughly one-yearly intervals. The bulk of the trade union movement accepted these arrangements, although with evident concern about the adequacy of the safeguards for the lower-paid and the various concessions made to employers. The unwillingness of the airline pilots to work within the guidelines precipitated a confrontation in August 1989 which was a test of strength for unions preferring to operate outside the system, but the pilots' strike failed, the union was decimated and the dominance of the Accord process was maintained.

### The 1990s: towards enterprise bargaining

Further modifications of the Accord have taken place in the 1990s. The dominant feature has been acceptance of the process of enterprise bargaining'. In the words of the

Industrial Relations Minister, 'what we would prefer is...negotiations in the enterprise peculiar and unique to that enterprise which don't have any flow-on, within guidelines laid down by the [Industrial Relations] Commission, but not registered by the Commission'. This more decentralised approach evidently reflects the interests of those demanding more 'labour market flexibility'. It stands in striking contrast to the class-solidarity approach of wage indexation under the original Accord. Instead, in moving towards the advocacy of enterprise agreements, the ACTU and the Government have accommodated some of the employers' demands for a more general application of enterprise bargaining as the usual system of wage fixation. This is the essence of the current Accord Mark VII.

What the last three phrases of the Accord have done is to respond to the strong demands for greater labour market flexibility coming from many employers by a partial accommodation of these demands. The move towards enterprise bargaining sits uncomfortably with the general interests of the labour movement because it sets aside class-solidarity elements of wages policy in favour of a more sectional process. Powerful unions will do better than weak ones, while the capacity of any union to achieve wage increases will be tied directly to the fortunes of particular industries as well as the prevailing macro-economic conditions. Thus, flexibility associated with the labour market deregulation model is bought at a very high price in terms of the broader goals of the labour movement.

Meanwhile, the onset of economic recession in the early 1990s seems to have thrown the Accord strategy off course. Generalised unemployment at over 10% of the workforce for the last three years imposes its own disciplines of wage restraint. Government fiscal policy has been characterised by growing deficits, not to finance an improved social wage, but mainly as a direct consequence of the recession undermining tax revenues and broadening social security expenditures. The role of the

Accord is again open for question.

It is time to take stock and to draw some lessons for others engaged in consideration of alternative economic strategies.

### **Evaluation : the economic outcomes**

Australia's macro-economic performance during the period of its social contract has been decidedly uneven, characterised by two years of rapid growth, then four years dominated by concerns about the balance of payments and the growing foreign debt, compounded from 1990 onwards by the problems of recession. Clearly, the Accord has not been a universal panacea for economic ills, nor could it have been. No social contract can carry such a heavy burden.

Nevertheless, it is possible to draw up a general score-card for the Australian economy since the introduction of the Accord, leading to some tentative answers to the questions posed at the start of this article which have more direct relevance to the South African situation.

#### ***Falling real wages and labour costs***

❑ The Accord has brought about a reduction in the level of real wages. The index of real unit labour costs has fallen in almost every year since the Labor Government came into office. This was the effect of the steady decline in average real wages and of productivity growth not fully passed on through wages. Evidently a social contract can be very effective in controlling wage costs in both public and private sector enterprises.

#### ***Reduced inflation***

❑ Wages restraint has played some role in offsetting inflationary tendencies as a result of these real wage reductions. The inflation rate in Australia has been consistently lower than in the previous decade, although the effective elimination of inflation in the 1990s owes more to the effects of recession. In general, it seems that incomes policy is a potentially effective complement to

Keynesian macro-economic management in dealing with the tendency of 'stagflation' (ie continuing high inflation at times of recession or low growth).

#### ***Increased employment***

- There was a major expansion of the number of people in paid employment in the 1980s, amounting to over 1,5 million jobs in the first seven years after the introduction of the Accord. However, the recession also put an end to that notable gain, with the official rate of unemployment since 1990 persistently over 10% involving around one million people out of work at any one time. Wage restraint and job growth do not necessarily go hand-in-hand.

#### ***Reduced industrial disputation***

- It is not without irony that a Labor Government managed to achieve wage restraint without precipitating a major increase in industrial disputation. Indeed, industrial disputation has fallen sharply. The average annual number of working days lost in disputes per employee since the introduction of the Accord has averaged less than half the level prevailing in the previous six years. This is evidently an area in which a social contract helps to take some of the rougher edges off class conflict.

#### ***Redistribution of income from labour to capital***

- The share of wages and salaries in the national income has fallen relative to the share of the gross operating surplus (compromising profits, rents and interest payment) since the introduction of the Accord. This amounts to a substantial income shift of about 10% from labour to capital, a clear redistribution between the major classes. Wages policy has been one ingredient in this process. Deregulation of capital and regulation of labour has proved to be a very lopsided mix. In these circumstances, it is not surprising that Australia has become a more unequal society (as documented more fully in Stilwell 1993). The tendency towards regressive income redistributions

is an alarming outcome, because the rhetoric of incomes policy often involves the opposite claim.

#### ***Increased wage inequalities***

- There have also been important effects on the distribution of income within labour's share. Until 1986, the Accord effectively froze wage relativities because of the system of indexation. Since then the capacity of individual unions to achieve increases has depended partly on their bargaining strengths in regard to restrictive work practices and productivity agreements. The position of the low-paid workers in the work-force has become a matter of crucial significance, threatening the capacity of the system to satisfy the demands of the trade union movement as a whole. Class-solidarity is further undermined.

#### ***Disadvantage for women workers***

- Wages policy under the Accord has done little to redress the long-standing inequalities between male and female workers. Indeed, to the extent that female workers have been disproportionately concentrated in the casual and part-time sector of the work-force, which has been growing most rapidly, the structural basis of their relative disadvantage has been further entrenched. The push towards enterprise bargaining seems likely to further disadvantage many women workers. Evidently, more explicit consideration of policies for redress of gender inequalities is needed.

#### ***Deficiency in productive investment***

- The Accord has been successful in helping to create the conditions for higher levels of profitability. However, the bulk of the higher profits resulting from the redistribution from labour to

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**"The accord has brought about a reduction in the level of real wages. A social contract can be effective in controlling wage costs"**

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capital have not been invested in the expansion and modernisation of Australian industry. The share of available funds actually going into productive investment has been very low. In other words, wage restraint has played its role, but the owners and managers of capital has not played their corresponding role. Instead of channelling the increased profit into improving the production process much of it has gone into speculative and luxury consumption activities and overseas capital flows. Capital remains accountable only to itself.

***Intractable international economic problems***

- Simultaneously, the problems of foreign debt and current account deficits in the balance of payments have grown. This has been largely as a result of corporate borrowing, much of which has been commercially ill-judged, consequent upon financial deregulation. It is these factors, rather than the inadequacies of wages policy under the Accord which have inhibited Australia's international economic performance. Again, the general lesson is that capital has its own international interests and a social contract provides no easy route to harmonising these with national interests.

***Increased productivity and changes in the nature of work***

- Linking wages policy through productivity, as has been the recent trend

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**“Capital has its own international interests and a social contract provides no easy route to harmonising these with national interests”**

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under the Accord, has considerable potential for improving capitalist economic performance. It is also attractive to many segments of the workforce if it goes hand-in-hand with upgrading of skills, more varied and interesting work (as noted by Zappala 1988). However, it offers no general guarantees against falling material

living standards, which is a setback for workers who had previously appreciated the cushioning effects of the commitment to wage indexation under the original Accord. Moreover, white-collar and service industry workers, in general, face particular problems in demonstrating productivity in quantifiable terms.

**The limits of wages policy**

How are we to sum up this record? The last decade has been one of the most innovative periods in the history of wages policy in Australia. However, wages policy has been asked to bear an impossibly heavy burden: contributing to macro-economic stabilisation, resolving the balance of payments problem and generating improved productivity as well as its role in the distribution of income.

The original Accord envisaged wages policy as a component in a broader programme of progressive economic and social reform. In practice, wages policy has been integrated into quite a different programme of austerity and regressive distribution. The basic Australian economic problems – outdated capital stock, inadequate productive investment and excessively conservative economic management – remain as acute as ever. The general tendency has been for investment to go into commercial property, and financial speculation rather than into addressing the longstanding deficiencies in the productive base of the economy. Moreover, the imbalance in the current account of the balance of payments, associated primarily with the outflow of interest and dividends, and excessive dependence upon the import of services such as shipping and insurance, is clearly not to be resolved by wages policy.

Indeed, Australian experience confirms that wages policy as an ingredient in macro-economic management, even in conjunction with fiscal, monetary and exchange rate policy, is ill-suited to address the fundamental problems of the external account and overseas debt. These problems need to be confronted by policies towards capital, such as exchange control on international capital flows, changes

in the taxation system to inhibit overseas borrowings for speculative and takeover purposes, and a more interventionist industry policy, including the establishment of a national investment fund (drawing on the accumulated superannuation funds) for the modernisation and expansion of Australian industry. Selective trade policies are also warranted, since it is more effective to steer the expenditure of consumers, including wage earners, towards locally made products than to cut their income levels as an indirect means of cutting expenditure on imports. These policies are illustrative of the necessary adjuncts to wages policy in macro-economic management.

Economic progress comes through the development of institutional processes which are conducive to efficient production and equitable distribution. Wages policy under a social contract has a role to play in that scenario, but only as part of a broader programme including prices and incomes policy, economic democracy, interventionist industry policies and social control of investment. This reasoning leads to the advocacy of an alternate economic strategy (as set out more fully in Stilwell 1986, Ch.9) which presumes the possibility of the state serving the interests of the labour movement, albeit not without contradictions and incessant struggle. This is in contrast to using wages policy, like monetary policy and fiscal policy, mainly as an instrument for satisfying the demands of corporate capital.

### General implications

So what are the general lessons for South Africa arising from Australian experience with its distinctive social contract? Referring back to the list of questions posed at the outset the following conclusions seem appropriate:

- A durable social contract is possible and can provide advantages for both trade unions and government. It can be a key ingredient in a government's electoral appeal, as shown by the Australian case where a Labor government has remained in office during a decade in which conservative governments dominated



"The Basher Gang" hired by the NSW state government to break the local mining strike in the 1930's

### *"A social contract can be very effective in containing industrial disputation"*

politics in most capitalist nations. For a party like the ANC, strongly committed to improving economic conditions for the mass of the people, the sort of formal relationship with COSATU which a social contract implies makes sense in this context. Continued co-operation is possible with 'give and take' on both sides.

- A social contract can make some contribution to improved economic performance but it is no miracle cure. Certainly, the Australian base indicates it can be very effective in containing industrial disputation. Its potential role in containing inflationary pressures and raising productivity is also significant. However, the distributional effects are much more worrying. Wage restraint, unmatched by comparable regulation of other sources of income is a recipe for growing socio-economic inequality unless

the fruits of that restraint are vigorously channelled into job-creation, infrastructure construction and increased public expenditure on the social wage. This need is evidently more intense in South Africa, given the relatively smaller size of the formal sector of the economy and labour market by comparison with Australia.

- Rigidity in economic policy is not a necessary outcome of a social contract. Certainly, any such deal implies the need for some consistency in seeking to honour the original commitments between government and the labour movement. However, renegotiation in the light of changed circumstances is always possible. In the Australian case there have been six renegotiations within ten years. So inflexibility need not be a problem. However, the price of flexibility can be a reversal in the progressive character of the agreement, increasingly subordinating the interests of the workforce to the dictates of capital. It is not difficult to anticipate these forces of reversal working with a vengeance in the South African context.
- The compatibility of a social contract with other aspects of economic policy is also problematic. Financial deregulation and internationalisation of the economy set in motion processes of restructuring and redistribution which run counter to the stabilisation and progressive redistribution objectives of a social contract. Faced with these conflicts, Australian experience indicates the tendency for the interests of deregulated capital to swamp those of regulated labour. An appropriate "policy mix" becomes a highly disputed concept. Again, it is not difficult to envisage that this tendency would be even stronger in the South African context, with strident demands coming from international capital for government policies of progressive redistribution to be relegated to some receding never-never land.
- The effect of a social contract on internal union democracy and rank-and-file participation in the union movement is likewise problematic. Certainly, there are

advantages to the union movement in having formal access to government information and formal participatory status in the formulation of economic policy. However, this formal standing can be bought at a high price in terms of the internal processes of union decision making. Australian experience indicates a strong tendency towards depoliticisation, as 'top-down' procedures supplant previous commitments to 'rank-and-file' involvement in decision making. All too often Accord renegotiation's have been fixed at the highest level between a handful of ACTU leaders and key figures in the government, leaving union conferences merely to ratify the agreements on a 'take-it-or-leave-it' basis. This is disempowering and incompatible with participatory democracy.

The balance between these various considerations is necessarily a matter of judgement. What is at issue is not merely economic management, as proponents of an incomes policy tend to imply. It is also a matter of political process. That is why the last of the above concerns is so crucial – the matter of the relationship between a social contract and democratic processes. Ultimately this is the biggest worry of all in the South African case. Given the enormity of the task of transformation in South Africa, it is not surprising that COSATU stresses the need to maintain effective bases in civil society rather than rely wholly on partnership with an ANC-led government which will be subjected to enormous pressures to pursue the sorts of policies favoured by international capital. ☆

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**bargaining  
focus**

# *Job security, employment reorganisation...*



# *...and worker empowerment at Pick n' Pay*

1993: 3500 retrenchments threatened...

*By JEREMY DAPHNE, National Organiser,  
SACCAWU*



**S**ACCAWU has entered into a new terrain at Pick 'n Pay with the negotiation of agreements involving far-reaching changes to the organisation of Pick 'n Pay shopfloors, and which

significantly enhance the job security of all workers. The agreements also stand to shift shopfloor power relations, and re-define SACCAWU's involvement in the running of the company.

The possibility of retrenchment is all but removed, realising the union's policy position regarding a moratorium on retrenchments. Non-permanent work at Pick 'n Pay stands to be dramatically reduced. A task team consisting of shopstewards and

management will examine aspects of the working conditions, structures and functioning of each of the company's workplaces. Negotiations are pending on a worker empowerment programme, which will entail addressing a wide range of issues aimed at restructuring and developing shopfloor relations and conditions at Pick 'n Pay.

However, workplace re-organisation involves more flexible working practises, and increased shopfloor mobility. This entails multi-tasking, transfers within and between workplaces, and changing shift patterns. This poses a potentially difficult and conflictual transition process for the workers involved, and for the task team responsible for implementation. With this in mind, the agreements include arrangements for full consultations, for minimisation of conflict, and for flexibility and mobility to be as fair and equitable as possible.

The background, strategic approach and details of the agreements are briefly



described, and the question of the union's increased participation/control in the running of Pick 'n Pay discussed.

### **Signing of process agreement**

In October 1993 a process agreement was signed, involving two phases of negotiations: job security, flexible working practices and mobility, minimisation of casualised work, and customer courtesy to be addressed in the first phase, and worker empowerment and related issues to be negotiated in the second phase, including job grading, skills development and information disclosure.

This agreement stems from a notice to the union of 3 500 retrenchments of permanent workers at Pick 'n Pay in April 1993, and thereafter an intensive process of discussions and consultations with union membership on approaches to adopt. The company argued that declining growth rates in profits between 1990 and 1993, culminating in a negative growth rate in after tax profit in the 1993 financial year, in combination with a rationalisation study, had indicated that in excess of 3 500 permanent employees had to be retrenched, unless alternative solutions were found. The company also maintained that overstaffing levels were such that the company's viability was threatened, and this situation was aggravated by the lack of flexibility of full-time staff, resulting in the employment of large numbers of casual employees.

After months of discussions and consultations with membership, the union entered into job security negotiations (as opposed to retrenchment negotiations), resulting in the process agreement. Discussions centred around the following views and approach:

- job security and flexibility is part of the broader issues of workplace re-organisation, and changing production methods and relations;
- as such, the solution lies in addressing

the broader issue;

- capital is rapidly developing new strategies and approaches globally, which impact directly on South African workers, and unions need to intervene in a pro-active manner, or be outmanouvered;
- workplace re-organisation is inevitable, and unions should take control of the process to the advantage of workers;
- in the Pick 'n Pay situation, this translates as entering into flexibility and mobility arrangements in exchange for job security, minimisation of non-permanent work, and worker empowerment.

Membership supported this approach, with it then being the basis for the negotiations that followed. An important precondition was that flexibility and mobility arrangements must be fair, not involve exploitation and victimisation, and must result in significantly increased permanent employment and job security.

### **Job security, flexibility, and mobility of labour**

As part of implementing the first phase of the process agreement, the union and the company have concluded, but not yet signed, a job security, flexibility, and mobility of labour agreement. This agreement aims at protecting the jobs of all Pick 'n Pay employees through re-organisation of the workplace. The agreement stipulates that agreements must be fair and mutually acceptable, and be implemented without workers being subjected to exploitation, abuse or victimisation. The agreement also recognises the need of the company to meet changing trading patterns and expectations of customers.

The following are some of the main aspects to the agreement:

- withdrawal of retrenchment notices;
- increased shopfloor mobility and changed shift patterns, but under reasonable conditions;
- transfers within and between workplaces under certain circumstances;
- factors to take into account include



personal circumstances, availability of transport, appropriate remuneration, adequate notice, and induction and training;

- where it is agreed that staffing levels need adjusting, this shall be carried out through transfers and attrition, and not by retrenchment;
- disagreements arising out of the implementation of the agreement will be processed through specially designed procedures;
- a task group consisting of union and company representatives will review each workplace, in consultation with the workplace shopsteward committee and management, to establish appropriate staffing levels and shift patterns.

A key issue arising out of this negotiation was the nature of the criteria to take into account when determining appropriate staffing levels and shift patterns. This involved extensive debates between the parties, and the utilisation of outside research groups, in the form of the National Productivity Institute (NPI) by management and the Sociology of Work Project (SWOP) by the union. In essence, the company argued that units per manhour should be the yardstick to use, and the union maintained that a range of factors and variables must be taken into account, and that management's understanding of the notion of productivity must be broadened. In its research report SWOP proposes "a social model of productivity", which is presently under discussion.

An important dimension to this agreement is that in addition to the removal of retrenchment notices, future possibilities of retrenchment are remote through the agreement that overstaffing will be addressed through transfers and attrition. Only in exceptional circumstances would retrenchment be a possibility, such as an unanticipated disaster.

### **Conversion of certain casual employees to permanent status**

An agreement minimising casual labour is in the process of being negotiated. It involves the

conversion of over 50% of present casuals to permanent status, and is an important step in achieving trade union rights and job security for all workers, and removing casualised, insecure work.

The following are some of the principal steps that will be taken in reducing casualised jobs:

- the task team will determine the exact number of casuals who will be converted to permanent status, using criteria which are still under discussion;
- permanent status will involve being placed on a part-time basis;
- new part-timers will benefit from having job security, trade union rights, and will have certain other benefits, such as sick leave, bonuses, membership of the provident fund and parental rights;
- part-timers will not have all the benefits of full-timers, as it has been agreed that this agreement should not initially incur additional costs on the company's wage bill;
- as part-timers are part of the bargaining unit, increased benefits can be negotiated in the future;
- there is a guaranteed 100 hours of work in any four week trading cycle, with a maximum of 180 hours;
- part-timers will be paid full-time rates, which are lower than casual rates, but the other benefits gained compensate and balance for the lower rate, and improved rates can be negotiated in the future.

While this arrangement involves a lower wage rate, it sets an important precedent, and can be built on through further negotiations. It will also greatly enhance the union's bargaining power at Pick 'n Pay, and as such further the interests of members more effectively.

### **Future activities**

The two agreements should be concluded within the next two weeks, and will then be implemented, starting with the task team implementing the job security, flexibility and mobility agreement in each workplace between March and September 1994. The process agreement to negotiate around

worker empowerment, training and disclosure is to be negotiated within six months, and also implies that the above agreements can be reviewed.

### **Worker participation and empowerment versus worker manipulation**

The increased participation of workers in the running of Pick 'n Pay, and the scheduled negotiations for a worker empowerment programme, raises the question of the union's strategic conception underpinning its approach, and the nature of the interaction between the union and the company. This in turn impacts upon the much-vaunted co-determination approach. This topic cannot be addressed in any depth in this account, and the essence of the union's vision is concentrated upon.

In devising participatory strategies, full cognisance needs to be taken of shopfloor power relations. Power reactions are generally heavily skewed in favour of capital, and the factors contributing towards this skewed relationship need to be addressed if participatory schemes are to be successful. This must include taking the ideological component to the subordination of labour into account. The power and impact of bourgeois, hegemonic ideology needs to be fully appreciated by the workers and trade union involved, if worker participation does not simply become worker manipulation. The basic characteristic of the employment relationship is one of a continuous managerial quest for control, and the resulting mix of conflict and co-operation. This understanding needs to inform the union's approach to participation, which most co-determination approaches fail to do.

Translating this strategic conception into practise, worker participation needs to entail pro-active, adversarial participation from an empowered position, be implemented through



extended collective bargaining, and have as its overall objective the transformation of shopfloor power relations, with the resulting benefits. A successful participatory scheme will result in increased levels of co-operation over a wide range of issues, between management and workers through the empowerment of workers, rather than through the increased compliance of workers, as is the case in many co-determination schemes.

Some of the necessary steps to take are as follows.

- Workers need to participate from a well-developed and independent organisational base, and have effective and skilled trade union support.
- The trade union needs to have the ability and preparedness to participate in the production process.
- The right and ability to engage in industrial action on any issue must be maintained at all times, as awareness by management of this ability acts as an important incentive to co-operate with the trade union.
- The appropriate participatory/democratic consciousness must be developed amongst workers and their leadership. Workers must be aware of transformational goals, and be able to resist managerial ideology and manipulation.
- Full consultations with workers, and democratic practices within the union, are essential for the whole workforce to support the scheme.

Participation of workers from an empowered position must also include enhanced shopfloor training and education, a continuous and full flow of information about the company from management, decision-making powers on all policy matters, and the optimisation of working conditions, relations and environment. Participatory structures need to be established at all organisational levels, and any issues which cannot be agreed upon through discussion should be settled through collective bargaining, which can also



1994: More job security – and smiles? – at the tills in future

involve industrial action. Specific attention must be given to women's empowerment, and the specific contradictions facing women must be addressed. Patriarchal ideology and the sexual division of labour must, in particular, be counteracted, and full parental rights established.

An holistic, integrated approach therefore needs to be adopted, through the mechanism of across-the-table negotiations, and with the objective of enhanced control, as opposed to around-the-table co-management.

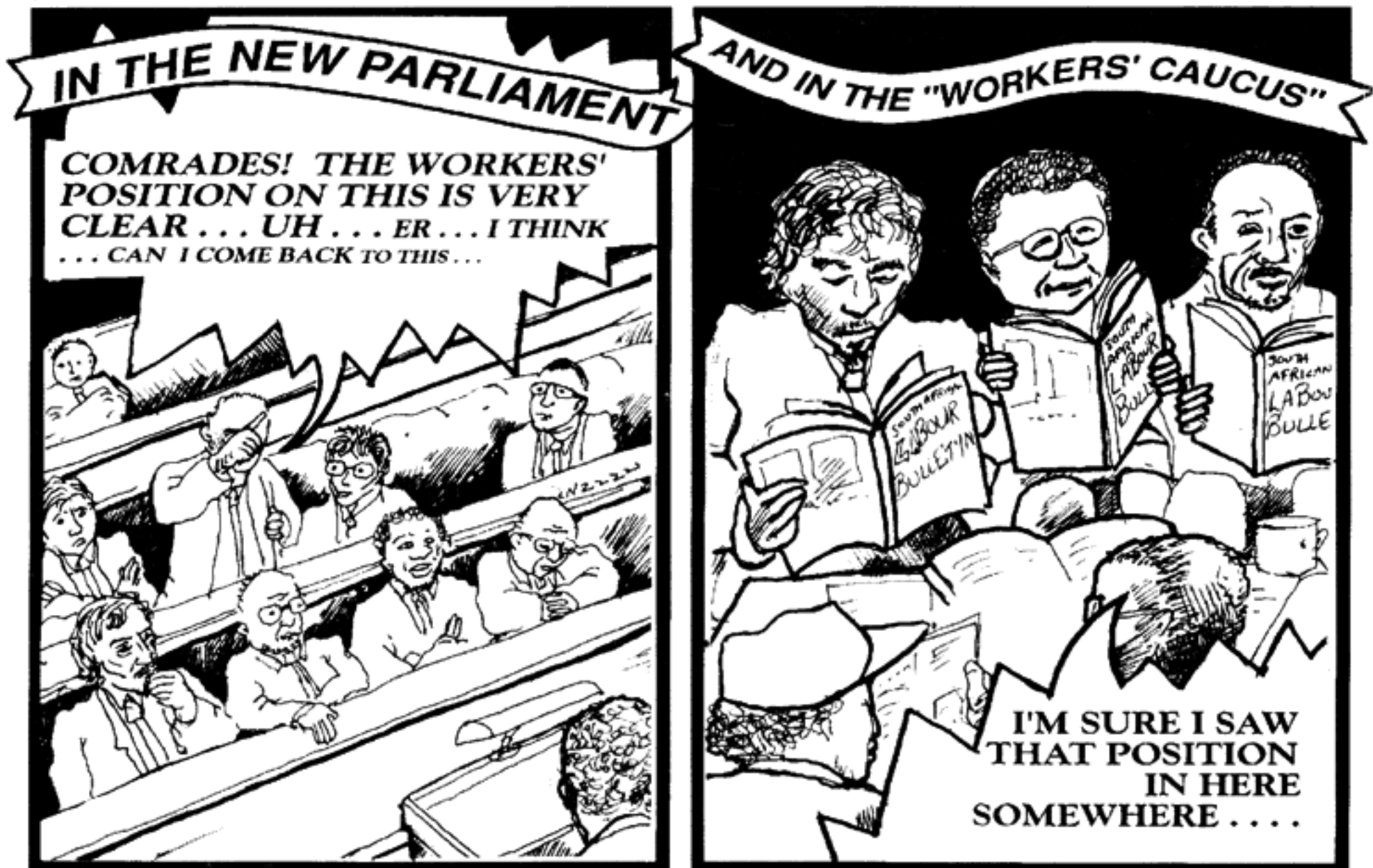
### **Conclusion: Pro-active intervention to advance workers' control**

The union has addressed a real threat to job loss and the likely implementation of management dominated workplace restructuring by embarking upon the described process. The driving of this process was informed by the union's strategic vision, resulting in an agreement

interlinking job security, flexibility and workers' empowerment. For its successful implementation, all aspects of the agreement will need to be in place. Instead of taking defensive action, which would be the traditional approach, the union engaged with the company in a pro-active manner. Worker participation under prevailing capitalist power relations is complex and potentially hazardous. However, with the strategically appropriate approach, the union is poised to open up new areas of contestation, to advance workers' control over managerial decision-making, and to improve the shopfloor lives of workers at Pick 'n Pay. ☆

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**“Instead of taking defensive action – the traditional approach – the union engaged with the company in a pro-active manner”**



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