

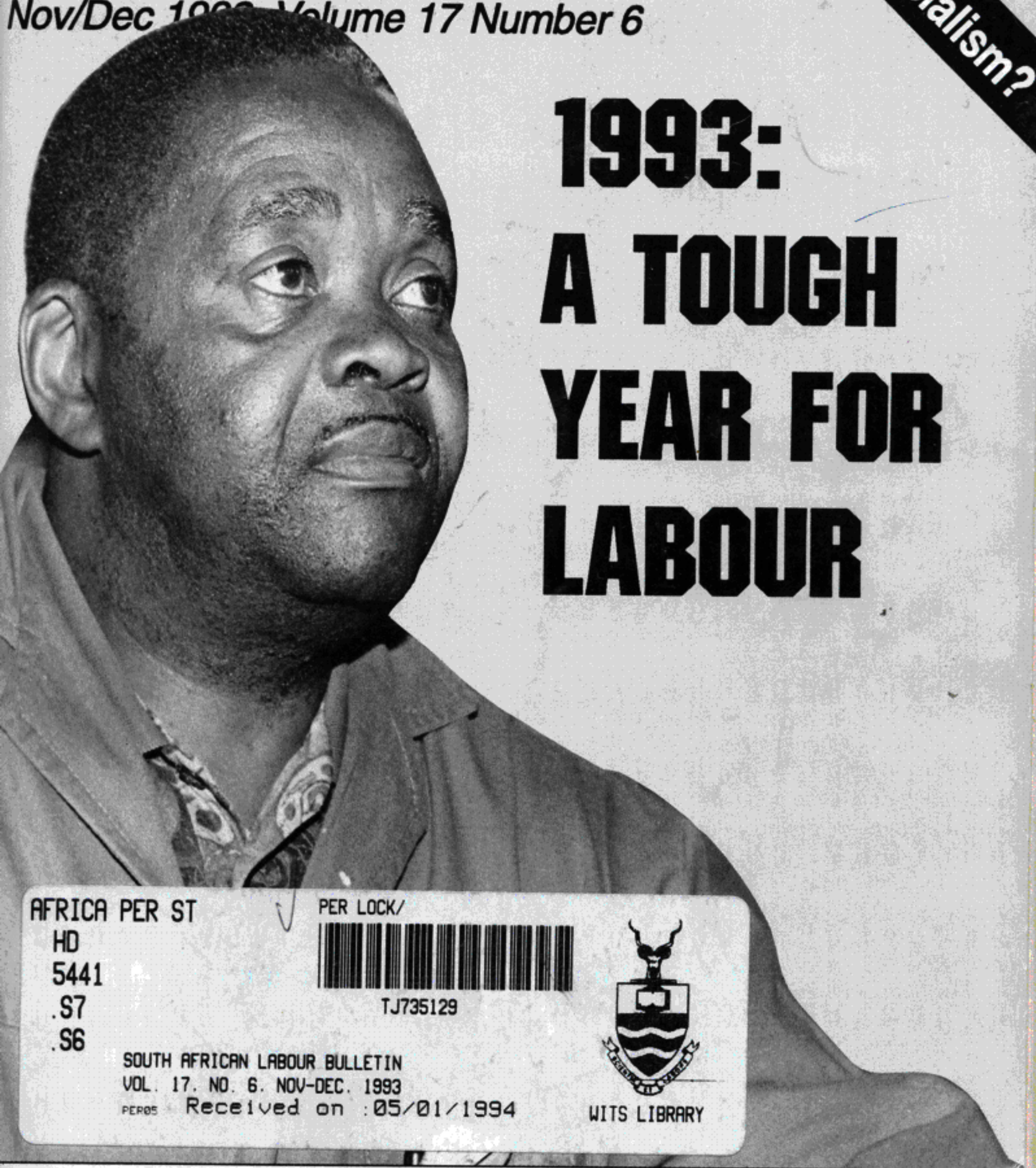
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SOUTH AFRICAN

LABOUR BULLETIN

Nov/Dec 1993 Volume 17 Number 6

Debate:
Social democracy
or democratic socialism?



1993: A TOUGH YEAR FOR LABOUR

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Table of Contents

Editorial Notes	3
Broadly Speaking	
<i>RedEye</i>	4
Letters	6
Labour Notes	
<i>Karl von Holdt, Labour Research Service,</i>	
<i>Zolile Mtshelwane</i>	9
Inflation Monitor	12
Cover feature: Review of 1993	13
Overview	
<i>Karl von Holdt</i>	14
1993 Wage settlements review	
<i>Richard Goode, Labour Research Service</i>	23
Industrial Action 1993	
<i>Wendy Dobson/IRNETWORK</i>	30
Briefing: FEDSAL	
<i>Karl von Holdt</i>	32
Die Casting	
<i>Suzanna Harvey</i>	34
Briefing: Lockout strike	
<i>Karl von Holdt</i>	38
Briefing: GATT	
<i>Alan Hirsch</i>	41
FOCUS: Difficult sectors	44
New strategies to organise difficult sectors	
<i>Jane Barrett</i>	45
Showdown at Springbok Patrols	
<i>Kally Forrest</i>	52
Rethinking industrial councils: small business and collective bargaining	
<i>Jan Theron</i>	58

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Briefing: POTWA

Fikile Khumalo 68

Briefing: POPCRU

Zolile Mtshelwane 70

Debate:

Social democracy or democratic socialism 72

Social democracy and the labour movement
Winton Higgins 73

South African socialists respond
Dave Lewis, Enoch Godongwana, Pallo Jordan and Jeremy Cronin 85

Final comments
Higgins, panellists and others 97

International

Russia's labour movement after the coup
Denis McShane 102

Shopfloor

Jetmaster
Snuki Zikalala 104

Book Review

Reversing discrimination (eds. Innes, Kentridge and Perold)
Reviwed by Avril Joffe 106

Profile

Joyce Mabudafhasi
Interviewed by Jane Barrett 110

All photographs by William Matlala or Umanyano Publications, unless otherwise indicated.

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The first phase of transition is over, and we must congratulate the ANC and SACP negotiators – stiffened at times by interventions from COSATU – at the World Trade Centre. There are problems here and there in the agreements, but overall they have done remarkably well. Given the circumstances, it is difficult to see how they could have done better.

A government of national unity was probably a necessity – but the balance of forces in the cabinet will depend on electoral support, and minorities will not have a veto. This means the majority party will be able to build coalition government on the basis of political policy, not legal formulae.

A degree of autonomy for the regions was also inevitable, and is not necessarily a bad thing. But the degree of autonomy which has been agreed is not such as to paralyse national policy-making and central government.

The Bill of Rights is a mish-mash of trade offs, and could turn out to be a lawyers' delight, but it secures many basic rights and does not provide too many obstacles to transformation.

And all of these arrangements are interim arrangements, and can be changed by the national parliament/constituent assembly to be elected next year. Then the continuing negotiations over a final constitution can take place on the basis of proven electoral support, not the wild claims of apartheid-appointed leaders. Let us work, then, towards full public debate about democracy and the institutional arrangements which will make it flourish.

Elections

In the meantime, the elections are where the action is. At last the centre of politics can move out of negotiation chambers and into the streets and factories, suburbs and townships, small dorpias, farms and

bantustans.

At last, politics can come back to the people, where it used to be in the 1980s. Let us root it there, so that after 27 April, when a democratic government is elected, politics does not disappear into parliament, or cabinet, or state bureaucracy, but remains rooted among the people.

For COSATU there is, on the one hand, the challenge of the election campaign. This provides an opportunity to mobilise grassroots activism, and deepen worker's ability to shape the Reconstruction Programme, so that organised labour becomes a powerful political constituency with great influence in a new South Africa. COSATU's involvement in the election campaign does hold the danger of sharpening political antagonism and conflict in the workplace. Organisers and shopstewards will have to find ways to ensure a culture of political tolerance in the workplace.

Failure to do so will make it difficult to meet the second challenge. This is the challenge for the labour movement to consolidate its strength and its unity, and prepare to meet the many, complex problems of the future. Articles in this issue of Labour Bulletin point to these problems – weaknesses in the labour movement, the huge number of workers in weakly-organised sectors, the growth of small business and the informal sector, the pressure on centralised bargaining forums, the ruthless pressure of global competition ...

If labour proves too weak to develop policies on these issues, and fight for them, the democracy we are winning may end up an empty shell. ☆



KARL VON HOLDT, editor



REDEYE sees red faces at COSATU

Remember last year's 'rolling mass action stayaway'?

Remember how SACCOLA's negotiators seemed to reach agreement on this, but had to renege when it was rejected by their constituency? Remember how COSATU blasted them, and said it was impossible to negotiate with an organisation which could not enter binding agreements?

Now think of the NMC and the lockout clause. COSATU, are you blushing? ♦

Independence, or a hiccup in married life?

Mind you, the press really are like a flock of sheep bleating up the wrong tree. They all went on about how COSATU's threat to strike was a sign of COSATU asserting its independence, of Sam Shilowa flexing his muscles etc, etc.

All this a few weeks after COSATU had agreed to send some of its top leadership into the ANC, to commit itself to a joint reconstruction programme and to actively support the ANC election campaign. If this is independence, then a man going off for a beer in the shebeen with his friends a few weeks after getting married – must be a divorce. ♦

Another hiccup in married life?

In mid-November the ANC stopped COSATU from publishing a poster celebrating the 20 candidates the federation has chosen to go to parliament. The reason? The 20 have not yet been endorsed by the ANC nomination process.

At the end of November the ANC published an advertisement in *The Star* aimed at worker voters: "After April 27 there will be 20 workers in parliament (and they won't be cleaning the floors)". As far as RED EYE knows the ANC nominations will only be finalised in January. Who are these 20 workers then? Does the ANC know something we don't?

Or maybe the ANC is just trying to assert its independence from COSATU ... ♦

Sugar and SACTWU

The other day REDEYE put on her dark glasses and went off to fraternise with the bosses. It is a good way to find out what the other side is thinking (it's also a good place to meet big guys like Cyril Ramaphosa, Joe Slovo and Sydney Mufamadi – all also finding out what the enemy thinks).

Anyway, RED EYE bumps into a guy from the sugar industry. This guy tells REDEYE that SACTWU is organising his sugar farms, and he's going to sign recognition next week. REDEYE says no you must be wrong, SACTWU stands for clothing and textile workers union. The sugar baron says its definitely SACTWU, and pulls out a letter to prove it.

Now REDEYE is confused. Everyone knows SACTWU defies COSATU's position on forming one union for farmworkers, and organises cotton farms. SACTWU argues that cotton is part of the cotton-textile-clothing pipeline, and so forms part of its industrial sector. But sugar?

The sugar baron says the SACTWU organiser explains that farmers often change their crops, so the union can't restrict itself to cotton farms. This year's sugar baron could be next year's cotton baron. Funny – REDEYE thought that was exactly the reason for forming one farm union. Any comments, SACTWU? ♦

Another Golden Handshake?

RED EYE wonders why Joel Fourie accepted another three years contract as Director General of the Department of Manpower. Does he really expect to be Director General in a new SA? Or is it because he wants the new democratic government to buy its way out of the contract with a hefty golden handshake?

How the rats flee the sinking ship! How they make sure they fill their pockets with gold before they go! ♦

Cigarette ban goes up in smoke

At a recent People's Forum for shopstewards in the PWV region, a worker from R & R cigarette company wanted to know whether an ANC government would ban cigarettes.

Well, answered the ANC's Tokyo Sexwale, a new government would have to consider the whole area of tax very carefully, including tax on cigarettes. As for banning cigarettes, the government would never do that for fear of "provoking a second revolution". "Mr Gorbachev tried to ban alcohol in the Soviet Union, and look what happened to him," said Tokyo.

It warms the heart good to see the motherland of socialism is still regarded as a source of inspiration on all questions, great and small. ♦

Will OSATU please stand up?

According to a recent World Confederation of Labour (WCL) bulletin, its executive committee has just approved the affiliation of the Organisation of South African Trade Unions (OSATU). Sounds like the WCL is unlikely to have a major presence in our country. ♦

David and Goliath and the DP

C'mon DP, you can't be serious! The party has put up its election posters all over Jo'burg. The one poster boldly claims: "We never killed people, only apartheid". This is like the fly sitting on David's forehead claiming it didn't kill anyone, only Philistine oppression – while David brings Goliath crashing down. It's also true that no member of the DP was ever killed by apartheid ...

Which brings us to the second poster: "The DP – a home for all democrats. Beware of imitations." As far as Red Eye understands, a democrat is someone who is prepared to struggle and suffer in the fight for democracy. Where was the DP during the great fight against apartheid? Maybe not killing anyone, but certainly not killing apartheid! Is the DP really a home for democrats – or a home for opportunists? ♦

Missing the Freedom Charter

But maybe politics really is about forgetting the past? RED EYE has a comrade who was an activist in the '80s. This comrade moved to a new home recently, and his copy of the Freedom Charter was lost in the move. He phoned around a couple of other comrades for one to photocopy. No luck. Then he phoned a couple of progressive organisations – surely they'd have it? Mission statements, yes, vision documents, yes – but Freedom Charter? No.

Surely there's something missing in this new SA? ♦

I also played with blacks on the farm!

As the new SA sweeps out the old SA it is clear we are going to hear many strange things. Listen to De Klerk in Parliament attacking Tony Leon from the DP: "This new NP, with its deep understanding of any struggle to escape from poverty, understands the problems of poor people. We know how they feel."

And why, according to De Klerk, does the NP understand the poor so much better than Leon and the DP? "He (Leon) never played on a farm with young blacks as I did. None of them (DP MPs) were really ever friends with blacks as we who grew up that way were. We understand the masses of South Africa. The DP does not."

Tony Leon challenges this with the deep conviction of a true democrat and liberal. Tony Leon challenges this with the fact that he also "ran barefoot with the farm children every December holiday from the age of eight to 11"!

RED EYE has this vision: as election day gets closer, the leaders of the DP and the NP give away their houses and MP pensions, and appear in ever more torn and dirty rags, shoeless feet bleeding from the stones as they stumble through squatter camps, townships – yes even through the hovels of farmworkers – and show how well they understand poverty. Should be fun! ♦

Dear Editor

Denis MacShane's letter in praise of the Malaysian Trades Union

Congress (MTUC) in the July/August issue of the South African Labour Bulletin is remarkable in that it glosses over the labour situation in Malaysia by making just two little observations about electronics unions and the arrest of a labour leader.

The fact is that the electronics industry has been in Malaysia for 20 years now and the workers in the industry still do not have independent trade unions to represent them.

But there is a precedent. In the Sixties, the government refused to allow a national union for textile workers. The MTUC did not fight this and today, textile workers' unions are organised along regional lines. So a long time ago the MTUC had already conceded in principle that the government could refuse to allow a national union.

MacShane goes on to say that the "comments about Malaysia reflect differences such as existed 20 or more years ago but are wholly wrong today". He therefore accepts the fact that the MTUC was a "yellow union" (if there is anything racist in the term, it must only be in MacShane's mind!).

I will just provide a couple of examples for readers to decide whether the MTUC was playing "sweetheart" to the

establishment in Malaysia.

Firstly, the amendments to the Trade Unions Act of Malaysia have made it almost impossible for trade unions to exercise the right to strike; and in more recent changes to the Act, the government has allowed employers to object to applications by workers to form a trade union.

This amendment was made during the tenure of Zainal Rampak, the current president of the MTUC, and V David, the current general secretary. Nothing was done by the MTUC to fight this change in the law by Parliament, resulting in the present situation where if there is an objection by an employer, the employees must take part in a secret ballot to vote for union membership - providing employers with even more valuable time for union-busting activities while bureaucracy plods along.

As for corruption, there are many examples of this on the part of not just MTUC leaders but other union leaders as well.

Why should, for example, the funds of a trade union (made up almost wholly from members' subscriptions) be used to pay the income taxes of its leaders? Such was the case with the Transport Workers' Union paying the income taxes of its general secretary and deputy general secretary - none other than V David and Zainal Rampak respectively!

A lot more examples can be given, but suffice it to say that the state of trade unionism in Malaysia is on the decline and the movement can only be saved by honest, dedicated and democratic trade union leaders from the shopfloor, rather than union bureaucrats and an entrenched leadership that has lost touch with the grassroots.

Most trade unions in Malaysia have rejected the Malaysian Labour Organisation, mooted and nurtured by the government, which has just applied for ICFTU membership.

So there is hope yet for the MTUC. Provided of course a new leadership from the grassroots and ranks of workers takes over, just like COSATU, then MTUC will change.

G Umakanthan

*Deputy General Secretary National Union of Journalists
Kuala Lumpur, Malaysia*

Editor

Many Australian and Asian trade unionists, concerned about the impact that authoritarian regimes in Asia are having on shaping globalisation, are strongly supportive of the efforts of the International Metalworkers Federation (IMF) and officials such as Denis MacShane in trying to focus on the problem of

trade union rights in Asia.

The IMF has done everything possible to raise the issue of the denial of electronic workers union rights in international forums. We applaud these efforts and hope that they will continue with the vigour and the commitment shown in the past.

However, our considered assessment arising out of grassroots union activity, is that the past history of the MTUC lives on in the present. This is the challenge that has to be faced.

Genuine union leaders in Malaysia believe that MTUC can be transformed and they are working towards that end. The challenge for the IMF and other International Trade Secretariats is to make contact at this level, where practical work can be done.

International forums are important as a means of keeping up a certain degree of pressure on authoritarian governments. We do, however, have to move creatively beyond protest and pressure to innovative organising strategies under the severe political constraints that exist.

The Australian Council of Trade Unions (ACTU) has developed an Asia strategy that expresses strong commitment to worker rights in the region. Recently, ACTU President Martin Ferguson took a strong public stand against the official state unions in

Indonesia. ACTU affiliates are becoming more deeply involved in the fight for free trade unionism in Asia. In all of this, close links need to be established with the IMF and others.

Allow us to comment on two other points. Firstly, in the exchange of faxes a mistake was made in designating Keith Peckham's title. Keith is on the National Executive of MEWU. He is the State President of MEWU. He had careful discussions with his Eastern States comrades before signing the article. Why is a simple error a 'serious inaccuracy' for MacShane? We can only conclude that this is a trivial attempt to discredit, instead of addressing the issues.

Secondly, the points MacShane raises regarding China and Vietnam are important and we agree with him. What we do not understand is how he failed to note the logic of our argument, in which we made specific reference to both authoritarian regimes.

The implications of MacShane's attitude is that those who raise questions regarding the ICFTU in Asia are caught in some sort of pro-Communist regime ideological time warp. This is a clever attempt to side-step the difficult issue of facing up to ICFTU practise in Asia.

We have only one commitment – strong, free, and independent trade

unionism that can effectively defend basic rights and fight for proper labour standards. We are committed to fighting for these rights in Vietnam and in China, just as we are committed to Malaysian, Thai and Indonesian workers. Genuine internationalism is not bounded and constrained by borders and ideologies.

Australia:

Rob Meecham

(Trades and Labour Council (TLC) of Western Australia, Secretary);

Rob Lambert

(TLC of Western Australia, Regional Co-ordinator, Indian Ocean Regional Initiative);

Keith Pekham

(State President of the Metal and Engineering Workers Union).

Malaysia:

Arokia Dass

(Secretary of Transport and Allied Workers Union).

(See SA Labour Bulletin Vol 17 No 3)

Response to Etkind and Harvey

I am one of the Regional Officials of NUMSA in the Eastern Cape Region, but I write this response in my personal capacity.

I think one should express some appreciation for the two comrades to boldly express

their views in public.

They have correctly stated that the Reconstruction Programme has been initiated by our democratically elected leadership. But that should not be seen as an initiative outside the struggle. It is a thinking informed by the realities.

In our congresses we democratically elect leadership.

It is necessary for the leadership to intervene at any critical situation in the interests of the members, to keep members abreast about the volatile situation, to defend the policies of the organisation and finally to be accountable. Not unless we say we want docile messenger-boy like leaders, who have no capacity to understand issues and in fact are just token.

There is in COSATU a culture of mandate and accountability. Yes, the

introduction of this programme came from the top, but it did go down, and it was discussed in the lower structures. Maybe the issue might be there was not sufficient time.

In fact, when we look at the content of the programme, we need to relate it to the unfolding scenario. Etkind and Harvey pose the questions of who does the Reconstruction Programme belong to? Who owns it and who controls it? These questions are grossly irrelevant, the question we need to ask is, is this programme applicable, and how does it relate to our struggle towards socialism?

Lastly, COSATU/ANC/SACP alliance role is not to invent struggle, but to guide it, to help it, to facilitate it, to give it purpose and focus.

The struggle for socialism is not something above or

outside the National Democratic revolution, and the Reconstruction Programme is an element within that struggle.

I believe that the proletariat/working class should not keep aloof from the National Democratic revolutionary struggle, not to be indifferent to it, not to allow the leadership of the revolution to be assumed by the bourgeoisie but, on the contrary, to take a most energetic part in it, to fight resolutely for consistent proletarian democracy. We must fight for the interests of the working class, for its immediate needs and for conditions that will make it possible to prepare its forces for future complete victory.

Mbuyiselo Ngwenda
NUMSA Eastern Cape

Inflation Monitor: August/September 1993

Area	Consumer Price Index (1990 = 100)		Annual rate of inflation (% increase over 1 year)	
	Aug	Sept	Aug	Sept
Cape Town	148.1	148.7	9.4%	8.8%
Port Elizabeth	144.9	145.9	7.7%	7.5%
East London	146.6	147.5	9.4%	9.1%
Durban	142.9	144.0	8.8%	8.7%
Pietermaritzburg	148.1	148.7	9.1%	8.3%
Witwatersrand	146.5	147.2	9.4%	9.1%
Vaal Triangle	140.3	141.1	8.8%	8.9%
Pretoria	146.4	147.1	9.3%	9.6%
Klerksdorp	145.5	145.7	9.4%	9.1%
Bloemfontein	142.6	143.4	10.1%	10.2%
OFS Goldfields	147.4	148.0	12.5%	12.4%
Kimberley	147.7	148.5	10.8%	10.4%
SOUTH AFRICA	146.2	146.9	9.3%	9.1%

Central Statistical Service. By courtesy of Labour Research Service.

“We are no longer a fear-filled people”

Several thousand workers gathered in the boiling sun on a field in the Germiston industrial area of Wadeville. Many clustered in the shade of trees. It was the first peace rally held in an industrial area during working time, and workers came to hear union and employer representatives advocating peace and political tolerance.

The peace rally, held on 9 November, was one of the several initiatives that COSATU affiliates on the East Rand are taking to curb violence. “We are no longer fear-filled people,” says NUMSA regional secretary Bethuel Maseramule. “We are finding ways of intervening, of preventing the collapse of our structures -- to such an extent that members who had resigned from the union out of fear are now rejoining.”

The unions won the agreement of employers in Wadeville to allow those workers who wished to attend the rally, time off to do so. However, few employers

agreed to the proposal to shut down their factories completely – which would have ensured a much bigger turn-out. The rally was supported by the Germiston Chamber of Business, FEDSAL, SA Boilermakers, Yster en Staal, Mineworkers Union and the local peace committee, but few if any members of non-COSATU unions attended.

UWUSA refused to participate, according to Maseramule, because it had not been included in preparatory meetings. “There have been criticisms that the rally did not include the other side, such as UWUSA,” admits Maseramule, “But it was still very appropriate, because we have different political tendencies within our unions, including the IFP. Creating a climate of political tolerance can contribute to ease tensions among our members.”

Maseramule told the assembled workers: “Killing and division are moving from

the community into the factories. We have proven that workers are best at uniting, regardless of differences. We have a wonderful message to spread to the rest of society.” A Chamber of Business representative also attended the rally.

While unionists thanked employers for their support, this did not prevent them from reiterating strong demands to negotiate on ways to improve workers’ safety:

- hours of work should be negotiated to allow workers safe travel to and from work;
- workers from all unions should participate in factory security to ensure “the factories and our lives are safe”;
- violence is caused by poverty, so employers and government must commit the resources to provide houses, schools and hospitals.

(Karl von Holdt)



Wadeville peace rally

Bosses attack motor IC

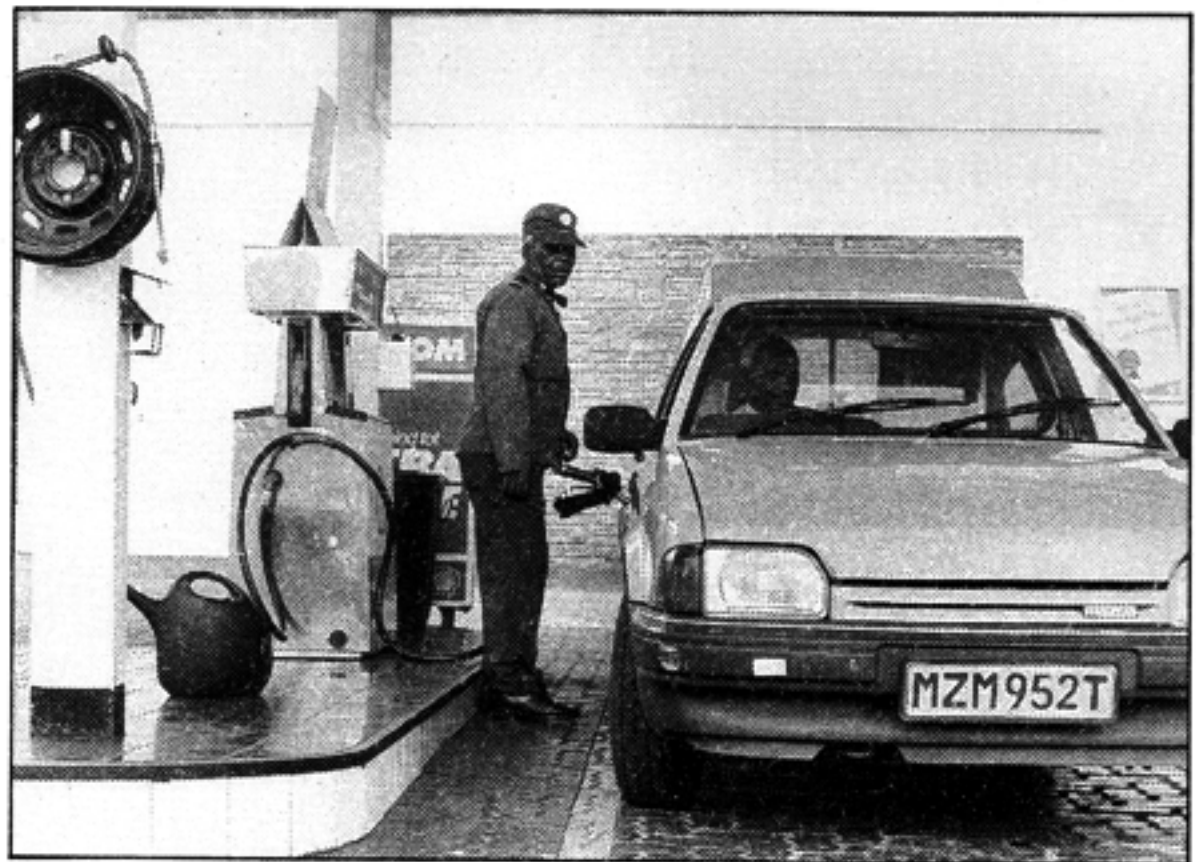
The future of the Industrial Council and collective bargaining in the motor industry hangs in the balance.

The South African Motor Employers' Association (SAMIEA) is making a strong attempt to break down the council and replace it with a 'talk-shop'. In response, NUMSA has launched a national campaign to counter their strategy.

NUMSA recently obtained a secret SAMIEA document which spelt out employers' tactics: drag out negotiations until they collapse. This is just what employers have done – the last wage agreement expired in August 1992 and a new agreement has not been reached. Workers have not had a wage increase since 1991. In the meantime, inflation is eating into their cash wages. General workers' 1993 cash wages, for example, give them only 78% of the buying power they had in 1990. Other grades are also hard hit.

Secret document

The secret document reveals that employers have been planning this attack on the motor industrial council for the past three years. They hope to replace the industrial council with a forum which will allow employers to discuss matters of interest with the unions,



Filling station workers face bleak future without an IC

but not to negotiate anything. The secret document argues that collective bargaining and the closed shop in the motor industry must be broken so that NUMSA can be restrained.

The motor industry is broken down into five Chapters comprising 17 691 employers and 179 000 workers. The average is about 10 workers per plant, making plant-level negotiations very difficult. This is how employers want to weaken NUMSA, whom they accuse of becoming "increasingly aggressive".

Deadlock

NUMSA's first demand in its national campaign is to settle wages and conditions for 1992. They then have to get employers to negotiate for 1993. NUMSA has demanded a wage increase for 1992 equivalent to the

inflation rate, which was 13,9%. SAMIEA has offered an average 6% increase, and have refused to budge from that.

Jobs threatened

NUMSA is also trying to stop the deregulation of filling stations. This could lead to about 50 000 petrol attendants losing their jobs as service stations become self-service.

NUMSA's national campaign will involve all industries where NUMSA organises, including engineering, tyre, rubber and auto. COSATU affiliates and other organisations such as the ANC will be drawn in.

Brief respite

On 1 September 1993, the Administrative Agreement of the Motor Industrial Council was due to expire.

Continued on page 3

COSATU region calls for an enterprise board

COSATU's delegates to the Western Cape Regional Economic Development Forum (REDF) have called for an urgent investigation into enterprise boards.

An enterprise board is an investment holding company which invests in small and medium sized business enterprises which require capital to expand. It

Continued from page 2

This agreement has been extended to February 1994.

NUMSA says that failure to keep the industrial council alive will hurt new employees most. They will have inferior working conditions forced upon them. The next few months, then, should see an intense battle in the motor industry. The result could have far reaching implications for other industrial councils and hundreds of thousands of workers. ☆

(Labour Research Service)

differs from other investment companies in that its main aim is not profit, but job creation.

The enterprise board would invest in job-creating enterprises in the region. It would be modelled on British enterprise boards which sprang up to get local economies going.

Behind the enterprise board lies a job-creating strategy: small and medium sized companies have the infrastructure to create jobs quickly and cheaply. They have a staff, an administration, premises, systems, etc.

They also have a track record which can be examined. The enterprise board will seek out and invest in such companies to expand employment.

NUM and LRS international study

The COSATU delegation's proposal was based on research done by the Labour Research Service (LRS). After a study tour of Australia and the United States by former staff member Dasi Moodley and NUM official Irene Barendilla, and frequent contact with British unions, the LRS concluded that enterprise boards were the right vehicle for boosting investments in jobs.

Feasibility study

The enterprise board will now be studied in depth by a joint REDF task force. The feasibility study must

examine:

- What kinds of companies should the board invest in?
- How can duplication of SBDC facilities be avoided?
- Where will the investment funds come from?
- Who will qualify for seats on the controlling board?

Investment funds

British enterprise boards normally include representatives from unions, local authorities, retirement funds and receive special aid money from central government. These funds are then ploughed into small but growing companies in the area.

The enterprise board will differ from the SBDC in four key areas:

- It will not be a bank, but will put in equity (risk capital);
- It will start new enterprises if necessary, not wait for customers to come along;
- It will have trade union participation;
- It will seek capital from a variety of sources.

Most positive

- The proposal was enthusiastically welcomed at a REDF seminar in July. COSATU's initiative was seen as "the most positive" proposal so far. Now the feasibility study will work out the details.

(Labour Research Service)



ABI strikers at COSATU's World Trade Centre demonstration

ABI: three week strike interrupts wage negotiations

Wage negotiations between FAWU and ABI have deadlocked and the union has applied for the establishment of a conciliation board.

The talks started on 28 September, with FAWU demanding a 25% increase for its 3 500 members against management's opening offer of 7%.

The negotiations cover ABI's nine plants across the country. According to FAWU national negotiator Eric Nkomo, FAWU represents all ABI workers, except for the Reef plant, where the majority of workers belong to NACTU's Food and Beverage Workers Union.

Nkomo says the workers embarked on an overtime ban from 11 October. "This was after bosses argued that any wage increase will have a cost implication on overtime rates," Nkomo

says. "The workers decided to assist management in cutting costs by not working overtime."

Management responded by giving severe written warnings to workers at its Durban plants. Others were to appear before a disciplinary hearing.

At a meeting between the parties on 18 October, management rejected a FAWU offer to withdraw the overtime ban on condition management set aside the warnings and withdraw the hearings.

On 19 October, workers downed tools demanding the withdrawal of the warnings. A day later, Benrose and the Reef plants joined the strike, giving the action a national character.

Wage negotiations were put on hold and efforts went into resolving the overtime ban and strike caused by management's refusal to

withdraw the warning letters.

On 20 October, management told FAWU it intended to apply for a restraining interdict against workers over their unprocedural strike. FAWU then undertook to unconditionally withdraw its overtime ban, but continued its strike against the warnings.

Management went ahead with its Industrial Court application, which was unopposed by the union and was granted on 26 October. The strike continued, despite the granting of the order.

A marathon mediation session on 5 and 6 November reached agreement to end the strike. It was agreed that light written warnings be issued to all workers involved in the overtime ban action, and not only to the workers in the Durban plants.

The strike ended on 10 November.

On 11 and 12 November, further mediation sessions were held to resolve the wage dispute. FAWU's demand had dropped to 16%, while management's offer had increased to 10%. No agreement was reached and deadlock was declared. ☆

(Zolile Mtshelwane)

Review of 1993

1993 in brief

The main features of the year were:

- ❑ Overall membership growth despite recession, retrenchments and violence.
- ❑ Tough wage bargaining, in which unions managed to prevent real wages dropping too far, and in many cases won modest increases.
- ❑ Extraordinary progress in organising and winning rights in the public sector.
- ❑ A far-reaching change in the auto, engineering and tyre sectors, as employers accepted NUMSA's proposals on grading, training, skills, and wage policy.
- ❑ Some progress towards centralised bargaining in the municipal and goods transport sector, simultaneously with attacks on industrial councils in the motor and building industries.
- ❑ The agency shop has successfully been placed on the bargaining agenda.
- ❑ The regulation of health and safety is improving, with the passing of the new *Occupational Health and Safety Act*, and the establishment of a commission to investigate mine safety after the Middelbult tragedy at Secunda.
- ❑ Some employers are beginning to accept a union role in industrial restructuring.
- ❑ Labour legislation has been extended to farm and domestic workers.
- ❑ There has been some consolidation of the three major federations, with new affiliations and union mergers.
- ❑ The gap between leadership and base in COSATU has widened, with serious weaknesses in many affiliates.
- ❑ COSATU is suffering from a lack of strategic focus.
- ❑ The trade union movement has begun to participate in tri-partite forums such as the NEF, NMC and NTB
- ❑ White worker organisation is experiencing some turmoil as it seeks to position itself for a new SA. ❖



Overview by:
KARL VON HOLDT page 14



Wage review by:
RICHARD GOODE page 23



Strike analysis by:
WENDY DOBSON page 30



Impressive gains, organisational

1993 has been an extremely tough year for labour, as was last year – yet unions have made impressive progress on a number of fronts. At the same time, the trade union movement faces an organisational crisis.

KARL VON HOLDT reports.



Collective bargaining

It has been a very difficult year for wage bargaining. The recession, retrenchments and unemployment weakened the unions' negotiating position, and strike action in the private sector fell off dramatically. According to the Andrew Levy strike survey, 2,4 million person-days were lost in the first nine months of 1993 (70% in the public sector) compared to 3,1 million in the same period last year and 2 million in 1992. Nonetheless, unions were able to hold their own with tough bargaining (*see p 23*). This is testimony to the continuing strength of the labour movement, despite the depth of the recession.

The most dramatic increases were won in the public sector, where national strike action by SADTU and SAMWU broke state employers' attempts to limit wage increases to 5%. SADTU won large increases for the lowest-paid categories of teachers, and SAMWU won large increases for workers in the lower-paid

municipalities. The strikes have established both SADTU and SAMWU as powerful national forces in their sectors. SADTU won full negotiating and organising rights, and its strike has for the first time established a

trade union identity among teachers. SAMWU won what is effectively a national minimum wage for municipal workers, as well as an in-principle agreement to national centralised bargaining.

The other major breakthrough in collective bargaining was won by NUMSA. In what the union's national organiser for training and grading Adrienne Bird calls "amazing agreements", engineering, auto and tyre employers accepted NUMSA's proposal for a completely restructured approach to grading, training and wages. The number of grades up to artisan will be reduced to five, with a new grade above artisan. Grades will be skill-based rather than task-based, which means workers will be paid according to the level of skill (based on training), not according to the tasks allocated them by employers.

Related to this framework established in collective bargaining forums, is the breakthrough won by the union in establishing or reforming industry training boards in each sector. A "state of the art" training board has been established in the auto sector, and the artisan training board in the steel and engineering sector has been reformed into a general training board for all workers. Bird points out that the union has now established the necessary institutional framework for its human resources programme to be implemented. Employers have accepted the need for training for all categories of workers, and for career-pathing based on training modules and the new grading system. The union is pushing for an "entitlement clause" which would entitle all employees in the industry to ongoing training.

The agreements in the metal industry are truly trend-setting. The question is whether other unions will be able to catch up. CWIU has succeeded in having an industry training board set up in the chemical sector, but without a centralised bargaining forum it will be unable to table such a comprehensive programme as NUMSA. Other smaller unions, for example PPWAWU and TGWU, have been unable to devote any resources to developing proposals on training and grading

crisis

This article does not review progress made at the NMC, the NEF and the NTB, or political developments and the impact of violence

for their sectors. However, Bird hopes that NUMSA's investment in this area will be spread to other affiliates through COSATU's programme on training and grading.

In the public sector NEHAWU is making some progress with similar proposals. The union has proposed that the broad category of 'general assistant' be replaced with specific job categories, for example 'porter', with career paths and access to training. According to NEHAWU general secretary Philip Dexter, negotiations on this with the Commission for Administration are "making progress". The union has also won CFA agreement that the classification of most general assistants as 'temporary' workers is unacceptable. These workers can no longer be fired on 24 hour notice, and the process of harmonising conditions and benefits is underway.

Other important gains won by some unions in collective bargaining were the agency shop demand and the establishment of re-training funds for retrenched workers. An agency shop has now been established in the auto industry, and NUM has won Industrial Relations Funds on almost all Chamber mines, according to general secretary Kgalima Motlanthe, except Goldfields. These differ from an agency shop in that contributions from non-members go, not to the union, but to the IR Funds jointly controlled by management and the union. The money will be spent for the benefit of all mine workers. Re-training funds have been established in the auto and steel engineering sectors, and by Premier and FAWU in the food industry.

Very little progress has been made with what COSATU has defined as one of its key campaigns – the campaign for centralised bargaining. SAMWU won a highly significant victory in the municipal sector. TGWU has won agreement from employers in the goods transport sector to extend the Transvaal industrial council to the rest of the country, and this should be in place early next year, according to general secretary Randall Howard. SACTWU and employers in the clothing industry have agreed to merge the five regional ICs into one national

one by 1995.

On the other hand, employees in the motor and construction industry are undermining the industrial councils and refusing to sign agreements. Campaigns by SACCAWU, PPWAWU and CWIU for centralised bargaining in their sectors have made little if any headway.

Shopfloor change

While management of many companies is aggressively introducing various worker participation and productivity schemes, unions have made virtually no progress in taking initiatives towards co-determination or democratising the workplace (the one exception is Eskom – see later). In most cases, too, management bypasses the union, and when the union is consulted it is usually not equipped to respond adequately. As TGWU's Howard puts it, "Organisers are caught with their pants down".

While unionists at national level talk about team-work and co-determination, the view from the ground is more desperate. "Our members and organisers face multi-tasking, retrenchments, demands for flexibility, for agreeing to new work schedules, for harderwork," says NUMSA regional secretary on the East Rand, Bethuel Maseramule. "Our national officials negotiate the principles, but on the ground the organisers get overwhelmed by detailed company proposals. They are impatient to get concrete information on how to respond to retrenchments, multi-tasking and over-work." At national level officials meet management counterparts, who then use the union's ideas in negotiating with local organisers. The local organisers are disempowered by the new language of 'flexible production' as they have not been equipped by their union to implement its programme. "At the national level the bosses discuss everything, but they do not hold back their attacks at plant level."

Maseramule gives the example of National Bolts, which retrenched workers at the same time as it was approaching the Department of Trade and Industry jointly



COSATU shopstewards council: national gains, crisis on the ground

with NUMSA to request export subsidies. "Now they have raised the need for team-work and restructuring with us – and at the same time telling us a second wave of retrenchments is a 'given'." He concludes that "in the companies we are simply reacting, we haven't yet taken a pro-active approach." Most organisers in most unions face similar problems, although in the metal industry, as Maseramule points out, employers may actually have been empowered by the union's new strategy and language.

This situation may shift slightly next year. NUMSA sees new forms of work organisation as being closely linked to its grading and training initiatives, and will focus on pilot projects in some auto and other companies.

While it may have been relatively easy to get consensus between union and employers on grading and training, the union's proposals on team-work and co-determination are another matter. The "new competition", according to CWIU general secretary Rod Crompton, requires that management moves labour relations higher up the agenda, negotiates changes with the

union, provides information, and devolves responsibility onto the shopfloor. "South African management has an absolute mindblock about 'management prerogative' – so their restructuring is bound to fail," says Crompton.

Essentially, the workplace contestation will be between the management model of 'lean production', and a union model of 'intelligent production' – if the unions can equip their organisers and members to take up this challenge.

Industry restructuring

Over the past two years COSATU affiliates have declared their determination to play a role in 'industry restructuring'. The struggle to establish a new framework for grading and training is obviously a central component of industry restructuring, as it lays the basis for production based on higher skills, flexibility, better quality and more complex technology. However, the unions also seek influence – and ultimately co-determination – in the spheres of business planning, industry planning, product development and investment.

Some are beginning to have some

influence at this level. According to NUMSA's Chris Lloyd, the union has taken some steps forward in the auto sector, where the union participates in the Motor Industries Task Group. "Employers are beginning to understand the need to rationalise models, to develop and expand the components sector, and that all this requires an industry policy." Union and employers have worked out a joint response to GATT. In the white goods sector, too, says Lloyd, some companies are beginning to appreciate the union's views that the industry needs to prepare for rapid expansion as electrification takes off. "We have two messages – that we need an industry strategy to design and produce goods for the mass market, and that skills-based work organisation in the plants is the only way to increase productivity and quality and meet international competition."

Other unions lag far behind this. While NUM has had some success in crafting proposals that have kept individual marginal mines going, the union has had very little success in persuading the mining houses that a comprehensive plan for the downscaling of the industry is necessary. "Talks at the Mining Summit (established in 1991) are very slow. Employers have a wait-and-see attitude – there is no commitment to union participation," says NUM's Kgalema Motlanthe.

CWIU is engaging companies in talks about the future of the chemical industry. TGWU is doing the same in the passenger transport industry.

The most far-reaching example comes from the state utility company, Eskom. After a campaign NUM and NUMSA won union and community representation on Eskom's governing body, the Electricity Council. Co-determination and the end of managerial prerogative have been accepted at all levels of the organisation. The Eskom restructuring is so far-reaching that unions in other state companies – Telkom, Sapo, Transnet – as well as the public sector more broadly, may take it as a model.

The public sector is in any case likely to be the arena of most concerted union

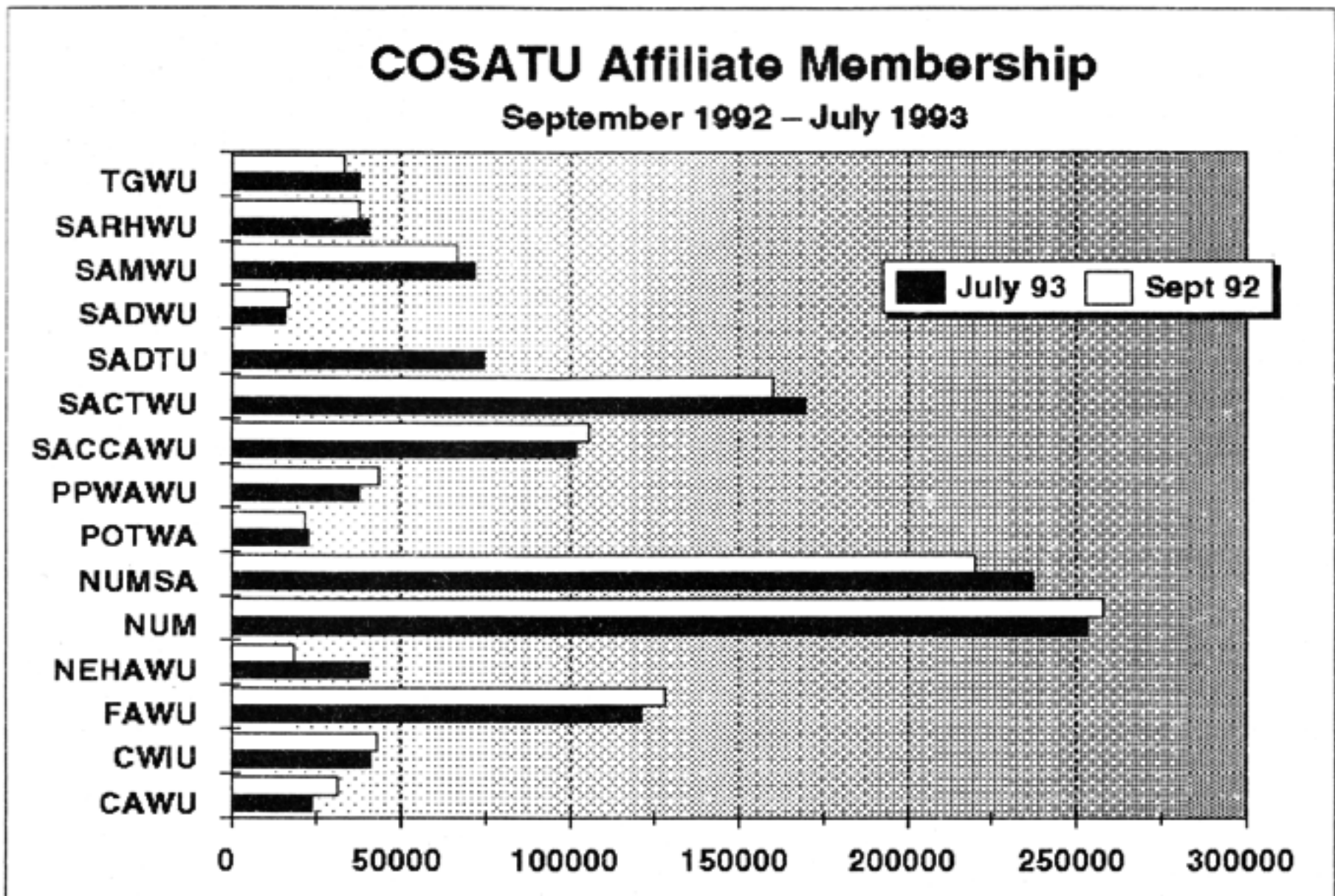
involvement in restructuring after April next year. COSATU won an important victory in November this year when the CFA and the conservative staff associations tried to have guarantees of job security and benefits written into the interim constitution. After threatening a general strike over this and the right-to-lockout clause (see p 38), COSATU and NEHAWU won agreement that the government will have the authority to restructure the civil service, transferring and retrenching staff where necessary, and that the commissioners in the CFA will not be entrenched, and the number of commissioners will be expanded, which is "vital for transforming the civil service", according to NEHAWU's Dexter.

The labour movement

The past year has seen some consolidation of all three major federations. The Federation of SA Labour Unions (FEDSAL) has experienced membership growth through affiliation of several new unions, and feels it is now well-placed in the "mid-stream" of labour. New FEDSAL President Ben van der Walt feels it has been a "very good year. Unions are joining and we are growing, not stagnating." Membership increased from 214 000 to 273 000. He believes FEDSAL is now recognised as an important actor in the labour field, and points to the federation's participation in the National Manpower Commission (NMC), the National Economic Forum (NEF), and in the official delegation to the ILO. FEDSAL also took part in the campaign against the petrol-price increase and supported COSATU's position on the right to strike and lock-out. It has formulated an economic policy document for the first time. The Public Service Artisan and Allied Workers Association and the Hospital Personnel Association of SA have given it a presence in the civil service for the first time.

Van der Walt is confident about FEDSAL's future. "We think we are the future of labour. Once the political situation stabilises we will become the mainstream."

The National Council of Trade Unions (NACTU) general secretary Cunningham



Ngcukana also believes his organisation has had a "very successful year." Despite extremely difficult negotiations over wages and retrenchments, NACTU has been able to focus on internal consolidation through mergers and improved education programmes.

The formation of the Municipal, Education, State Health and Allied Workers Union (23 000 members) last year, has been followed by the merger of security, laundry and brushes affiliates to form the National Service and Allied Workers Union (12-15 000). The Food, Spirits and Allied Workers Union (24 000) is to be launched soon, and MEWUSA, SEAWUSA and the United African Motor Workers (check) will also merge soon (35 000). These mergers will reduce the number of affiliates from 20 to 15. NACTU hopes to emerge from this overhaul as a more effective organisation, and has set itself a target of increasing its membership from 327 000 to 600 000 by June next year.

COSATU too has had a good year in many ways. Its membership, which fell for the first time last year, has resumed steady

growth in a number of affiliates, although others have lost members. Overall, growth was 40 000. Add 75 000 members brought in by SACTU's affiliation and COSATU has 1,3 million members, up from 1,18 million in mid 1992. The lesson of COSATU's figures seems to be that big strikes – whether successful or not – bring in increased membership. SAMWU and SACTU gained a large number of new members after this year's successful strikes, and despite failing to win their demands in the major strikes last year, NUMSA and NEHAWU registered dramatic increases over the past year.

COSATU has set itself a target of 1,5 million members by June 1994. This should not be too difficult to achieve, since figures from COSATU's regional offices suggest the federation's actual membership is already 100 000 more than the audited figures.

COSATU will be greatly strengthened by the merger of SAMWU, POTWA and NEHAWU to form a giant public union with some 200 000 members in May 1994. The process towards the merger is well under way, and the new union is likely to be a powerful one with enormous potential for

growth. On top of SAMWU's successful national strike, NEHAWU has undergone a period of consolidation and re-organisation. Whereas in the past NEHAWU's base was among general assistants, they now form less than 50% of its membership as the union has successfully recruited more highly skilled workers, including white collar workers.

COSATU has put a lot of work into the project, and assistant general secretary Zwelinzima Vavi believes "it is the union of the future." It will launch a major drive to organise central government workers, and the union will have a key role to play in democratising the state and ensuring that services reach the people.

With NEHAWU's expansion and the affiliation of SADTU, COSATU has for the first time a base among white collar and professional workers. This will open up new possibilities in the future.

All three federations say their relations are "good" and they co-operate well in the NMC and NEF. NACTU says its aim is still ultimately a merger with COSATU, but the latter's alliance with the ANC and SACP are an obstacle.

NACTU will probably face the biggest problem in sustaining itself in the future. It is no accident that it is strongest where COSATU is weakest and/or has relatively small affiliates: in chemical, construction and farming. Where NACTU affiliates face COSATU's giant unions it has little hope of breaking out of its relatively narrow base. If more COSATU affiliates merge and form mega-unions with enhanced capacity and servicing – as some suggest – NACTU's potential for growth will be curbed.

FEDSAL at the moment has a relatively open field in organising white collar workers. If COSATU does begin to develop its capacity and flex its muscles in this direction the relation between the two federations could become highly competitive.

Organisational crisis

Despite the impressive gains won by COSATU in the last year, it is facing a

serious organisational crisis. Given COSATU's role as the biggest federation with the greatest capacity, an organisational crisis for COSATU is an organisational crisis for the labour movement as a whole. Several affiliates are experiencing internal instability, with wholesale change of leadership and internal conflict. There is a widening gap between leadership and base, between the "big three" and the smaller affiliates, and members in all affiliates complain of lack of service. There is a steady drift of skilled and experienced officials out of the movement. COSATU itself seems to have lost capacity to develop strategy and campaigns

Some of the tensions within the federation have emerged in conflicting views on how to deal with retrenchments, wages, and economic policy. The big three (NUM, NUMSA, SACTWU) tend to see industrial strategy, industry-wide retrenchment and retraining funds, and increasing industrial competitiveness, as the solutions to job loss and retrenchment. This is at least in part because they have greater policy-making capacity, and can exert industry-wide influence through centralised bargaining forums. The smaller affiliates, without these resources, and bogged down in endless retrenchment negotiations, tend to counter with fighting talk about struggling for a moratorium on retrenchments.

A similar difference surfaces in debates on wage policy, with some unionists emphasising industry restructuring and productivity, and others arguing for wage militancy. This difference also tends to coincide with the big/small division. Economic policy differences follow a similar division, with some unionists emphasising policy and other emphasising demands.

These differences are certainly not confined to debate between big and smaller unions – they also exist within the big unions, as the NUMSA congress resolution on nationalisation showed.

The question arises – if unions are making the kinds of impressive gains outlined above, why is there such dissatisfaction on the ground? Part of the answer is that it is the big

unions with centralised bargaining that are making the gains.

Another part, though, is that even where unions are making big industry-wide advances, they do not necessarily make much difference in the workplace (the same applies to gains made in the NMC and NEF). The path-breaking success of NUMSA's framework for grading and training, for example, will have virtually no impact in most workplaces for at least a year. First must come the enormous slog-work of drawing up the new grades and classifying workers and jobs in terms of them, as well as the work of designing the new module-based training courses.

Meanwhile, in the workplace workers face a range of new and old problems without adequate service from the union because organisers do not have the time or the skills. According to NUMSA's Maseramule, for example, "Workers are vocal in attacking national leadership. NUMSA is getting known as a union with innovative ideas, but members are unhappy. They ask, 'to whom are these ideas useful, if the union is unable to come to our rescue in the factory?' "In Maseramule's view, the effect of a strategy of proactive engagement without a complete understanding is that for the first time a huge layer of members, shopstewards and organisers don't have an inkling what negotiations are about." He stresses that the problem is not with the principles of NUMSA's negotiating programme, but with the concrete

application.

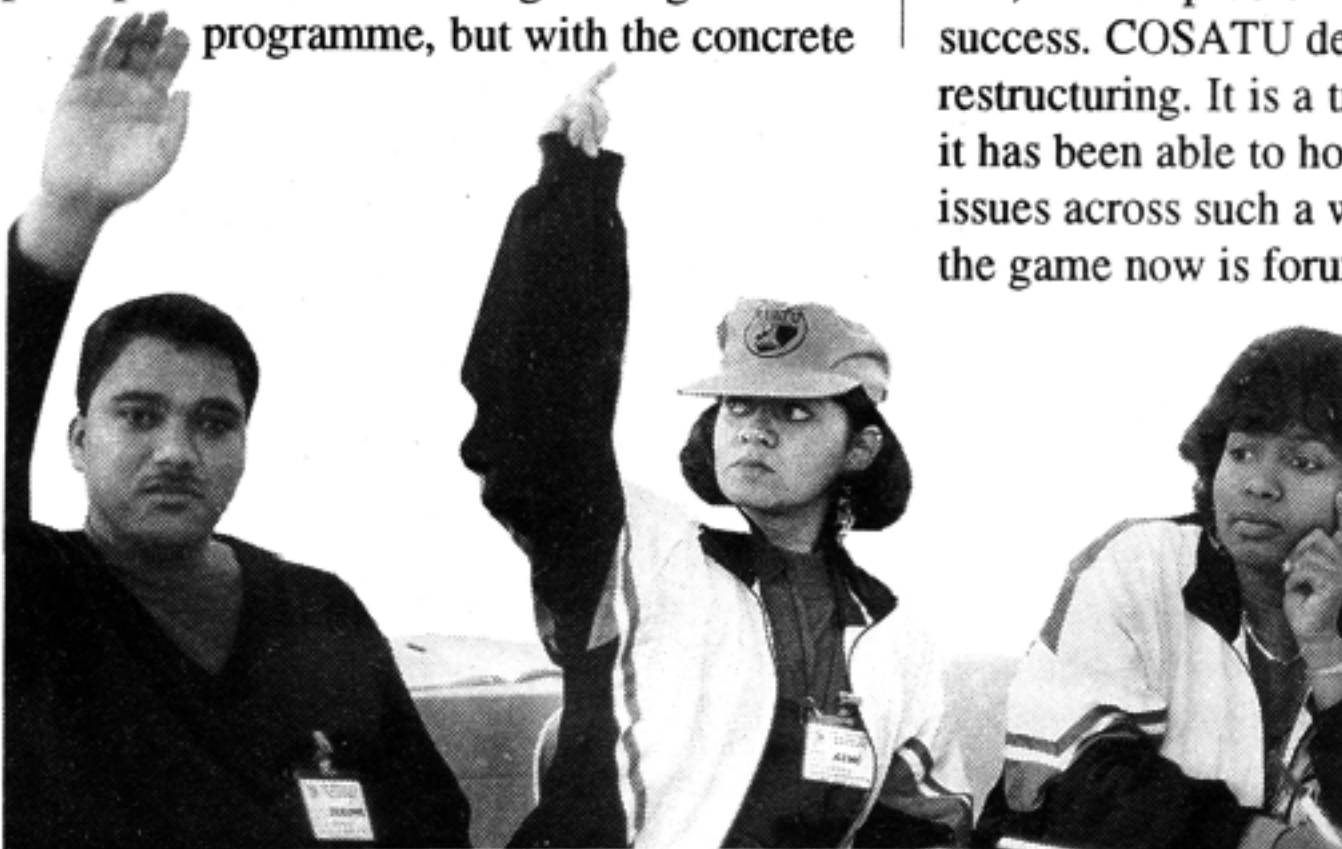
Even in the more traditional areas of servicing factory needs, most unions are failing. "We have to accept that this is the era of delivery, we have to satisfy our own members," says TGWU's Howard. But he points out that the smaller unions simply do not have the capacity to do this. Our major weakness is stagnant membership."

Some of COSATU's weaker affiliates are in crisis. The outgoing president of PPWAWU told his union's national congress this year: "We have seen the weakening of our organisation at all levels ... poor functioning of structures and workers' control ... personal clashes amongst officials, building of cliques and poor servicing of members ... unless we confront the burning issue of sustaining our organisation financially, this union may become a figment of the imagination." Similar problems face some of the other affiliates.

While COSATU itself has developed a strategic vision, it seems unable to translate this into clear strategies, goals and campaigns. It's poor handling of the NMC negotiations around the lockout clause provide a clear example (*see p 38*). So do the great number of campaigns that are regularly announced and seldom materialise. Many organisers and shopstewards feel the COSATU leadership is losing touch with the ground, fails to co-ordinate issues, and makes too little effort to keep them informed. CWIU's Rod Crompton points out that, "These problems are the fruit of success. COSATU demanded no unilateral restructuring. It is a tribute to COSATU that it has been able to hold such a wide range of issues across such a wide front. The name of the game now is forum management."

In truth, COSATU has achieved an enormous amount. But unless it makes

New power in public sector: teachers vote COSATU



more progress in solving these problems its victories could become serious weaknesses.

1994

While the trade union movement – and COSATU in particular – managed to hold its own in a very tough bargaining environment, and in some cases make impressive breakthroughs, there are increasing signs of a serious organisational crisis. If COSATU does not address this head on, it runs the danger of becoming a highly stratified organisation with a bureaucratic leadership locked into a range of forums, and dependent on the state, while its base becomes weaker and weaker. The federation could become stratified into bigger affiliates able to make proactive interventions in some sectors, and in some bigger and more capital-intensive companies, and launch militant wage struggles in others, while the smaller unions and those organising what Jane Barrett calls the 'semi-marginalised' sectors (see p 44) fall further and further behind.

This scenario is reinforced by underlying economic trends discussed by Jan Theron (p 58). The rapid growth of the small business sector and the informal sector not only pose very difficult organisational problems for unions wishing to represent workers in them, but also puts centralised bargaining institutions under tremendous pressure.

If COSATU is to have any hope of meeting these challenges, strengthening its proactive capacities, and extending its gains to other sectors it will have to do the following:

- ❑ Develop a clear set of priorities, and focus resources and campaigns on these.
- ❑ Decide on a programme to restructure COSATU. This should entail merging smaller unions to form a smaller number of mega-unions. As TGWU's Randall Howard points out, small unions can no longer play the game. Restructuring COSATU should also entail strengthening the centre, so that COSATU itself has more national muscle, can avoid sectoral chauvinism and strengthen weaker affiliates.
- ❑ One absolute priority is to campaign for

centralised bargaining by putting pressure both on employers and the new democratic government. It is no accident that COSATU's biggest and most proactive affiliates are those in which centralised bargaining forums exist. At the same time, COSATU should debate how to restructure centralised bargaining to accommodate the needs of flexible production and small business.

- ❑ COSATU and affiliates need to take the internal management function seriously. Working conditions and salary scales should be restructured to provide clear career paths. Perhaps a staff association for union employees would be a good idea.
- ❑ COSATU needs to develop clear policies and strategies on a range of issues: Staff and shopsteward training, workplace restructuring and co-determination, productivity, wage policy, levels of bargaining, reforming the legal dimension of industrial relations etc. But without some of the organisational reforms suggested above it is unlikely to have the capacity to do this.

The election of a democratic government next year will open up new possibilities for the labour movement. For the first time labour could gain access to state resources – research, information, training and finances for capacity-building. But COSATU will have to campaign to translate these possibilities into reality.

The election campaign may offer an ideal way to do this. The mobilisation and political energy of workers could, once the elections are over, be channelled into campaigns for compulsory centralised bargaining, and for state support to develop labour's research and training capacity. ☆

Thanks to the following for interviews/discussions:

Adrienne Bird, Randall Howard, Gwede Mantash, Kgalima Motlanthe, Chris Lloyd, Bethuel Maseramule, Rod Crompton, Cunningham Ngcukana, Ben van der Walt, Zwelinzima Vavi, Philip Dexter, Lisa Seftel, Rob Rees, Umanyano staff.

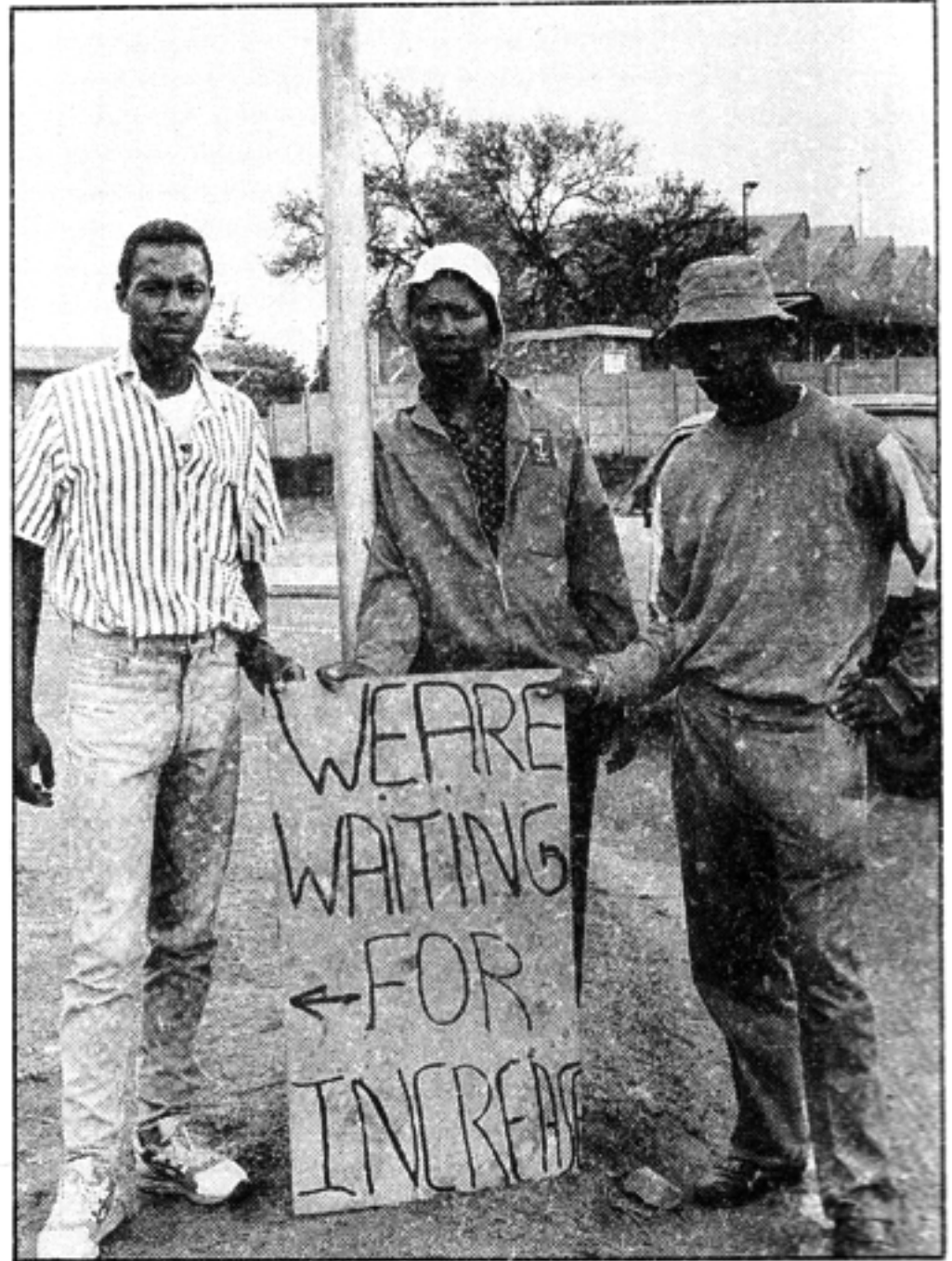
Report by RICHARD GOODE,
LABOUR RESEARCH SERVICE

1993 wage settlements review

Settlements averaged 12,7% this year, the lowest annual increases won by labourers since the Labour Research Service started its database of trade union negotiated wage settlements in 1988. Behind that average lie a range of factors which this survey of wages in 1993 will explore.

Expectations of lower wage increases than in previous years were widespread. Against a backdrop of the recession, declining inflation and a measurable downward trend in settlements in 1992, wage bargaining in 1993 placed more emphasis on job security and skills training in a very tough bargaining environment. Predictions for average settlements in 1993 made by Andrew Levy were in the region of 10% and those by Duncan Innes some 8%-11% (*Finance Week* May 6-12 1993). The governor of the Reserve Bank observed mid year that there had been "a decline in the rate of increase in average wages and salaries negotiated between employers and employees – all indications are that the majority of such negotiations are now being settled for average increases of below 10% for the next year" (*address to 73rd ordinary shareholders meeting*).

Does this mean trade unions have done better than expected? Not really, when the figures are scrutinised more closely. The average annual increase, calculated by the Labour Research Service at 12,7%, is for labourers' wages. Many settlements award higher increases to the lowest paid worker which mean that the overall increase for the bargaining unit is, in fact, less. This is born out by the lower increases achieved for more skilled positions examined below.



Inflation is the yardstick against which increases in wages are generally measured to assess, in purely monetary terms, just how well, or badly, workers have done in each bargaining round. In 1993 the rapid decline in the annual rate of inflation to about 9% (a pre year-end estimate) has been followed by the equally rapid decline in the annual rate of settlements reached in bargaining. The average settlement achieved by labourers exceeded the rise in inflation by 2,8%, meaning trade unions succeeded, on the whole, in maintaining the real value of their members' wages in the minimum or

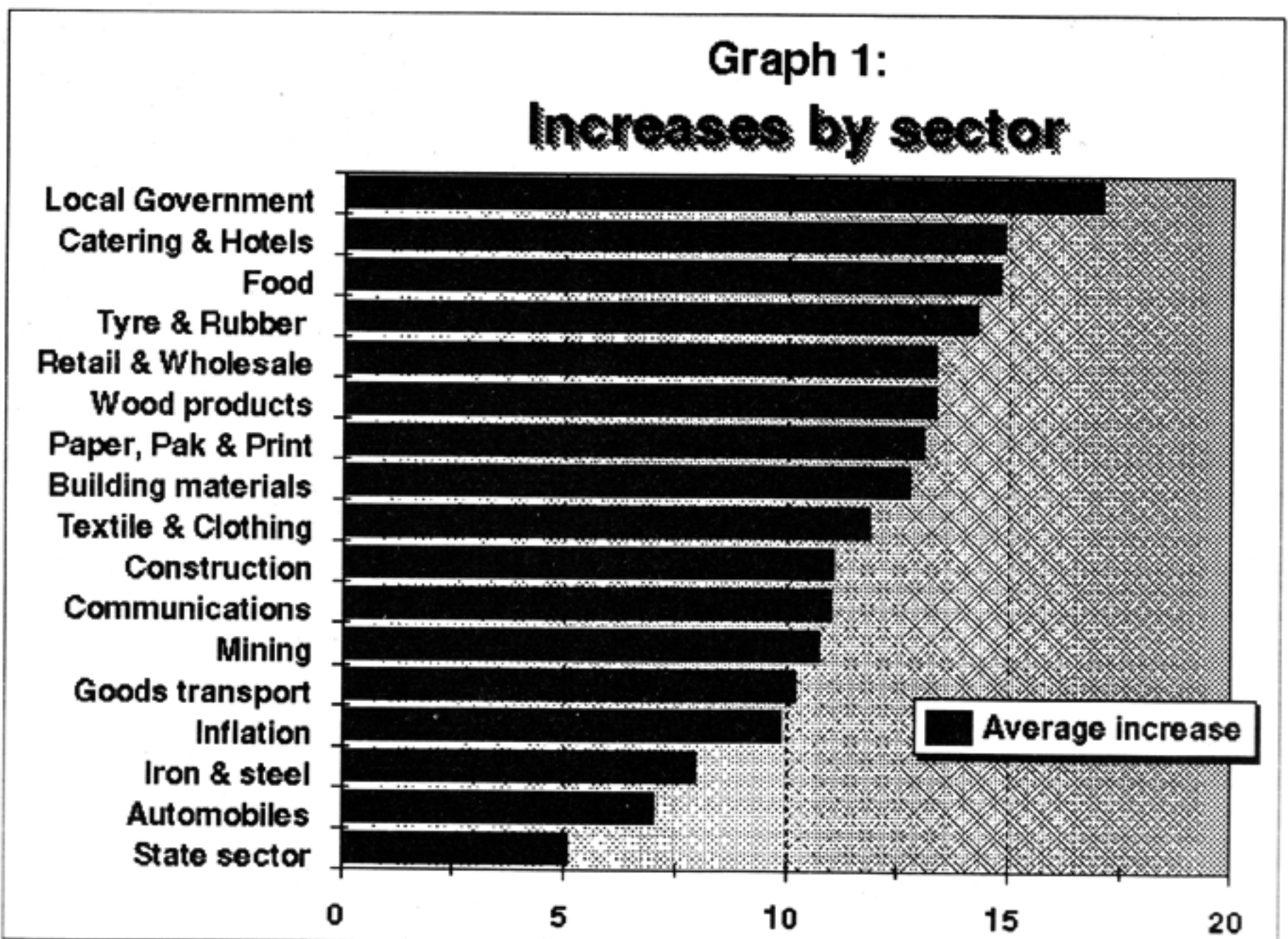
labourers' grades. Yet as will be seen, below-inflation increases were settled in many important sectors and jobs which requires a downward revision of the overall settlement figure. The fact that unions have done so well in maintaining some real wage levels is testimony to the strength of the trade union movement during the deep economic recession gripping the country. Retrenchments have shrunk union membership and an estimated 46% of economically active people survive through the informal sector or are totally unemployed.

Settlements by sector

An examination of the increases achieved in different sectors provides a better picture of what wage bargaining accomplished in 1993 (see Graph 1). Three crucial sectors, the public service, the automobile industry, and the basic iron and steel industry settled below inflation. Minimum wages in the state sector were increased by 5% and an additional R850 million set aside for raising the wages of the lowest paid. Negotiations

on the distribution of this amount have not been concluded yet. In the automobile industry a path-breaking agreement was reached featuring a comprehensive skills development programme for the industry. Workers received a 7% across-the-board increase plus an additional bonus which amounted to 3%. The beleaguered iron and steel industry, severely affected by the recession and having experienced severe job losses and a fruitless strike in 1992 settled well below inflation at 7,2%.

Sectors in which above-inflation increases were obtained for labourers were clustered in a narrow band of between 10,2% for goods transport and 13,4% for retail and wholesale. Mining unionists achieved an average of 10,7% this year – the first positive increase for some time. Sectors in which unions succeeded in winning large increases for labourers were the tyre and rubber manufacturing, food manufacturing and catering and hotels. Top spot goes to the local government sector where the largest gains for labourers were made. This sector falls at the bottom of the pay rankings, thus

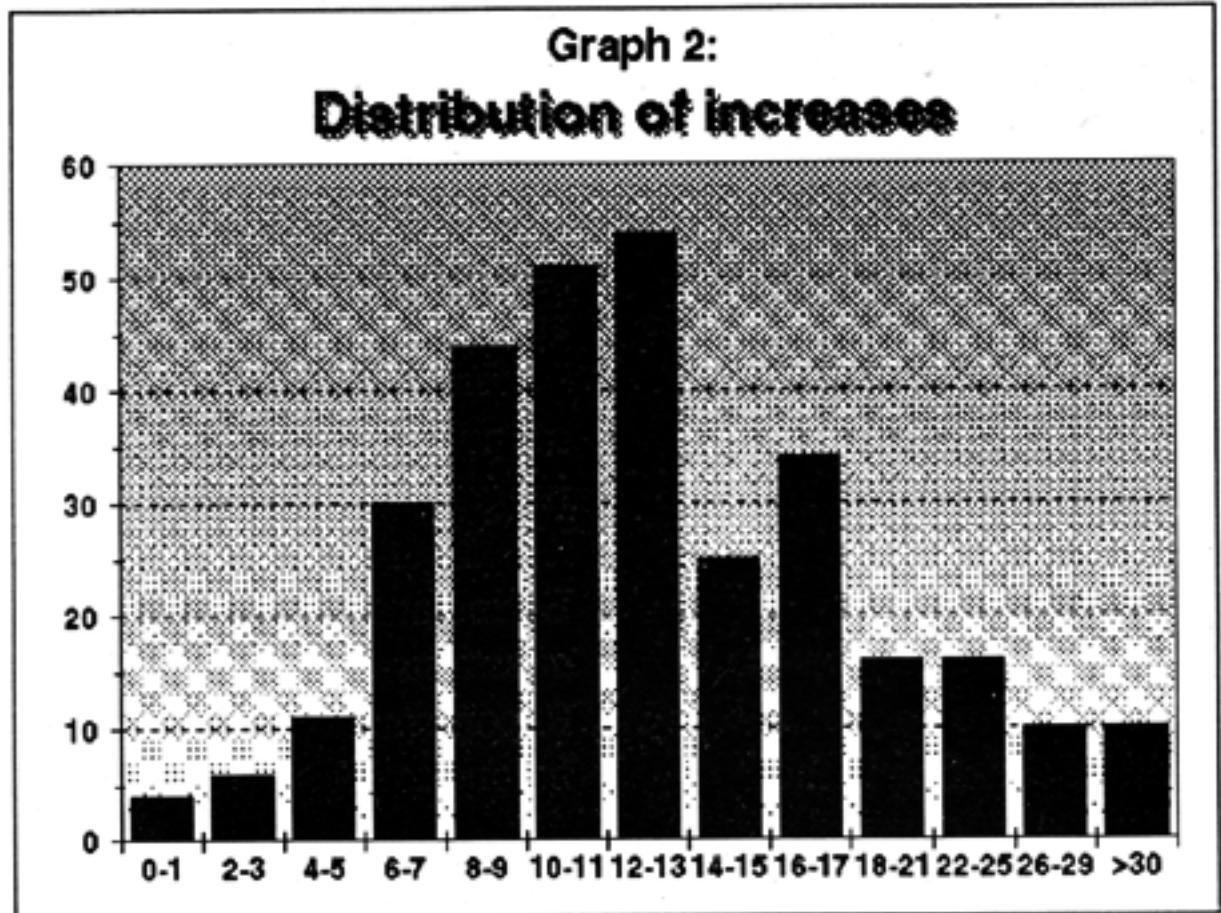


the increases obtained were off very low bases particularly in a large number of small towns. Major metropolitan municipalities, which pay significantly higher wages, settled for lower increases.

NUMSA, SAMWU and NUM can be singled out for their outstanding achievements in the 1993 bargaining round. NUMSA for achieving its restructuring agenda despite very harsh bargaining conditions. SAMWU for making another quantum leap towards reasonable wages in the local authorities, and NUM for successfully exploiting the higher gold price to maintain the real value of its members' wages.

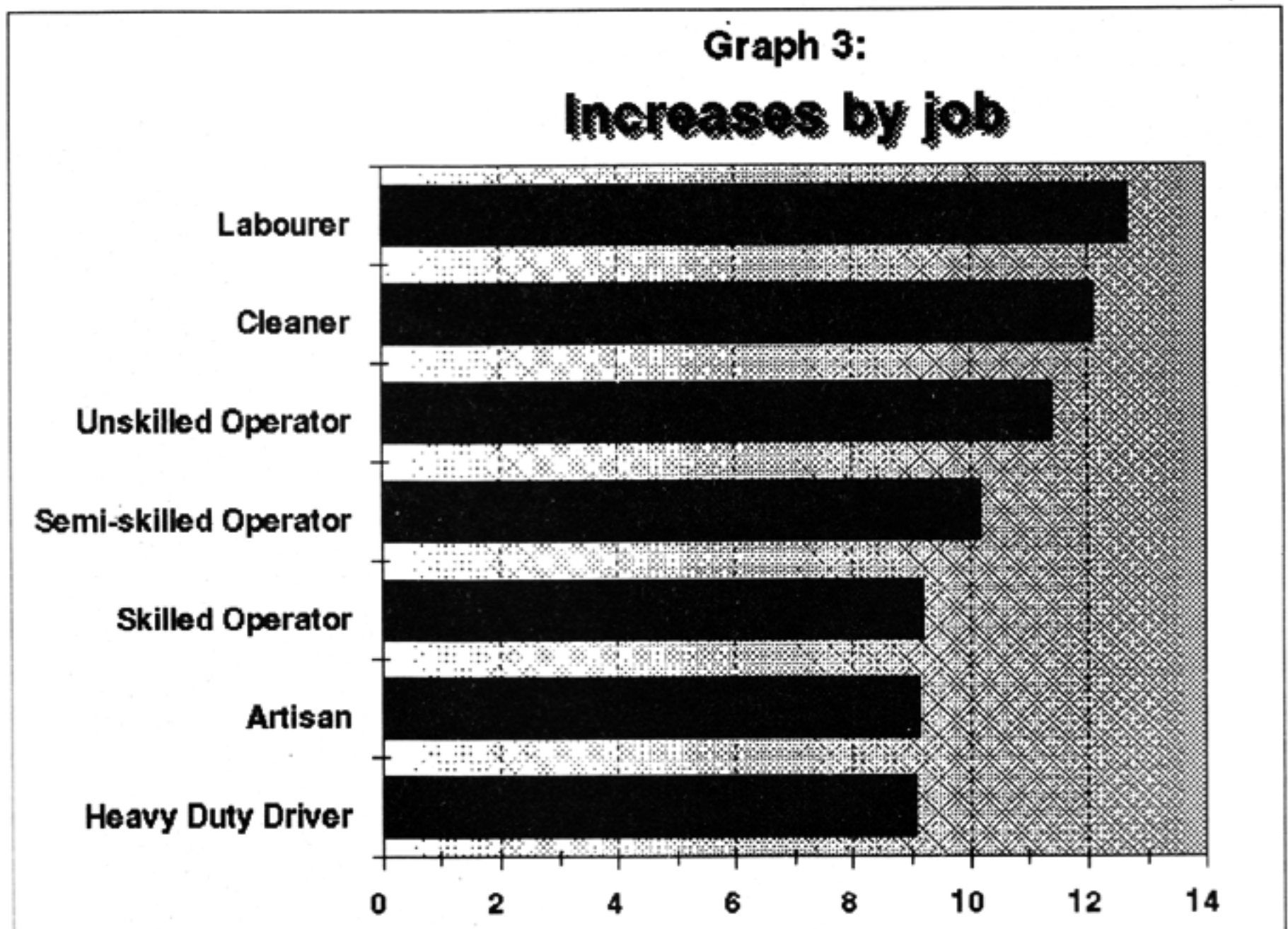
Distribution of increases

Two thirds of settlements made in 1993 were above the rate of inflation. The largest

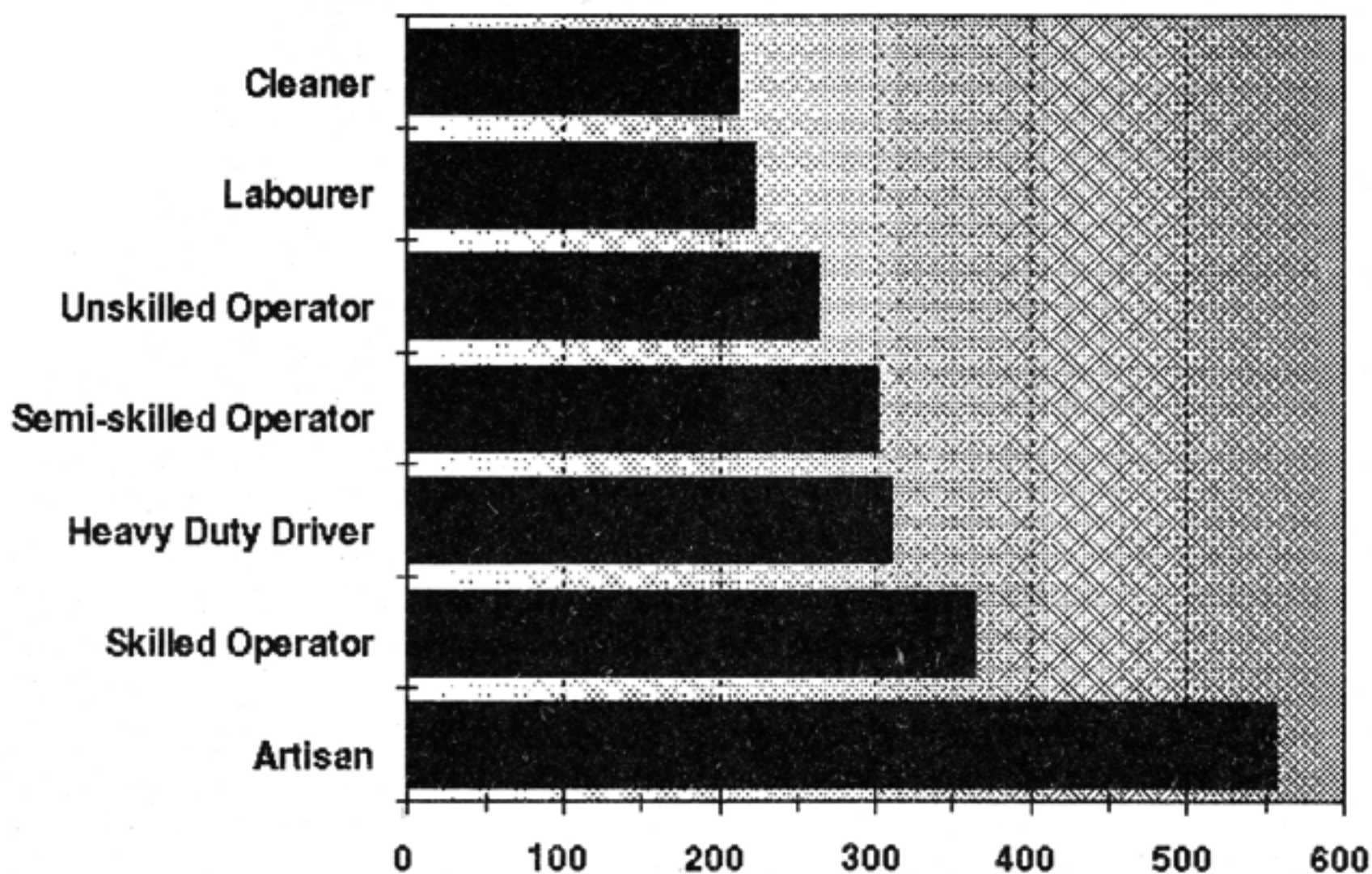


number fell in the range of 8% to 13%. For those below inflation, few settled for under 6% and the highest number were between 8% and 9%. The largest number of settlements above inflation were in the range of 12%-13% followed by 10%-11% ie providing for modest, but nevertheless real wage increases. Hard times have not wiped out large wage gains entirely: 6% of the

**Graph 3:
Increases by job**



Graph 4:
Average weekly wages for 1993



sample was still able to obtain increases in excess of 20%. A look at those bargaining units which did obtain large increases reveals that a large proportion of them were small municipalities paying low wages and what may be assumed to be newly organised small companies in the catering and food sector to which unionism has brought large increases in the first bargaining round. (see Graph 2)

Lower increases for the higher skilled categories

While the average increase obtained by labourers was 12,7% other occupations did not fare so well. Workers in higher skilled categories tended to get lower increases. As the graph on page 26 reveals, cleaners obtained increases slightly below those paid to labourers. Of the three operator grades, the unskilled operator and semi-skilled operator obtained increases which, on average, kept them above the rate of inflation. Skilled operators, artisans and

heavy duty drivers failed to maintain the real value of their wages with settlements of 9,1%, slightly below the inflation rate.

An apparent contradiction is posed by the above results. Increases this year appear to be inversely proportional to the skill levels of workers and yet there is an abundance of unskilled labour. If skill shortages exist, it is at the higher levels, but it is here that the results show lower increases have been won. Reasons for this are threefold: the impact of the recession that has seen job losses across the board, reducing the bargaining power of workers; unions have placed a higher premium on job security and slowing retrenchments; bargaining practices widely used by unions have pushed up the minimum rates faster than that for the higher skilled categories. While the latter approach has had the desirable consequence of narrowing the differential between the skilled and unskilled categories, this has tended to under-provide for the higher skilled workers. As the union movement searches for strategies to grow,

the need to attract the more skilled workers will feature more prominently.

One further factor in explaining these results is the progress unions have made, in mature bargaining forums, in implementing their programme for the restructuring of industry. The need to raise productivity features prominently in this approach, and the path chosen is to upgrade the skill level of workers and remove the obstacles apartheid has created: racially based access to skills and supervision structures. Wage bargaining, in this approach, broadens its scope to cover training of members, skills access and career opportunities while attempting to obtain significant nominal increases. Most progress has been made within the metal sector.

Basic wages in 1993

Cleaners are the lowest paid in the sample of trade union-negotiated wages surveyed in 1993. They earn, on average, R212,76 per week. Labourers earn slightly more at R222,07. Both categories fairly present the

wages of unskilled unionised workers. A distribution analysis on a sample of 315 labourers' wages revealed the following:

Distribution of labourer's wages

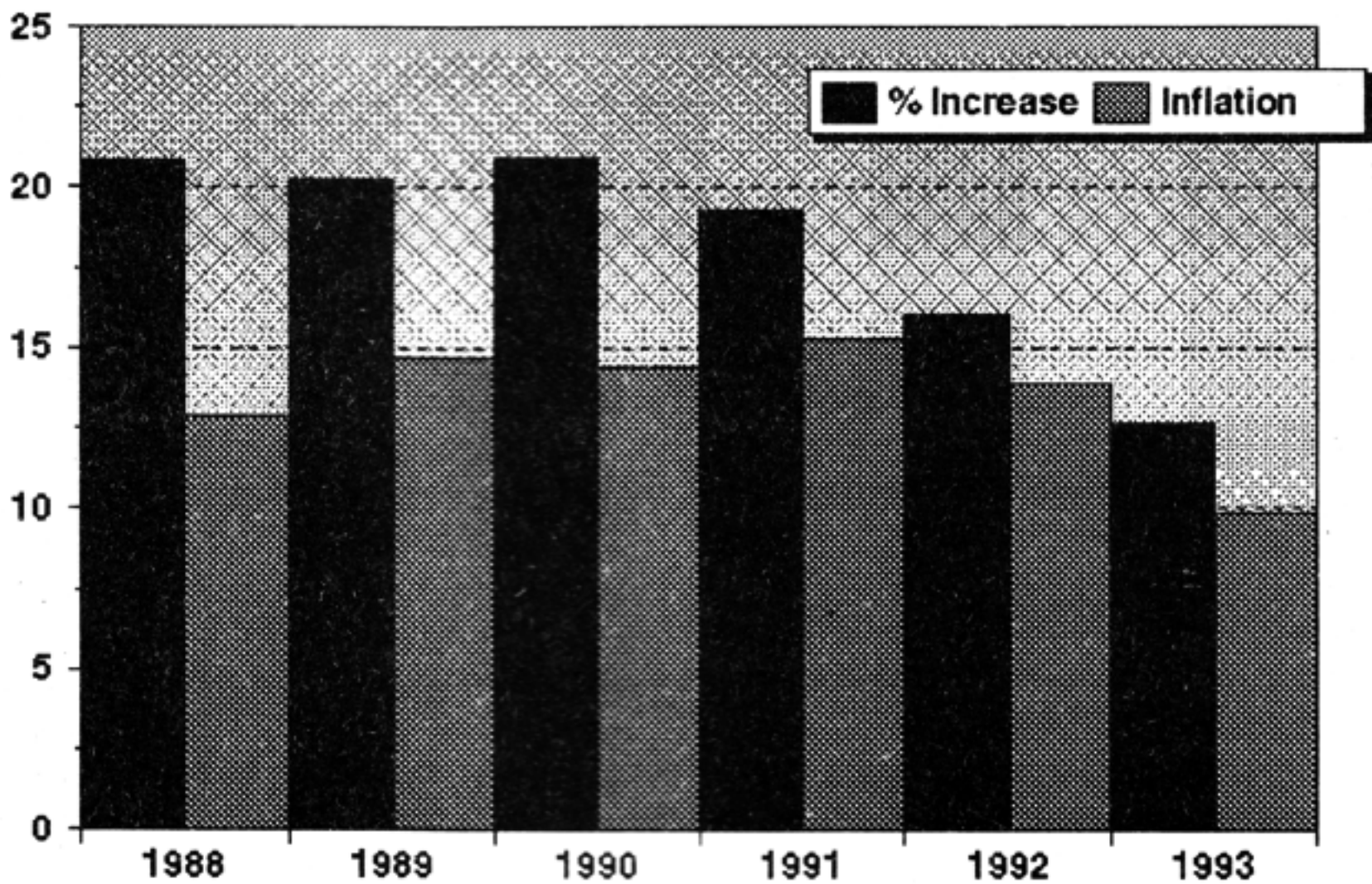
Min	25%	Median	75%	Max
R68	R148	R217	R280	R468

Compared to the poverty datum line produced by the Bureau of Market Research at Unisa, which puts their supplemented living level at R241,63 in February this would have two thirds of the sample of labourers who won increases in 1993 falling below this measure of poverty.

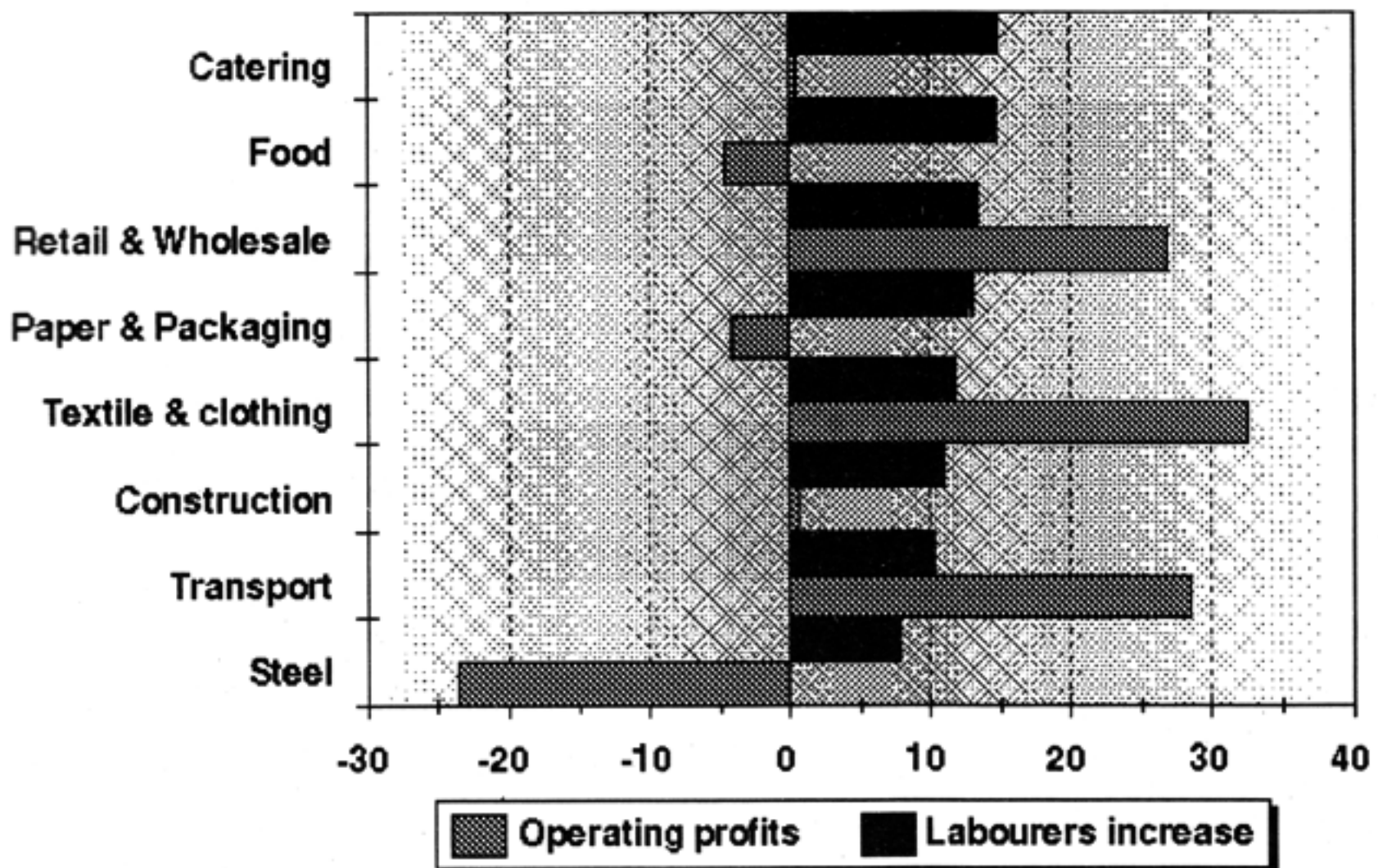
Wages in the broad operators category rise from an average of R263,02 for unskilled operators to R364,42 for skilled operators. Within this category are found heavy duty drivers, earning an average of R310,79 per week. There are obviously large variations between bargaining units. However, the wages reflected here do show operators to earn within a defined range.

Artisans earn an average of R556,55 per

**Graph 5:
Labourer's settlements 1988 - 1993**



**Graph 6:
Profits and wage increases**



Artisans earn an average of R556,55 per week. This figure reflects the bottom of the basic pay range for artisans. Labourers earn on average 40% of the artisans weekly average (see graph 4 on page 26).

Wage settlement trend declines

Over the past six years the average annual increases obtained by unions for labourers has been well ahead of inflation. Between 1988 and 1990 the average stood slightly above 20%, against an annual inflation rate which rose over the period but did not exceed 15%. The rate of settlements started to decline from 1990 and has fallen rapidly since to its present level. Inflation, which peaked in 1991 has also fallen rapidly, most notably in 1993 helped along by lower food inflation.

The wage-profit link

Profits made by companies indicate the efficiency of the firm in containing costs, some of which are wages, as well the scope

for paying higher wages. In the fourth quarter of 1992 and first quarter of 1993 profits in listed companies fell dramatically – by about 20% in real terms. Since dividend payout levels were maintained roughly constant, less profit was retained by firms for reinvesting; a situation which exacerbated the lack of investment and job creation. Results of listed companies for the second and third quarter of 1993 show a big improvement in profit. Post-tax profits were 12,9% above 1992 levels leaving them well above inflation and a dramatic improvement on the previous quarter.

Sectors in which listed companies performed well do not, as a matter of course, grant more generous increases. Comparing operating profit, that is profit before tax and interest, for all the public companies reporting in the second and third quarters of 1993 with the annual percentage increase in labourers in each sector wages the following results emerge. The first conclusion is that the average annual change in operating



SAMWU's wage strike: dramatic increases

profit for all the firms in a sector cannot be correlated to the average level of settlements won by trade unions in that sector.

Treated on a sector by sector basis more direct links can be seen. A low settlement rate of 7,9% was reached for the iron and steel sector where the operating profit for all firms was dismal: a decline of 23,5% on the previous year. Other sectors which reported declines in operating profits were paper and packaging, and food with 4,2% and 4,6% respectively, yet trade unions in both sectors achieved good increases: 13,1% and 14,7% respectively. Good company results of between 28% and 32% increases in operating profits were achieved in the transport, textile and clothing and retail and wholesale sectors. Union negotiated rates for these sectors ranged from 10,2% to 13,4%. The second highest settlement rate was achieved in the catering sector at 14,5%, yet operating profit in this sector registered a mere 0,5% change on the previous year (*see graph on page 28*).

Conclusion

Unions won lower increases for their members in 1993 than in the five previous years monitored by the Labour Research Service's Actual Wage Rates Database. The increases were, nevertheless, still above the inflation rate for the period meaning that unions have succeeded in maintaining the real value of wages in very tough times. Projections for next year suggest that with inflation in the region of 10% next year, wage increases are going to continue on a downward trend and hover about that mark. This year has witnessed much lower increases being awarded in some innovative agreements embracing a wider package of training and restructuring goals set by the unions, as for example, in the automobile sector. As the labour movement becomes more assertive about fashioning its own vision of a future economy, wage bargaining will increasingly take on a broader set of objectives, and be less confined to a simple battle against inflation. ☆

Industrial action 1993

by WENDY DOBSON/IR NETWORK

The first six months of this year were characterised by relative calm as far as industrial action is concerned. According to the Department of Manpower, this period saw significantly fewer incidents of industrial action than the same period in 1992. The lull did not continue into the second-half of 1993. This is not unexpected, as this is when the majority of annual wage bargaining takes place. The period of calm was shattered by several strikes which dominated the industrial relations landscape: the SACCAWU strike at Checkers-Shoprite stores; the SADTU national teachers strike; and the SAMWU municipalities strike.

What follows is a review of industrial action, as recorded by IR NETWORK, during the ten months from May to the end of October 1993. For the purposes of this review, 'industrial action' includes all forms of worker protest during normal hours of work. The statistics below refer to the frequency of industrial action and, unless stated otherwise, do not refer to person-days lost.

Commentary

COSATU-affiliated trade unions remain the most active and militant in terms of industrial action. Over two-thirds of all industrial action involved a union affiliated to COSATU. Unions involved in the other one-third are the NACTU affiliated Municipal, Education, State and Health Workers Union (MESHAWU), and SA Chemical Workers Union (SACWU),

SADTU (since affiliated to COSATU), the Mineworkers Union (MWU) and SA Broadcasting Staff Association (SABSA) affiliated to FEDSAL. The action taken by SACCAWU, NUMSA, and FAWU (all COSATU affiliates) can in most instances be linked to COSATU's primary campaigns for 1993 – as outlined at its Campaigns Conference earlier this year – namely, around wages, centralised bargaining and the crisis in the public sector.

Most of the industrial action involving SACCAWU and FAWU was triggered by a wage dispute. Average wage settlements, as recorded by IR NETWORK, fell from 16,2% in the second quarter 1992 to 10,6% in the second quarter of 1993, and from 12,9% in the third quarter of 1992 to 8,7% in the same period this year. It is therefore not surprising that wage disputes were the prime cause of industrial action. This was one of the issues highlighted at the COSATU Campaigns Conference, where declining real wages and '... the wholesale attack on the living standards of workers' was condemned. The fairly high incidence of industrial action in the retail sector as well as the food and beverage industry, is explained by SACCAWU's and FAWU's presence in these sectors.

Much of the industrial action involving NUMSA has been aimed at fighting what COSATU calls the "systematic attack on centralised collective bargaining" by the employer body in the motor industry. NUMSA has favoured marches and demonstrations and the union appears to be unwilling to commit itself to a national strike over the threatened collapse of the motor industry Industrial Council. It may be waiting for intervention from the National Economic Forum, which resolved not to undermine centralised bargaining forums, while the situation remains unresolved.

The public sector was the sector most affected by industrial action during the period under review. National strikes by SAMWU and SADTU, which together have approximately 150 000 members, had a substantial impact on the number of man-

days' lost to the economy through strike action – accounting for 70% thereof.

According to a *Business Day* editorial, this rising militancy in the public sector is 'an inevitable part of the maturing process of any sector's industrial relations'. COSATU targeted the public sector for action earlier in the year. The government's unilateral imposition of a 5% ceiling on wage increases, on top of other grievances, fuelled the public sector's militancy.

Industrial action in the mining sector, where over 12% of all industrial action occurred, was limited to individual mines. Wildcat strikes were the most common form of action in this sector. These were frequently triggered by workers' dissatisfaction with mine management's lack of response to their grievances. Grievances ranged from alleged discriminatory practices to violence. The chronic state of the mining industry may be dampening workers' willingness to participate in full-blown strike action (although the possibility of a mining industry strike did loom large at one stage when NUM announced plans for a strike ballot following a deadlock in wage negotiations with the Chamber of Mines).

Violence continues to be associated with strike action, especially when picket lines are crossed and scab labour is employed. Strikes by SACCAWU (at Game), NUMSA (at Bosch), and FAWU (at ABI) were marred by allegations of assault on customers and damage to company property.

Unions regularly used picketing, particularly in the retail sector, to draw attention to the strike and the reasons for it. Companies retaliated by obtaining interdicts restricting or prohibiting picketing outside their stores.

Employers also resorted to using the lockout. SACCAWU was locked out at Checkers-Shoprite and the Carlton Hotel during the past six months.

Labour unity received a huge boost when several unions embarked on a joint wage strike at Highveld Steel. What is notable is that two of the unions involved come from opposite poles of the political spectrum: the

Mineworkers Union (MWU) is loosely aligned to the rightwing Afrikaner Volksfront (AVF) while NUMSA is affiliated to COSATU and aligned to the ANC and SACP. Also involved in the strike were members of several craft unions who are not known for their propensity to strike.

Conclusion

The ten months from January to October 1993 have witnessed several large strikes, particularly in the public sector. Industrial action in this sector can be expected to continue as public sector workers acquire full worker rights under a new dispensation.

Industrial action in the private sector has undergone a considerable decline. This downward trend goes hand in hand with the trend towards corporatism with its emphasis on co-determination. This suggests that while levels of industrial conflict remain fairly high, the notion of industrial peace is not wholly inconceivable in SA. ☆

Strike statistics

□ Unions involved in industrial action:

SACCAWU	18,2%
NUMSA	12,7%
FAWU	10,9%

□ Sectors in which industrial action took place:

Public sector	21,8%
Retail	12,7%
Mining	12,7%
Food and beverage	10,9%

Triggers of industrial action:

Wages	47,3%
General grievances	16,3%
Retrenchments/ job security ..	10,9%
Discipline and dismissal	7,3%

□ Strikes, expensive in terms of person-days lost (approximate figures):-

SACCAWU:	
Checkers-Shoprite	290 000
SACTWU: Da Gama	58 000
NUMSA & MWU:	
Highveld Steel	14 800
SACWU: AECI	22 500

FEDSAL

Economic Policy

Below we publish extracts from the Federation of SA Labour Unions economic policy document, presented to the NEF in October. FEDSAL represents 270 000 workers – 80% white collar and 70% white.

1 Representation

... While the affiliates of FEDSAL are primarily involved in collective bargaining on behalf of their members, FEDSAL as a federation of labour unions represents their interests in respect of wider issues. In this regard, FEDSAL acts in broader forums, assisting in the formulation of general principles and policies which will affect its constituents not only in their capacity as workers, but also in respect of their related interests as consumers, taxpayers and citizens ...

2 Winning nation

FEDSAL supports policies that will turn South Africa into a winning nation in a global context.

FEDSAL understands that labour, business and government have a common interest in constantly improving South Africa's international competitiveness. If the actions of any one of these parties make the achievement of this goal impossible, not only that party, but all three will carry the consequences. South Africa will, for example, not be able to compete

internationally if:

- business fails to manage the inputs in production processes optimally or expects rates of profits which are out of line with international norms, or if
- the government sector over-regulates or overtaxes business and labour, relative to international practices, or if
- labour expects real levels of remuneration which are out of line with those paid in comparable competing countries ...

3 The right to negotiate

FEDSAL contends that labour unions and employer organisations in every industry should have the freedom to negotiate and agree amongst themselves, whether centralised bargaining should be applied in that industry. Government should not prescribe either centralised or decentralised bargaining in all industries or in any specific industry. Once an agreement has been reached, government should merely recognise the agreement ...

FEDSAL believes that the freedom to negotiate includes labour unions' right to

strike as a last resort in negotiations. FEDSAL accepts that an exception could be made in the case of essential services, but is of the opinion that the term "essential services" should be defined clearly and narrowly in South African labour legislation.

4 Upward mobility

FEDSAL strives to maximise the upward mobility of the members of its affiliates.

Whilst acknowledging that there is a need to level the economic playing fields through affirmative action, the actual advancement of individual members should be based on merit ...

5 Training

Recognising the need for affirmative action, FEDSAL supports training of workers by government, business and the labour movement, jointly and separately, as an essential means of improving upward mobility, national efficiency and international competitiveness ...

6 Technological advancement

FEDSAL encourages training and retraining of workers to meet technological advancement and industrial restructuring that may affect their job security ...

7 Distribution of income

FEDSAL believes that sustainable economic development requires a fair distribution of income among workers, managers, owners, creditors and other stakeholders in private and public enterprises ...

Notwithstanding, FEDSAL believes that past inequality is little motivation to pay low-skilled workers more than their skills are worth, but that the problem should be addressed by providing them with a living wage and the opportunity to improve their skills. In addition, inadequate educational facilities must be brought up to standard to avoid perpetuation of the problem in future.

The labour movement is often criticised for demanding real increases in wages and salaries in excess of increases in labour

productivity. However, workers in a firm have less control over their collective productivity than the management of the firm. If the latter plan, organise, coordinate and control the activities in the firm effectively and efficiently, productivity will be high, otherwise not.

FEDSAL contends that workers should not be penalised for the inadequacies of management. Furthermore, FEDSAL contends that workers should have a greater stake in the productivity of the firm through participative management ...

8 Fairly balanced contribution to state coffers

FEDSAL contends that the contributions of workers, consumers and businesses to state coffers should be fairly balanced ...

9 Right to own private property

FEDSAL contends that the right to own private property is an important cornerstone of individual advancement and therefore supports the entrenchment of this right in the national constitution ...

FEDSAL strives to safeguard workers' built-up claims to pension and provident funds.

Firstly, FEDSAL opposes the involuntary amalgamation of funds, that is, amalgamation without the approval of at least the majority of the members of each of the funds to be amalgamated.

Secondly, FEDSAL opposes obligatory investment of the funds in low-yielding investments for so-called development purposes. This would in fact be an involuntary reduction of the agreed remuneration of the members of the funds ...

10 Entrenchment of rights

FEDSAL supports the inclusion, in the national constitution, of a bill of human rights, as well as the entrenchment of the rights of citizens to participate in political decisions on national, regional and local levels of government ... ☆

restructuring the style of management:

N F Die Casting



Recently N F Die Casting on the East Rand has been the scene of murders, stoppages, dismissals, and national solidarity action. NUMSA organiser SUZANNA HARVEY tells the story.

Alrode, East Rand: the scene

N F Die Casting has two plants in Alrode – an industrial area thoughtfully placed across the road from the township of Katlehong. Into its plants come ingots of virgin aluminium. Machines and workers combine to melt down and cast the aluminium, to machine it, to polish and paint it.

Out of the plants emerge shining components for the auto industry – manifolds, cylinder heads, and cast aluminium wheels. They are sent to the auto plants for building into vehicles. More than half of the wheels are sent to Germany, where they are fitted to Mercedes and BMWs.

Out of these same plants also, at the end of each shift, emerge tired and unpolished workers who, without their own cars to need components or even wheels, trudge the long road into the township opposite or brave a ride in a taxi along the Old Vereeniging road – lately scene of random killings of taxi commuters, route of passage between the business world of order, discipline and productivity, and the world of terror, devastation and civil war.

Strategic reform: the context

What happens inside the plants is more, of course, than just the automatic combination of workers, materials and machines. That

combination has to be *put* to work, and the *manner* in which this is done is crucial. Between workers and management there is always partly a conflict and partly a concurrence of interests. The labour relation is neither set nor static. Overall, that relation is undergoing a transformation in SA at present; a process that events at N F Die graphically illustrate.

The accumulation of workers' resistance, together with capital's need for productivity in post-sanctions SA, is forcing management to *reform* labour relations in the hope of persuading workers that they share a common interest with management.

The strategy of force, of total domination over workers, to achieve compliant and cheap labour is increasingly ineffective. It is yielding to a process of co-option and persuasion – a more benign attitude to workers and the unions that represent them.

This context of strategic reform will help to explain the process of struggle and resolution at N F Die.

Jack-boot bosses: the style

To describe the old management style at N F Die, we must start back in 1992, when workers returned to work at the end of the NUMSA national strike. They were met with angry and punitive measures. The company immediately retrenched, and altered working

hours. Workers resisted, management insisted, mass dismissal of a particularly militant department followed the retrenchment, and order was restored. But not for long. Soon newly elected shopstewards began to be active on the shopfloor. One



worker was manhandled and strangled by a bully foreman, then dismissed when he filed a grievance. A supervisor accused another worker of being too clever, and a communist. When this worker responded, he was dismissed for insolence. Meanwhile the company brazenly and lavishly employed four times as many workers as it had retrenched. When the union made a fuss, retrenchees were permitted to write an "entrance exam" which they unfortunately failed.

At the same time terror within the East Rand townships began to have an effect. NUMSA members living in hostels joined UWUSA. The two unions having different approaches to shopfloor issues, this suited management very nicely. In August a NUMSA member was shot dead, allegedly by UWUSA members, whilst sleeping inside N F Die's supplier factory, Falcon Smelters. The company appeared uninterested. NUMSA members complained that members of UWUSA and of management were displaying firearms on the factory floor – while NUMSA members were searched and disarmed at the gates. Management denied this, but an UWUSA member who accidentally shot himself in the groin inside the wheel plant could not.

Tools down – the beginning

This, then, is some of the background to the struggle which started on 17 September when workers downed tools demanding to see the MD. Management, in their usual way, issued ultimatums and threatened action. The union officials, in their usual way, tried to persuade workers to go back to work and to "follow procedures". Officials argued that a formal grievance should be submitted to the MD who would then be forced to hear it, in terms of the company's own grievance procedure. Workers patiently tried this advice. The grievance was ignored by the company. Union officials dutifully declared a dispute and began the 30 day wait for an Industrial Council dispute meeting.

Management did not wait for any meeting. They disciplined workers for the workstoppage. They followed shopstewards when they went to consult each other, and issued final written warnings for walking around and refusing to work. They declared short-time in some departments at the component plant, while simultaneously insisting on extended hours in other departments.

At the end of September some N F workers were passengers in a taxi which was attacked. No one was killed but the incident

made vivid to workers the risks they are taking to travel in the area. Component plant management the same day declared longer working hours in two departments – meaning that workers would have to travel at the most dangerous times. Workers refused. Management threatened. The union told management to negotiate shift times. No deal. Management issued notices of enquiry. Workers in other departments refused to work their normal shift hours in solidarity with those whose shifts had been changed. Workers at the Wheel plant demonstrated at lunchtimes. Neither side would budge. The inevitable result of the conflict: 17 workers dismissed from the Component plant on Monday 11 October, a further 15 due to attend enquiries on Tuesday. Workers downed tools on Tuesday, management issued more ultimatums, workers went back to work, management called them to an enquiry for having stopped work, the union office sent faxes and officials up and down, disputes were declared, section 43 papers drafted, and then, on Wednesday morning 13 October, two unaffiliated employees of the company were shot dead in the Component plant parking lot on their arrival at work.

This dreadful event brought the crisis to a head. The company suspended all NUMSA members without pay, retained members of other unions and started to hire scabs. The objective: to rid the factory of NUMSA itself, hoping thereby to reimpose

authoritarian management over the workforce.

**National struggle:
the workers' reply**

For their part, the workers, no longer able to conduct their struggle within the factory itself, sought assistance from NUMSA workers in related plants, thereby shifting the struggle to a wider terrain. NUMSA is a national union, with members in the metal and auto industry countrywide. The attack on NUMSA itself brought union leadership into confrontation with industrial leadership.

Back in NUMSA's Alrode Local office, we organised a march and a press conference, and applied for an urgent interdict in the industrial court.

Alas, for how much longer will COSATU unions subject their members to the whims and pleasures of the industrial court? How easily we forget each insulting judgement, and how doggedly persistent are we in approaching the court for justice! In customary fashion, the Court sneered contemptuously at the union, beamed in class fellowship upon the company, sneaked a couple of extra secret company documents into the court file, and threw our case out.

Meanwhile, the workers organised. They organised to hit capital where it is weakest – where the auto and component industries meet in the marketplace. General meetings at Samcor, VW and Mercedes saw workers discussing N F Die Casting. Mercedes

workers announced that they would black N F Die Casting wheels. As N F Die wheels are used on all but the S-class Mercedes, such a blacking action would stop the lines at Mercedes.



Union president Mthuthuzeli Tom – a worker at Mercedes Benz – exchanges memoranda with Die Casting management

Enter 'enlightened' management

A meeting was convened, attended by Samcor, N F Die, NUMSA and Anglo American (which holds a majority stake at N F Die). At this meeting, sweet reason prevailed. In the interests of continued (profitable) production, N F Die bosses were instructed to change their management style, to concede the claims of workers and the

"The new production 'culture' is just an altered method of exploitation, it represents a new terrain of struggle"

union, and to reach an understanding with the workforce. What the industrial court had been unable to comprehend was clear to these industrialists, who have an overall and focused view of industry and of the needs of capital. They understand (as the court does not) that productivity rests on stabilised labour relations.

NUMSA workers at N

F Die gained from this meeting a complete victory and vindication of their claims and their struggle. They won reinstatement with full pay, and the company was obliged to work to achieve a satisfactory relation with their union.

It was, however, a full two weeks before the workers actually returned to work. Back in the noisy everydayness of the Alrode plant, away from the airy views of the Anglo head office, plant management and plant shopstewards found it hard to enact their newfound relationship. Negotiations over the wording of a "return to work agreement" were difficult and broke down on Friday a week later. Management called off the deal, and the union's victory fell in pieces.

But the die had been cast. The need for the new relationship was real, even if plant management found it uncomfortable. On the Monday, the agreement was saved and signed. Two things happened on that day. Anglo and auto bosses telephoned to intervene. Workers at the wheel plant stopped producing the exportable wheels, demanding that component workers be allowed to return to work as agreed. The old tradition of worker

militancy combined with capital's need for a new relationship, and the deal was sealed.

Workers are back at work. Things are hard. Management does not know yet how to manage without authoritarianism. Workers do not yet feel themselves close to management or to a shared interest in productivity and company image.

Common interests : a challenge to SA workers

That "common vision" is what capital needs to forge in this, its next phase. It is part of the ideology necessary for the creation of highly effective teams capable of producing quality products. A "corporate culture" which appears to be friendly, because it masks the real labour relation. A relation which is really infinitely anti-social, because production communicates with the market and not with society.

There has been some debate about whether the new management style is better, because less antagonistic, or worse, because more co-optive. It is in fact neither. The new production 'culture' is just an altered method of exploitation. For workers, it represents a new terrain of struggle.

The material base of capitalism in SA is changing. Gone are the labour reserves designed to cheapen labour by paying part of the cost of its reproduction. Gone is the relative isolation of SA industry from the pressure of internationally determined "socially necessary labour time". In their place, bit by bit, unevenly, the new terrain of international class struggle starts to dominate – productivity through co-operation, flexibility, training and education for workers. N F is the story of the clash between the old and the new during the prolonged process of transition.

Do we have the means and the consciousness to exploit the inevitable contradictions of this transition to the advantage of the working class?

Taking class struggle into this new arrangement is the task we set ourselves. Management styles may change, but the capitalist project does not. ☆

The **lockout strike:** **confusion *in* COSATU**

Report by KARL VON HOLDT

COSATU's threatened general strike against the right to lockout and the guarantee of civil servants' jobs was a media disaster.

But more than that, it indicates the federation is not coping with the wide range of pressing issues that confront it. The strike threat revealed internal confusion and a weak political strategy. This raises questions about:

- ❑ COSATU's ability to manage negotiations in tripartite forums such as the National Manpower Commission (NMC).
- ❑ COSATU's political judgement of how to ensure working class interests.
- ❑ The related question of how COSATU manages its relations with the ANC.

COSATU and the NMC

It is clear that COSATU's representatives at the NMC did not object to the proposal from a World Trade Centre (WTC) technical committee that the interim Bill of Rights entrench both workers' right to strike and employers' right to lockout, when the NMC debated this in July. It was this approval by the NMC that led ANC and SACP negotiators at the World Trade Centre to believe COSATU had no problem with the lockout clause. It also seems that Sam Shilowa – at the time COSATU assistant secretary-general – participated in the meeting of the negotiating council at the WTC which debated these clauses at the end of July, and did not object then.

COSATU had not at the time developed a clear position on the lockout. The NMC negotiators – and COSATU's legal advisors

– believed that the balance of forces in negotiations meant that there were two options. Either both the right to lockout and the right to strike would be included in the interim Bill of Rights, or neither would be. They believed it would be preferable to include both, since workers currently do not have the right to strike (they can be dismissed), while employers do have the right to lockout (employers cannot be dismissed for locking out). In other words, by writing both 'rights' into the Bill of Rights the unions would have something to gain (the right to strike) and nothing to lose (employers already have the right to lockout).

At the COSATU CEC in October, however, a number of unionists – spearheaded by SACTWU – objected to the right to a lockout clause in the Bill of Rights, arguing that it was a fundamental attack on worker rights. Even if employers have this right in the LRA, they argued, it could at some stage be removed. If it is in the Bill of Rights no future law could remove it. No-one at the CEC pointed out that COSATU delegates at the NMC had already agreed to include both clauses.

The CEC also agreed it was crucial to oppose the proposal for job security for civil servants which was being discussed at the World Trade Centre.

This highlights the problem of the relation of the NMC negotiators to the constitutional structures of the federation. There is seldom time for the NMC delegates to meet with the leadership and discuss NMC issues. The NMC delegates had to rely

COSATU's impressive demonstration: but no change on lockouts



on discussions with COSATU's legal advisors.

Does COSATU have the capacity to participate in complex negotiations in tripartite institutions? Can it

ensure that adequate mandating, report-back and internal debate takes place? Can it avoid over-dependence on non-union experts? And if such problems can occur in the NMC which is so directly concerned with labour interests, how can they be avoided in all the other forums COSATU is party to?

Bethuel Maseramule, regional secretary of NUMSA's Wits East Region speaks for many unionists when he comments that "the leadership has to admit that it is not on top of the processes. There will be dangers in all negotiations if the leadership cannot provide guidance. We want this situation brought under control."

Politics and democracy

The COSATU CEC's announcement that there would be a general strike, unless its objections to the lockout clause and to the job security guarantee for civil servants were accommodated, burst on the public like a bolt of lightning out of a blue sky. There had been no prior campaigning, no prior public debate or putting forward of demands. This created two problems. Firstly, COSATU had very little time to inform members of the significance of the demands, or to mobilise them for action. But just as importantly, it left COSATU battling to win broader public support for its position – and legitimacy for

its action.

In fact, it left COSATU in danger of isolating itself, both from the Alliance partners and from the broader public. In a democratic South Africa such blunt tactics will make it much easier for labour's enemies to succeed in isolating the unions as organisations of 'privileged' workers whose 'radicalism' is a threat to everyone else. In future, COSATU will have to build coalitions and campaigns with much greater care – as it did in the anti-VAT campaign of 1991 – if it wishes to retain its place at the centre of social change and reconstruction.

Independence and the Alliance

COSATU's sudden announcement that it would call a strike for 15 November if its demands were not met took not only the public, but also the ANC and SACP by surprise. This made it look as if COSATU was repudiating its Alliance partners and put the ANC in a corner – it either had to support COSATU's position and look as if it was being held hostage by labour, or risk a crisis in relations with COSATU.

Why did this happen? The press represented COSATU's strike threat as an assertion of independence in relation to the ANC. While COSATU's demands were not primarily motivated by a desire to assert independence, there is probably some truth

in this. In many quarters of the federation there is a degree of suspicion about the ANC's intentions, as well as a concern that it was making too many compromises at the WTC. According to some unionists, in the October CEC meeting "there was a sense that the ANC was being too weak on the lockout clause, and on job security for civil servants – although the primary aim was to put pressure on the WTC rather than the ANC".

In reality of course, COSATU itself had created the confusion on the lockout clause by agreeing to it in the NMC and later rejecting it. This was not clarified in the CEC although several delegates were aware of it.

The problem with this kind of "assertion" of independence is that it makes COSATU look like an unreliable negotiator and alliance partner, one which wants mass action at any cost. This strengthens the hand of those in the ANC who oppose too much COSATU influence. While other factors – the pressure of time, the confusion in

COSATU on the lockout clause, and the process of handing over to new leadership – contributed to COSATU's strange behaviour, the federation does need to clarify what it means by independence in the context of committing itself to campaigning for the ANC in elections; to putting some of its best leadership in parliament as ANC delegates; and to co-authoring a reconstruction programme with the ANC.

No gains on lockout

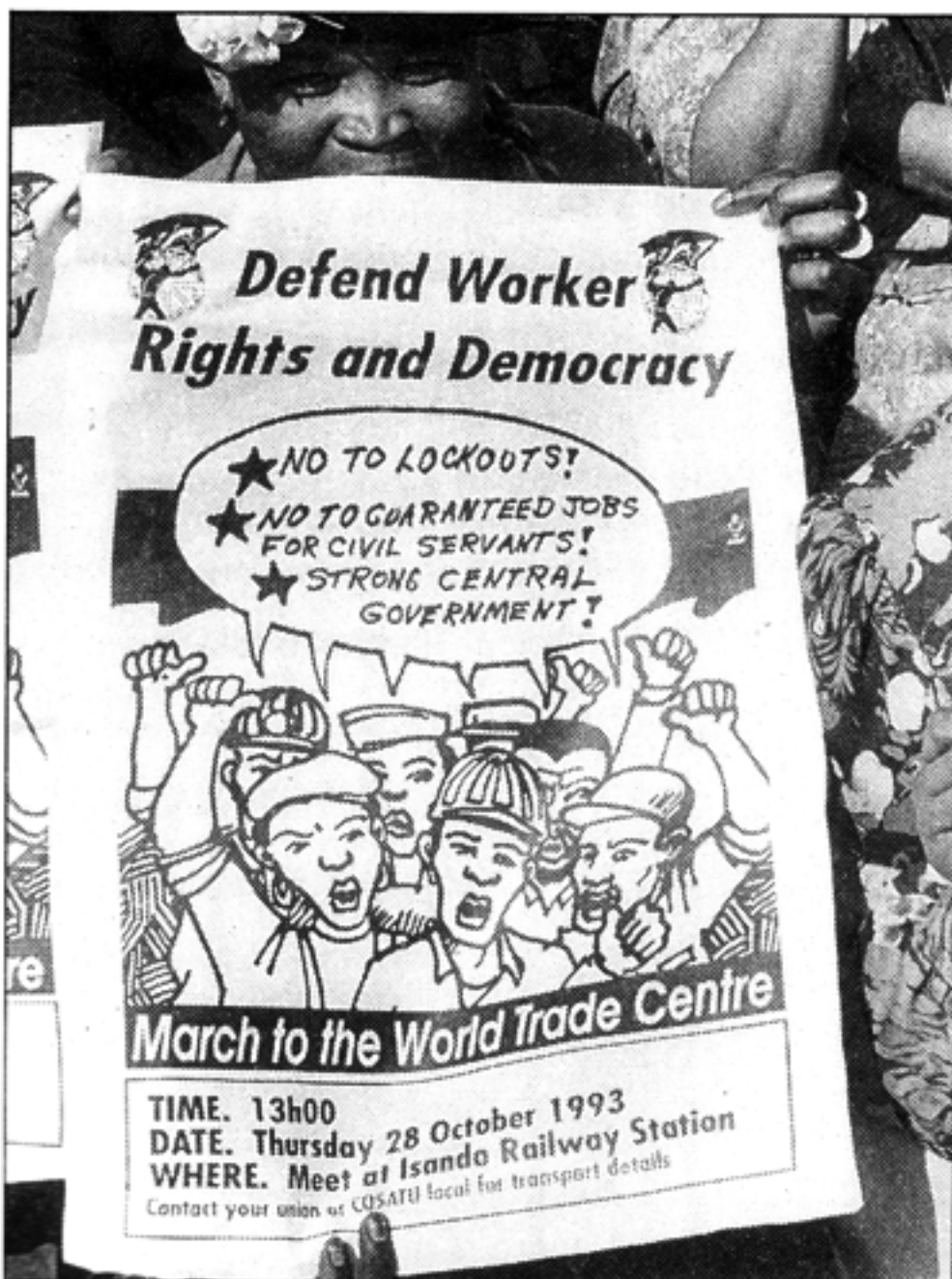
Workers mobilised in a very short space of time to mount an impressive demonstration at the WTC. One unionist argues this was because the lockout is "an emotive issue to workers on the ground". Unionists were also probably motivated by a general frustration at their exclusion from WTC negotiations. Busloads of workers arrived from as far afield as Witbank, the Vaal Triangle, Pretoria, as well as the East Rand.

However, the mobilisation did not save COSATU from defeat on its lockout clause demand. Employers refused to budge, and the ANC was clearly embarrassed and impatient with COSATU. Some phrases were rearranged, but essentially employers' ability to lockout and workers' right to strike are both included in the interim Bill of Rights.

On the other hand, the ANC and COSATU did succeed in negotiating significant changes to the proposals on the civil service. These should enable a new government to begin restructuring the civil service in order to meet the needs of a democratic SA.

Despite this breakthrough, COSATU has done itself great damage with its threats and confusion. It has weakened its own reputation, provided ammunition for its opponents, undermined the credibility of NMC negotiations and mobilised its own members fruitlessly.

COSATU needs to enhance its capacity and its strategies. It cannot afford to make this kind of mistake again. ☆



South Africa *and the* **GATT**

Report by ALAN HIRSCH*

After years of political isolation from the multilateral trading system, South Africa now has to conform to the existing provisions of the General Agreement on Tariffs and Trade (GATT), and also to sign on to the Uruguay Round. These developments mean further commitments to trade liberalisation.

The General Agreement on Tariffs and Trade

South Africa was one of 23 founder members of GATT in 1947. GATT was rooted in the fear that the collapse of world trade, a major ingredient of the '30s depression, could repeat itself unless obstacles were put in its place. The treaty consisted of a general framework of rights and obligations for its members.

Since its founding, GATT has expanded to more than 100 members. Its regulatory framework has been revised and strengthened several times since 1948, through extended bouts of multilateral negotiation called 'Rounds'. The current round began in 1986 and is called the Uruguay Round.

From the '60s, developing countries were allowed "special and differential treatment", which meant they did not have to reciprocate in trade policy reforms to the extent that developed countries did. South Africa was regarded as a developed country.

Though the Uruguay Round weakens the distinction between developed and developing countries, the latter are still allowed longer adjustment periods, which could aid developmental programmes.

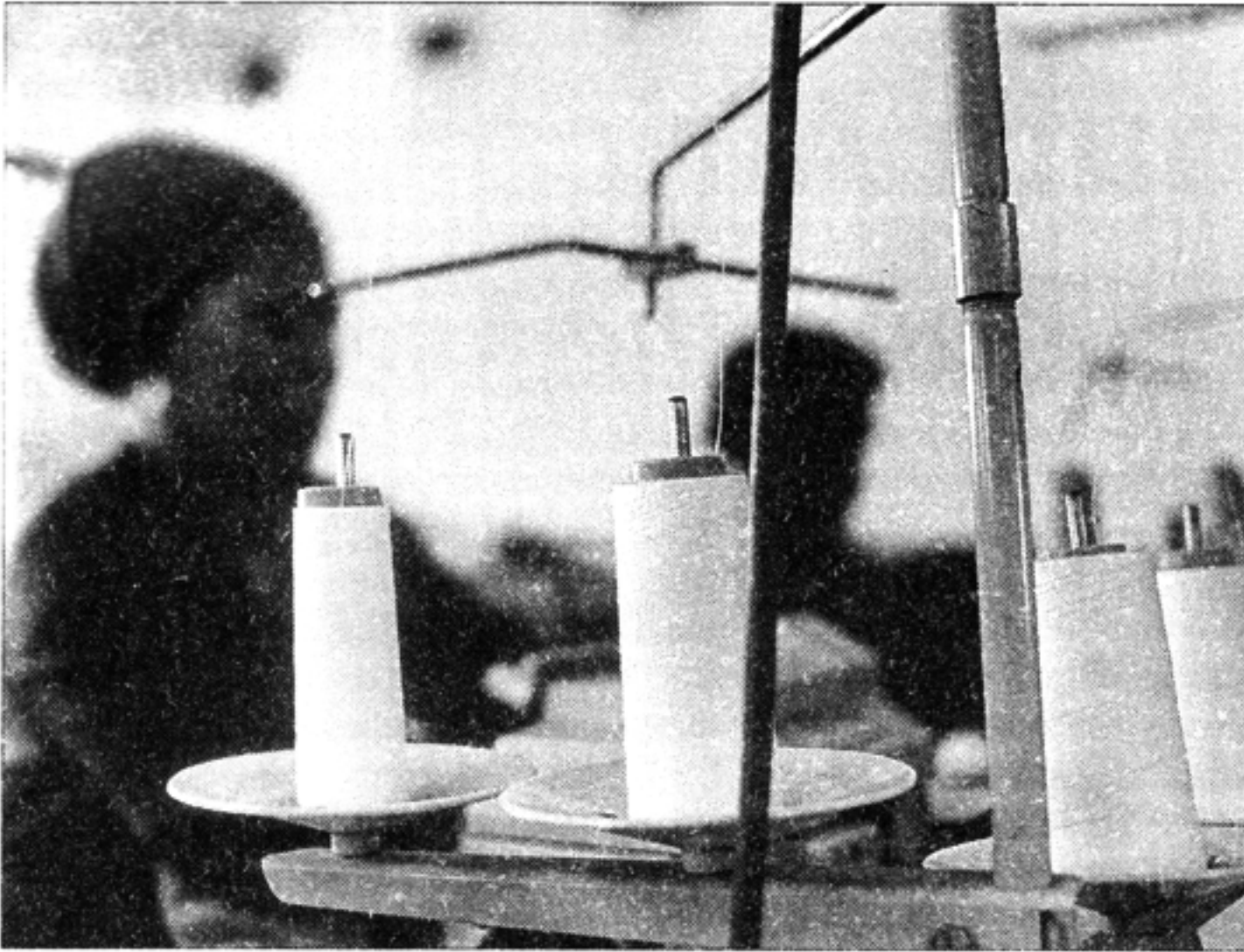
In recent times an important development has been the shift in perspectives between developed and developing countries. Originally, developed countries championed trade liberalisation, and developing countries were reluctant, tardy partners. Today, many developing countries accept the virtues of liberalisation, but are concerned that developed countries evade the strict application of GATT rules through a range of non-tariff barriers (NTBs), such as "voluntary export constraint" agreements, and the exercise of raw market power. The term "the new protectionism" arose in response to this tendency.

South African trade policy

By the early '90s, South Africa had a complex, unstable, unpredictable system of protection, which bore no relationship to a programme of industrial development, let alone export-oriented industrialisation. In spite of some reform in the '80s, South Africa has a more complex tariff structure than any other country in the world, with the possible exception of Nepal.

Because of the crisis in South Africa's traditional exports and the obvious need to stimulate competitive manufactured exports, a range of South African commentators and government institutions proposed various paths to trade and industrial policy reform in

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GATT – special deal for textile and clothing?

the late '80s and early '90s.

The Uruguay Round and South Africa

The pressure of the Uruguay Round therefore came at a time of general acceptance that trade policy reform was necessary in South Africa.

The requirements of the Uruguay Round of all GATT members can be summarised as follows:

- i) A 33% average cut of all industrial tariffs. Industrial costs are to be phased into equal annual cuts over five years;
- ii) A 36% average cut of all agricultural tariffs in equal portions, to be phased in over six years;
- iii) Agreement to a series of compulsory general codes on export subsidies, trade-related investment measures (for example, local content programmes), intellectual property, and other issues;
- iv) a commitment to a longer-term programme of liberalising barriers to the trade in services (from architectural services to air travel);
- v) an agreement to bring textiles and

clothing into GATT instead of segregating them in a Multifibre Agreement;

- vi) and a commitment to create a multilateral trade organisation which will include a dispute settlement body, designed to facilitate the settlement of trade disputes multilaterally rather than unilaterally or bilaterally.

GATT members have agreed to all these points. Roughly put, the package represents a bargain between the highly industrialised countries which desire items (iii) and (iv), while agricultural and developing countries desire items (ii), (v), and (vi). In practice it is more complicated than this.

South Africa's offer

South Africa put forward 'offers' for negotiation in 1990 according to the original GATT timetable. These offers were drawn up after limited consultation, leading to angry accusations of secrecy and high-handedness.

The delay of the GATT negotiations because of disputes over the 'new issues', especially agricultural policy reform, meant that South Africa's original offers were never formally negotiated, and they were

withdrawn in 1993. ("Negotiation" means that South Africa's main trading partners, assisted by the GATT secretariat, assess the acceptability of South Africa's offer, in the context of the broad agreement. A similar procedure is followed for all contracting parties.)

The revised industrial* tariff offer has these main characteristics:

- ❑ About 12 800 tariff lines will be streamlined into no more than 1 000 lines, and about 99% of the lines are 'bound', which means the maximum levels are fixed by multilateral agreement.
- ❑ Industrial tariffs will be cut, on average, by about 33%, in five equal annual stages, by 1999. Within this agreement, the maximum tariff for a consumer good will be either 20% or 30%; the maximum for intermediates, including capital goods, will be 10% or 15%, while the maximum for raw materials will be 0% or 5%. In other words, by 1999 all industrial products will have a minimum tariff at one of these six levels.
- ❑ There are some exceptions with higher, longer phasing-in periods, or higher terminal maximums, or both. The most significant are: the clothing and textiles sector with an eight-year phasing-in period and a terminal maximum of 60% for clothing and 30% for textiles; and the automobile sector, with a similar phasing-in period, and a maximum of 50% for assembled motor vehicles and 30% for components. Other exceptional sectors include television manufacture and oil products.
- ❑ The rationale for the overall structure of the offer is the desire to encourage the manufacture of potentially competitive higher value added products, which are either consumer products or capital goods. Beyond this, the relative neutrality of the offer is intended to encourage specialisation in fields in which South Africa has some comparative advantage.

* This article deals only with SA's industrial offer, not its agricultural or services offers.

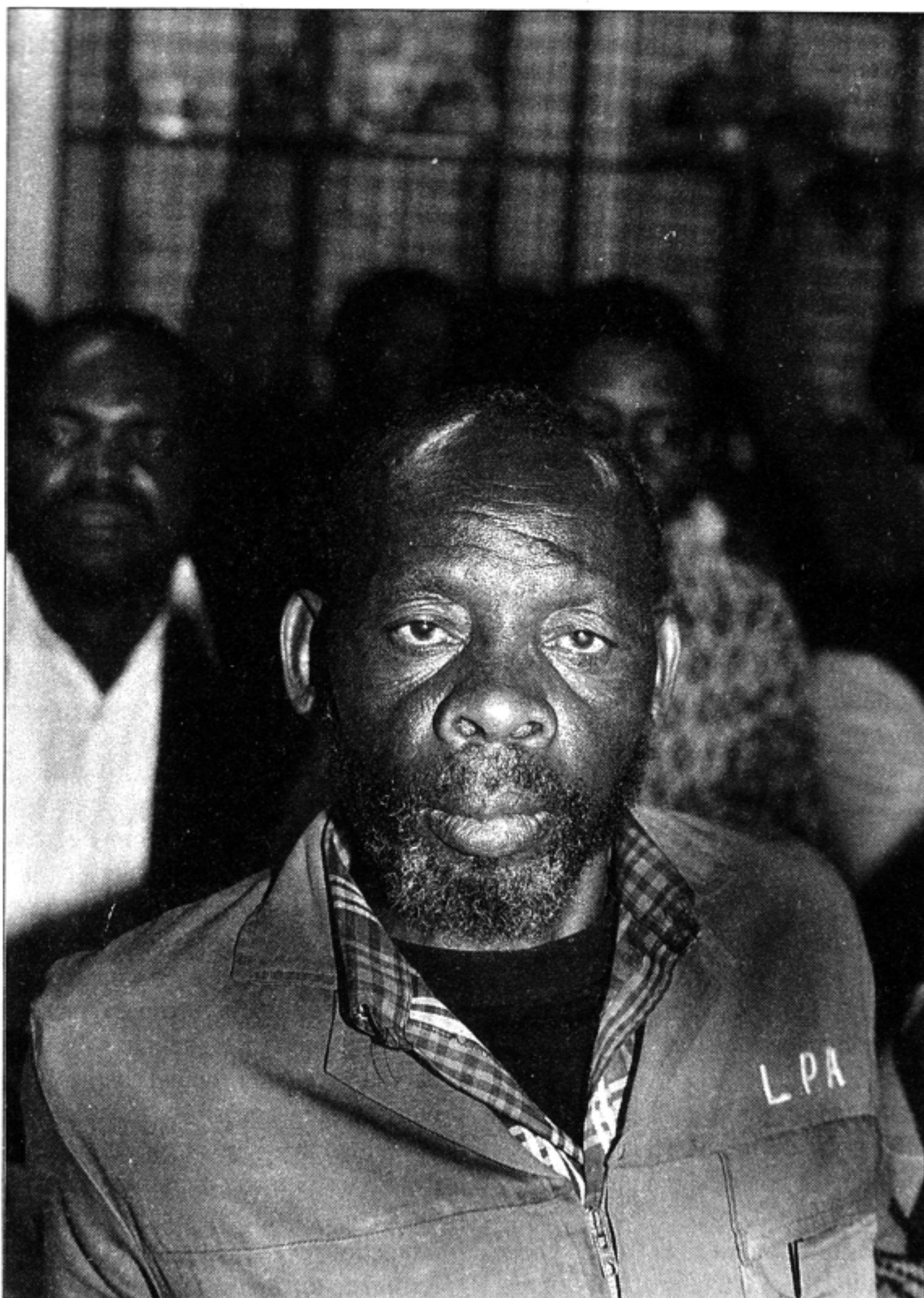
- ❑ Unlike the first offer, the revised offer was canvassed more widely. However, the fact that the offer was released in early July and had to be delivered in its final form to Geneva by the end of August, meant that the government's partners in discussion had relatively little opportunity to research the potential effects of the offer, or to consider alternatives.
- ❑ Nevertheless, those elements which are eliciting the greatest controversy are the exceptions in the offer, rather than the structure of the offer in general.
- ❑ One unanswered question, in respect of these codes, is the issue of South Africa's status within GATT. While South Africa has traditionally been considered a developed country by the GATT, recent informal discussions with trading partners resulted in the possibility of South Africa's being considered an 'economy in transition'. By objective standards, South Africa meets many of the current criteria of a developing country. Either way, South Africa should be able to negotiate longer adjustment periods to comply with the new codes.

Beyond GATT negotiations

If the Uruguay Round is concluded, it will bind the country to maximum degrees of protection for all its goods and services, and will impose conditions on investment policies. If some elements of the offer are problematic, it will be possible to renegotiate them, but, normally, increased protection for certain 'bound' items requires the equivalent liberation of other 'bound' items. Such juggling seems possible.

Within these broad parameters, however, there are still many domestic decisions to be made. GATT merely sets maximum levels of protection, not actual rates. GATT does not formulate the industrial policy to make the tariff offer work. Urgent attention must now be given to the institutions that formulate and implement trade and industrial policy to ensure that we do not repeat the mistakes of the past. ☆

Difficult sectors:



a challenge for labour

New strategies to organise difficult sectors



Unless COSATU pays attention to organising semi-marginalised workers, its drive towards strategic unionism is bound to fail. TGWU national organiser JANE BARRETT argues for new strategies.

Union members privileged or not?

Commentators on the South African trade union movement frequently assert that COSATU increasingly represents a highly privileged section of the working class. Political parties – and some within the ANC – often use this to back an argument that COSATU cannot claim to be the “sole custodian” of worker interests.

While this may be true of the more visible sections of trade union membership, it glosses over the fact that vast numbers of workers continue to live way below the poverty line and remain virtually unprotected, either organisationally or in law. It is a dangerous assertion as it could help cause, not only political leaders but trade unionists themselves, to lose sight of the imperatives of traditional trade union organisation in the current transitional phase. The ANC has already, in principle, agreed to “wage restraint” as a prerequisite of IMF loans towards reconstruction. Some of the Regional Economic Forums are also under pressure to accept the principle of Export Processing Zones, where minimum labour conditions and rights do not apply. In addition, the ANC’s policy to promote small

business, which is supported by COSATU, is likely to strongly influence the debate on minimum standards. Already, most wage determinations and industrial council agreements do not apply to small businesses.

Trade unions whose members are concentrated in the more skilled manufacturing sectors are likely to withstand the pressures and maintain labour standards. Economic policy is likely, even in the short term, to benefit workers in these sectors. With expansion of the economy’s manufacturing base and attendant skills training and job advancement high on the agenda, these workers will continue to see the “usefulness” of trade union membership.

What about the semi-marginalised workers?

But what of the three quarters of a million domestic workers; over a million farmworkers; the quarter of a million property service workers (cleaners and security guards in particular); the tens of thousands of workers in small shops and cafes; the taxi drivers; the vast numbers of garage workers (whose industrial council is currently threatened with disbandment); and



Thousands work in small shops and factories: how can unions reach them?

those employed by small manufacturers and other businesses, many of whom are currently excluded by COSATU affiliates' organising strategies?

What of the largely unorganised police, many of whom work under conditions no more favourable than security guards – 12 hour shifts for less than R700 a month? And what of the vast numbers of as yet unorganised central government and provincial employees doing unskilled and semi-skilled work? For the purposes of this article, construction workers will also be categorised as largely unorganised and semi-marginalised workers. Taken together, these workers of the so-called “difficult sectors” probably exceed the numbers of workers currently organised by COSATU and other federations.

A new phase in union organisation?

From the 1970s to date it is possible to identify three distinct phases of union organisation.

- ❑ Following the 1973 strike wave across all sectors – from the mid seventies to the early eighties – organisation in the

manufacturing sector took hold. The forerunners of today's NUMSA, SACTWU, CWIU, FAWU and PPWAWU laid their foundations.

- ❑ In the early eighties, the National Union of Mineworkers was established, leading to a wave of militant organisation amongst mineworkers.
- ❑ In the late eighties and into the 90s, public sector organisation began to take off -- starting with the long and bloody railway workers' strike led by SARHWU. By 1992, great strides had been made in the health and education sectors under NEHAWU and in the post and telecommunications industry under POTWA. SAMWU, too, had begun to consolidate organisation amongst municipal workers, having spread its membership and influence throughout the country.

Is the trade union movement ready for a fourth wave of organisation and consolidation? Do the sectors identified above have something in common which might give rise to such a phase? Clear thinking and strategising on how to service such workers, as well as the form

organisation should take in these sectors, might well lead to a new phase. The importance of this phase lies not so much in the economically strategic place workers in the "difficult sectors" occupy. More significant is their numerical strength and the fact that they form a bridge between the completely marginalised members of the working class (in particular the unemployed) and the "more privileged" (the skilled workers within the manufacturing sector). Successful organisation amongst such workers is of political significance.

Common conditions

What do farmworkers, domestic workers, cafe workers, construction workers, security guards, cleaners, members of the police force, and taxi drivers have in common?

- Except for farmworkers and construction workers, they are all involved in non-productive service work.
- Work is largely labour intensive, and extremely low paid. Farmworkers and domestic workers are not covered by minimum wage regulations and often earn less than a few hundred rands per month. Security guards and cleaners, whose conditions in the towns are governed by

wage determinations, earn below R650 per month, depending on their geographical location.

- The workforce tends to be fragmented and individual workers are frequently

"Are the semi-marginalised sectors likely to get left behind altogether?"

isolated, making collective communication and action difficult.

- Employment and residence or accommodation are closely linked. In the case of domestic workers, "living in" is still the norm, and in the case of security guards, large numbers are housed in hostels. For farmworkers the relationship between residence and employment is even closer.
- Because these industries are dependent

on low wages, employers tend to be extremely resistant to unionisation and authoritarian in their management style. They vigorously oppose collective bargaining arrangements – particularly centralised bargaining. Evidence of this is the SA Agricultural Union's resistance to the recent changes in the Labour Relations Act; the SA Security National Employers Association's consistent refusal to negotiate a collective bargaining arrangement; the renegeing on an agreement to form a national industrial council by the National Contract Cleaners Association; the government's most recent resistance to collective bargaining for the police force; and recent attempts by employers in the construction industry to collapse existing industrial councils.

Strategic unionism and the need to service members

COSATU is engaged in a drive towards "strategic unionism" (see Karl von Holdt *SA Labour Bulletin* Vol 16 No 8 and Vol 17 No 1), where radical economic restructuring and social renewal are the objectives. Central to this is the extension of labour's influence into economic and social planning, via the National Economic Forum, the National Manpower Commission, the National Training Board, and existing national industry-wide collective bargaining arrangements.

Is there a contradiction between this and the reality that over half the formally employed workforce have precious few basic rights? Does COSATU's emphasis on national economic strategy imply that the already semi-marginalised sectors are likely to get left behind altogether?

I would argue that this is not necessarily the case. In fact, unless attention is paid to the lower paid service sectors, "strategic unionism" is bound to fail. This should include a strong push to establish or retain rights, including minimum standards in these sectors.

As has been pointed out, semi-marginalised workers constitute a large

proportion of the workforce. If they are ignored, they are unlikely to support the efforts of strategic unionism and may even oppose it. The very success of strategic unionism lies in part in its ability to address the economic conditions of the working class as a whole (including the unemployed) and not simply the needs and interests of its more skilled sections. If strategic unionism only stratifies the working class further and fails to ensure a redistribution of income (with an emphasis on wages), then it will not achieve its objectives of radical economic restructuring.

So what strategies could COSATU unions adopt to address the needs of workers in the semi-marginalised sectors in such a way that class stratification is not enhanced and entrenched?

Broad-based industrial unions

There is a need to address the organisational form of trade unions in these sectors. For example, COSATU needs to respond to the fact that the organisation of domestic workers into a single sector union has not proved to be viable. Despite SADWU's valiant efforts to establish a financially and organisationally viable union, the union remains fragile. If it were linked to – and shared an infrastructure with – at least one other sector, the union would be more effective. This would be in line with COSATU's policy of broad-based industrial unionism. Domestic workers should be linked to workers in the property services – particularly contract cleaners and security guards. However, given the tenuous nature of employment and the ongoing resistance from employers in these industries to union recognition, it would be desirable to construct an even larger, broader-based union which could derive benefit from scale. Such a union could encompass the commercial sector, the financial sector, hotels and catering, all property service workers, and domestic workers – possibly divided into sections. Police workers could either be linked to private security guards or public sector workers. There is a growing international trend towards the formulation of such private

sector services unions, for example, the US-based Services Employees Industrial Union and the Australian Miscellaneous, Hotel and Liquor Workers Union.

Likewise, farmworkers would need to be properly located within COSATU, and afforded proper organisational status and support. Taxi drivers need to be integrated into the yet to be established, merged transport union. Construction workers in COSATU are already organised under the Construction and Allied Workers Union. With greater federation backing and organisational support, the union could become an important force to be reckoned with in the industry, particularly given the likely expansion of the industry in the post-April '94 period of reconstruction.

In a nutshell, putting into practice COSATU's policy of broad-based industrial unionism is a prerequisite to successful organisation.

Establishing complaints services

In addition to locating semi-marginalised workers in viable unions, the approach to servicing them needs some adjustment. COSATU structures frequently deal with

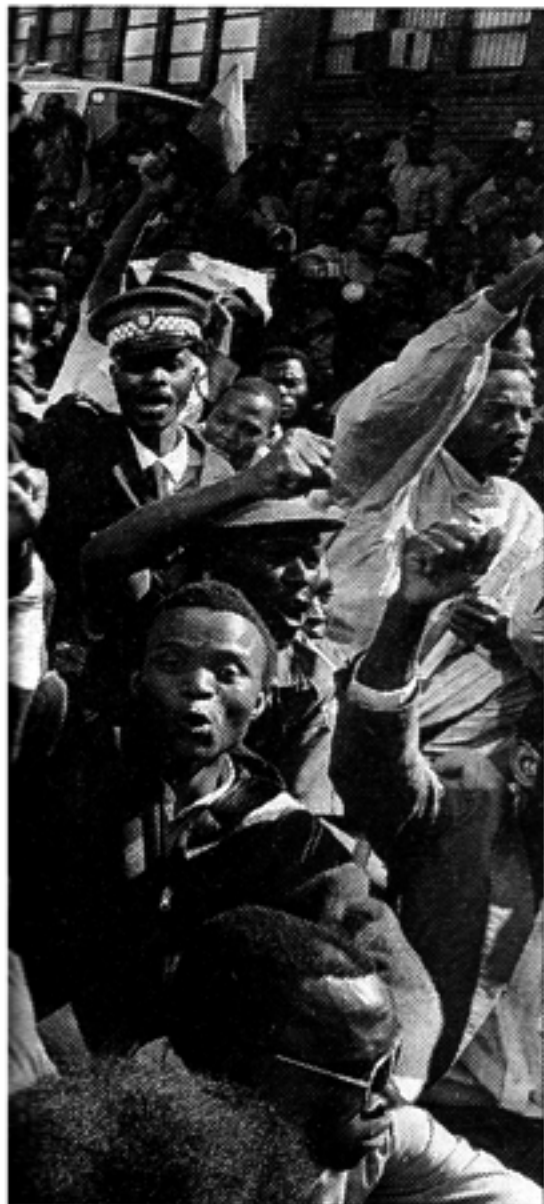


complaints about the "lack of service" provided to members, particularly in the "difficult sectors". This tends to be blamed on "lazy" or inadequately trained organisers.

However, the truth seems to be that organisers are faced with an impossible set of contradictory demands. On the one hand, they are required to service the collective, through wage negotiations, handling disputes and strikes, and negotiating benefits. These activities are time consuming and demand skill and experience. Furthermore, they require organisers to be out of the union office and on company premises a great deal of the time.

On the other hand, organisers face endless individual complaints, many of which are too complex for shopstewards to handle alone. So, large numbers of union members sit for hours waiting for their organiser to make a brief appearance in the office. The organiser may hear the complaint, but may not be able to make adequate follow up. Individual complaints, whether they be about Workmans Compensation claims or even individual dismissals, often simply get put aside in favour of pressing collective issues.

But, at the end of the day, union members judge the efficacy of their union according to whether it is able to meet their demand for individual attention. A greater emphasis on shopstewards' training to deal with complaints is



Marching for industrial council: cleaners and security workers outside Department of Manpower, 1990

needed. However, it is unlikely that shopstewards will fully meet the need. Unions could therefore consider some new form of giving advice.

SACTWU provides an example of this. (It should be noted that the complaint about the lack of service does not only apply to the semi-marginalised sectors.) SACTWU recently employed an "advice officer" in its Durban regional office. The advice officer works full-time on processing complaints – referring them to the relevant organiser or shopstewards where necessary, and dealing with them personally where appropriate. Depending on the success of the project, SACTWU may establish such advice offices elsewhere in the country. Already, the union is finding that previously non-active members are being drawn to the union offices for advice and assistance.

Lodging complaints with the Department of Manpower

One avenue that unions have not explored sufficiently is that of using the Department of Manpower to follow up complaints about transgressions of minimum standards in wages and other working conditions. Illegal practices abound in the semi-marginalised sectors. Historically, unions and individual workers have complained that the Department of Manpower is tardy in its response to complaints.

However, given sufficient pressure and follow up, recent experience suggests that the Department is very eager to prove its credentials and to respond with vigour to complaints lodged. The Transport and General Workers Union is currently running a campaign in the cleaning and security sectors to expose illegal practices. The campaign involves educating members about their rights (including the very basics of reading a pay slip), identifying illegal practices, reporting them to the Department, and ensuring that workers are compensated. In addition, employers involved in illegal practices are publicly exposed (*see article on Springbok Patrols, p 52*).

Such campaigns have the potential both to

address the individual workers' needs and to attract large numbers into the union, thereby enhancing workers' collective strength. A spin-off of such campaigns could be the beginnings of the practical transformation of the Department of Manpower into a more user-friendly state organ.

Utilising the Wage Board

A further strategy to date under-utilised by unions is that of using Wage Board hearings to generate campaigns around minimum standards. Over the past few years, COSATU and the trade union movement at large have inadvertently allowed the number of Wage Determinations to slip from over 50 to 18. In few instances have the determinations been replaced by collective bargaining arrangements. The wage determinations are an important (though inadequate) source of protection for many semi-marginalised workers. Therefore, COSATU and its affiliates urgently need to campaign for the retention of existing determinations and the reintroduction of others.

Whether the Wage Board should

"Wage Board hearings provide a focal point for mobilising around demands"

continue to exist in its present form, or whether it should be transformed into a negotiating forum, is yet to be debated and resolved at the National Manpower Commission. Either way, Wage Board

hearings potentially provide a focal point for mobilising around demands for improved minimum standards. TGWU has done this reasonably successfully over the past three years, having mobilised for marches on the Department of Manpower offices, the petitioning of the Wage Board, and so on.

Centralised bargaining

Petitioning the Wage Board and exposing transgressions of the existing Wage Determinations and Conditions of Employment Act are important short-term

strategies for effecting improvements in conditions of work. However, centralised bargaining in the "difficult sectors" is an absolute prerequisite to the long-term improvement of conditions of employment.

As has been pointed out, labour intensity is a feature of these sectors. Low wages therefore become the vehicle for competition between companies in the same industry. Centralised bargaining is the only way in which the playing fields can be levelled in regard to wages, forcing employers to compete on grounds other than wages – for example, on the quality of service provided. A degree of "compulsion" is required via centralised bargaining. Employers are unlikely to voluntarily give up the relatively easy road of lowering wages to achieve a competitive edge.

Therefore, the fight to retain the building industrial councils and the motor industrial council (which covers garage workers) is critical. Likewise the campaigns to establish viable national industrial councils in the contract cleaning and contract security industries, currently being waged by TGWU, as well as for the democratisation of the regional dry cleaning councils, are of vital significance.

Conclusion

Some of the above proposals may appear to state the obvious. For example, it may come as a surprise to some that it is necessary to state the need to train shopstewards on how to read pay slips, and thereby empower them to spot illegal practices (for example, short payments on overtime). As suggested earlier, there has been an increased emphasis on national and industry bargaining forums. Coupled with this is the inevitable tension between the demands of the collective and those of the individual member, even at the enterprise level. In identifying strategies for organising what have traditionally been regarded as the "difficult sectors", it is therefore necessary to restate what may appear to be the obvious. ☆

Wage determinations

In 1989 there were 51 Wage Determinations. There are now only 19 left. Determinations have been scrapped in the following industries: stevedoring, liquor manufacturing, fish processing, unskilled labour (local authorities), civil engineering, condensed milk and milk products, ice cream manufacturing, rope and matting manufacturing, milk distribution, ladies stockings, cement manufacturing, hairdressing (Kimberley), hairdressing (OFS), canvass goods and associated, tea and coffee manufacturing, wood processing, bread and baking industry, coffin manufacturing, brush and broom manufacturing, mineral water manufacturing, wool Angora hide processing, chemical and associated products, milling industry (cereals), heavy clay and allied, rubber and rubber products, the coal distribution trade, soap and candle manufacturing, and plywood.

The Manpower Minister can decide on the scrapping of a Wage Determination after a notice of intent is published in the Government Gazette. The Wage Board argues that it only recommends the scrapping of a Determination if workers are sufficiently organised in an industry and if collective bargaining arrangements are in place for the majority of employees. If no objections are received to the notice of intention, it is virtually automatic that a Determination is scrapped. The Wage Board insists that no objections were lodged to the scrapping of the 19 Determinations since 1990. Objections were lodged in the case of a further two, and consequently, the Determinations remain in place.

None of the industries where Determinations have been scrapped has a recently established centralised bargaining arrangement, either in the form of a new industrial council or some other voluntary arrangement between employers and unions. One can only assume then that, even if a number of collective agreements do exist,

there are bound to be large numbers of workers (particularly amongst small employers) who have no minimum conditions.

Determinations exist in the following industries: road passenger transport; letting of flats and rooms; commercial and distributive trade; hotel trade; catering trade; meat and cold storage; unskilled labour (covering a range of industries and trades including contract cleaning); sweet manufacturing; funeral undertaking; clothing and knitting; goods transportation (by road); security industry; laundry; dry cleaning and dyeing; metal containers; business equipment; cement products; stone crushing; glass and glass products; and accommodation establishments trade.

It is within the jurisdiction of the Department of Manpower, not the Wage Board, to decide on exemptions. It is also up to the Department of Manpower to enforce the Wage Determinations, including, where appropriate, prosecuting companies which transgress the legal minimums.

COSATU has lodged a complaint with the Wage Board and the Department of Manpower about the relatively easy granting of exemptions and the lack of enforcement by the Department. COSATU has also submitted to the Wage Board a memorandum with the following recommendations:

- that the setting up of a wage investigation with a view to passing a Determination should not be left to Ministerial discretion;
- that the Wage Board should publish its intended hearings well in advance;
- that wage increases should take into account the cost of living;
- that there should be an entirely new and watertight procedure for the granting of exemptions; and
- that summary copies of the relevant Wage Determination be posted in a visible and known place. ♦

Showdown *at* Springbok Patrols



The security industry is a difficult sector to organise. Workers face illegal deductions, dismissals and abusive treatment. TGWU is using a range of tactics to challenge the industry's biggest employer, Springbok Patrols. KALLY FORREST reports.

Following labour relations at Springbok Patrols is a bit like watching a Wild West movie. There are all the elements of drama – shootouts, assaults, attempted murder, betrayals, broken promises, foul language, lawlessness, deceit and innocent victims. Only it is not a movie, it involves real people living out this drama every day.

Springbok Patrols is owned by the well-known rugby-playing Bartmann family. It is the largest company in the cut-throat contract security industry and has about 7 000 employees nationally.

Long history of complaints

Springbok Patrols is notorious in complaints offices around the Transvaal for its abusive labour practices. For nearly ten years, the Black Sash, Legal Resources Centre, the Industrial Aid Society and the Transport & General Workers Union (TGWU) have all taken up cases or lodged complaints with the Department of Manpower over the company's illegal practices.

In September this year TGWU declared seven different disputes with Springbok and has asked the Department of Manpower to run a full investigation into the company. The Department says it receives up to eight

complaints a week about the company. In 1984, Springbok was charged for illegal practices around the payment of wages, but this has not altered their labour practices. All it has done, allege shopstewards, is to make the company more knowledgeable about how to manipulate labour law.

The seven disputes concern:

- illegal deductions for uniforms
- the unilateral introduction of a new insurance scheme and the past illegal scheme
- retrenchments of four workers
- dismissal of a worker
- cancellation of trade union facilities including full-time shopstewards and an office
- the practice of 'spares'
- cancellation of individual stop orders without the union's authority.

These disputes centre on the East and West Rand branches of Springbok and concern breaches in the law, bad faith bargaining, and lack of fair dealing in labour relations.

History of union organisation

TGWU had members in the company since 1988, but was unable to gain a majority as workers were afraid of victimisation. In 1992, recruitment began again and the union

now has about 2 000 members nationally. Since then, the relationship between the union and company has been difficult and, at times, explosive.

In August 1992, stop orders were implemented, but there is no recognition agreement. In the West Rand and East Rand branches the company had permitted a union office for two full-time, paid shopstewards. In essence, these shopstewards acted as the company's wage clerks dealing with wage queries. It was difficult for them to get involved in disciplinary enquiries because of the absence of negotiated procedures.

The company also allows the Springbok Workers Association (SWA) to operate on the company premises. The SWA's general secretary, Sheila Mtimkulu, was originally employed by the company in a liaison function. Union shopstewards allege that the company set up the SWA to divide the workforce because of its deep hostility to the union. The company denies this allegation and says that the SWA has been operating for seven years.

Shopstewards also allege that workers are recruited into the Association on false pretences: "If you have a work problem, the company sends you to Sheila. She tells these workers, 'You must sign here before we can help you'. Workers are often recruited in the rural areas and have no experience of

unions."

The company's equitable public face belies a deeper anti-union strategy. "But," says Jane Barrett, TGWU national organiser for the security sector, "they have not been stupid enough to put any anti-union sentiments in writing or even to state such in a meeting."

Company insurance scam

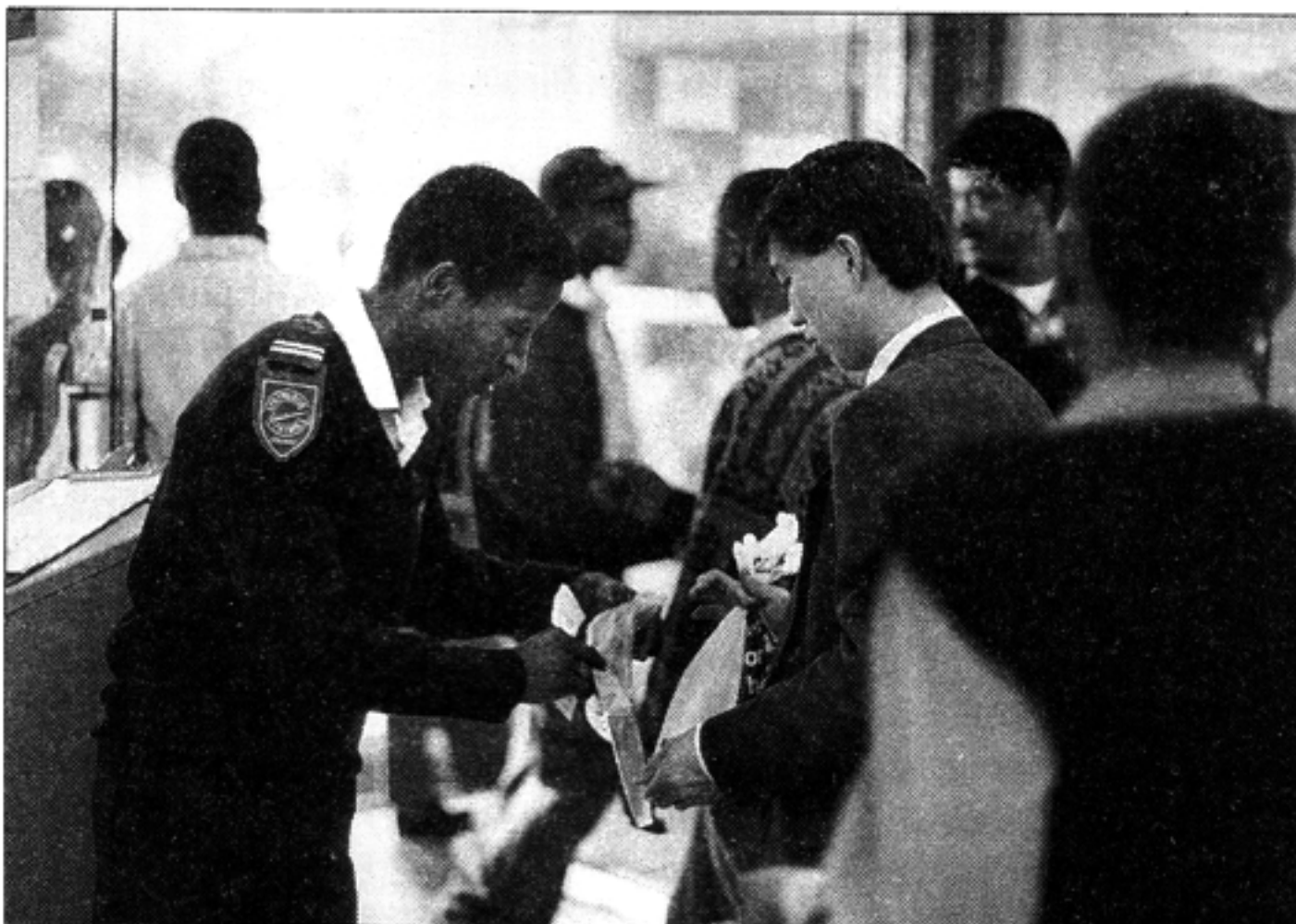
The company has a way of letting longstanding grievances fester until they explode, ignoring repeated union attempts to resolve the problems. The workers' life insurance issue is a case in point.

Metropolitan Life administered the scheme but in January 1991 Springbok took over the administration when Metropolitan withdrew because of erratic payments and a large number of claims by the company.

The insurance scheme was then administered by Mtimkulu as company employee. With no explanation, R25 for insurance was deducted from workers' wages. The union established that, upon a worker's death, R10 000 would be paid out to the family, with funeral expenses deducted from this amount.

Workers allege a scam involving the company and Mtimkulu was going on. Shopstewards say: "On a guard's death, Sheila would arrange all the funeral

expenses, then the family would see no more than R600." Some workers believed that Mtimkhulu had arranged a hit squad to kill off guards and then cream off their insurance money. She could easily do this, they believed, because 'nightrider' guards accompanying



DIFFICULT SECTORS

food deliveries into the townships are easy prey to attacks.

The union complained that it was illegal to deduct money without being registered with an insurance company. Then, in September 1992, strong feelings exploded into a wildcat strike of about a 1 000 workers. The central grievance was Mtimkulu and the insurance scheme.

The scheme was then put into the hands of Peace of Mind, a company underwritten by Sanlam, and membership is voluntary. The scheme is still administered however, by Mtimkulu. This leaves workers who opt out, without cover in an industry well known for its dangers.

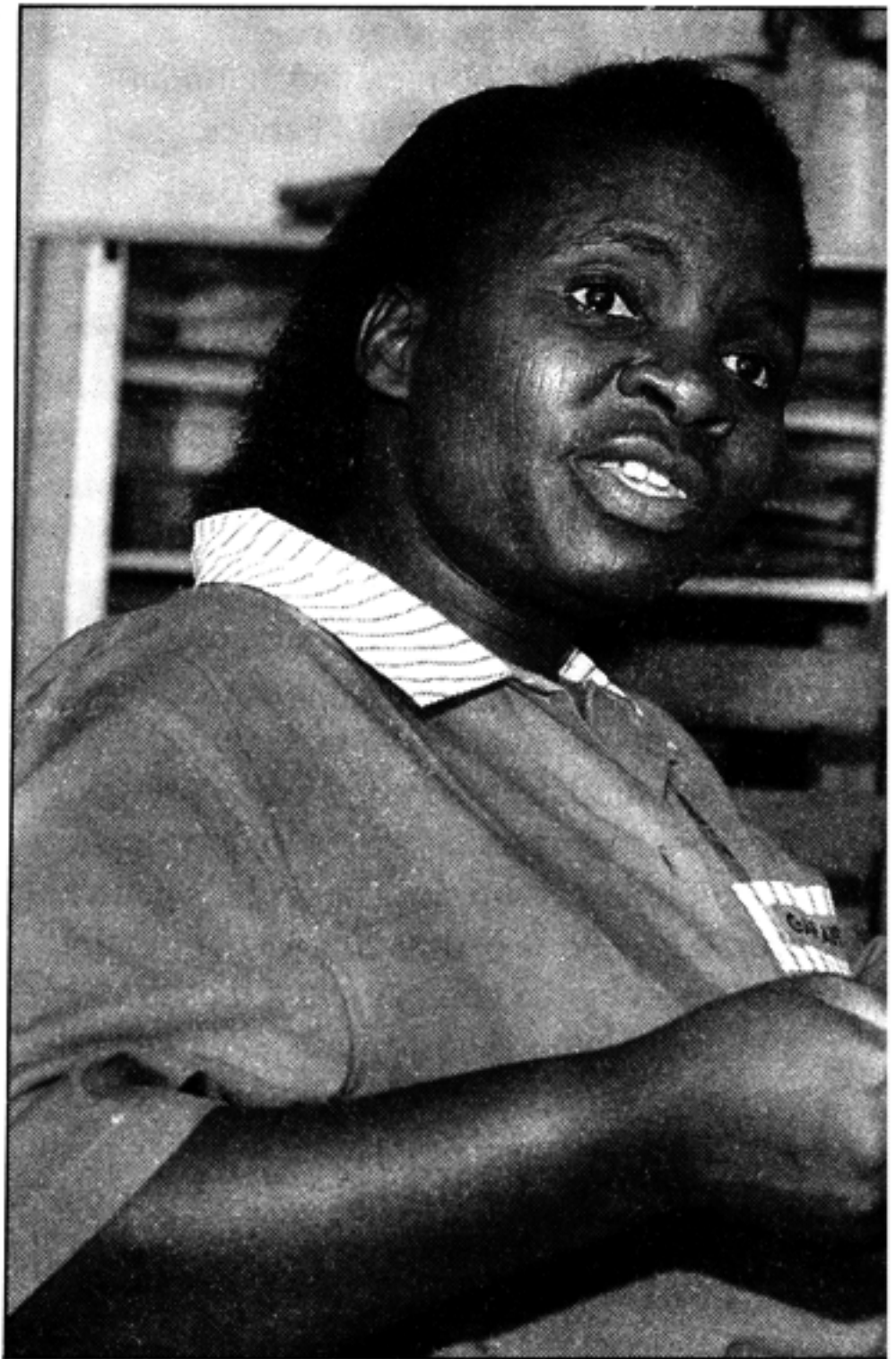
Workers are now demanding backpayment for all insurance deductions made illegally, and the union has called in the statutory Financial Services Board to investigate the internal administration of the scheme.

The heart of workers' exploitation

Another running grievance is the issue of 'spares'. This goes to the heart of many workers' complaints and the company's system of exploitation.

Workers sign a contract for permanent, full-time employment but are treated like casuals – although deductions associated with permanent employment, like UIF, are recorded on payslips. There are often more guards than posts, so the company runs a system of 'spares'. Workers report in the morning and are posted if their names are called out. If guards are not posted, they do not receive pay for that day. Some workers end up reporting for months without getting posted, and eventually leave. According to the company, these workers have 'absconded'. The union alleges that this 'spares' system is a way of dismissing workers without going through the correct procedures.

The company gets away with this because there is no clocking in procedure and hence no record of which workers arrive for work. If the union complains, the company simply denies that the worker was



The long, long struggle for justice at Springbok – sh

present. The Wage Determination and Basic Conditions of Employment Act stipulate that all time off and at work should be recorded by employers. But Springbok Patrols have a Department of Manpower exemption from this clause in the Contract Security Wage Determination.

It is easy for a company to get exemptions from clauses in wage determinations. The company applies for exemption from the Department of Manpower and there is no onus to prove that workers support the application. The application and exemption are not published, and so workers may be ignorant of the exemption and hence not able to challenge it. COSATU is currently raising the issue of exemptions and the anomaly that applications for exemptions do not go through the Wage Board, where the conditions of work are formulated, but through the Department of Manpower, who



ds at TGWU office

have not been part of this process.

Shopstewards allege that the setting up of the SWA fits into this 'spares' system, and that Mtimkulu simply recommends to management which workers should receive work. In this way, 'troublesome' union members are pushed out of the company. The company is denying that such a 'spares' system exists.

Uniforms: a running grievance

Another grievance is the issue of uniforms. The Wage Determination stipulates that security employers must provide uniforms free of charge, and take responsibility for cleaning uniforms. But workers' payslips show a variable deduction for uniforms. This may be as much as R300 per uniform. The union raised this illegal practice with the company a number of times but the problem was not resolved.

Again, tensions built up, leading to a

1 000-strong wildcat strike in February 1993. The central issue was Mtimkulu and the insurance scheme, but uniforms were an additional grievance. The strike was marked by violent confrontation between workers, management and the police. At one stage, a manager fired into a crowd of striking workers at Robertville, injuring two workers. A company vehicle was burnt and another stoned. Sixteen workers were arrested and charged with public violence – these cases are still in progress. Management subsequently put wire mesh around their offices to protect themselves!

At a post strike meeting, Bartmann senior informed workers that deductions for the first uniform had been stopped, and that deductions were for the second uniform only. This was still illegal in terms of the Determination. At a further meeting, the union demanded that the company refund the workers for illegal deductions on uniforms. The company never responded.

In March 1993, another wildcat strike was sparked by the dismissal of five workers. According to Barrett: "The union has consistently claimed that the frequency of strikes is a result of the absence of proper procedures. This reluctance to put in place proper procedures has been part and parcel of the company's strategy of leaving things as disorganised and confused as possible. The union threatens the advantage Springbok has through its chaotic employment arrangements."

At a strike settlement meeting with the company, uniforms came up again. Bartmann stated that all uniform deductions would stop, and that workers would be refunded. But no worker was refunded and deductions continue. In fact, allege shopstewards, the company now has a new strategy. When requesting new uniforms, workers now have to sign an application form. 'Advance on uniform' has appeared as a deduction on their payslip. Workers later discovered that the form authorises this.

At meetings with the union the company appears to be reasonable, but back in the workplace, the same abuses continue. The

shopstewards commented on a photo on an office wall of Bartmann at a social gathering with state president FW de Klerk. A commentator remarked that a comparison between the two is apt – an ostensibly reasonable prime minister and government on the face of it, but a society underpinned by violence, divide and rule tactics and lawlessness. There is the semblance of change but no real change is happening. The company claims to be giving something but what they give with one hand they take away with the other and they constantly breach undertakings.

Attack on Mtimkulu

On May Day this year, there was a hand grenade attack on Mtimkulu's house, injuring her two sons, one seriously. Soon after, six Springbok shopstewards were arrested and charged with attempted murder and conspiracy to murder. The company then cut off communication with the union, and closed down their offices. An East Rand shopsteward, Richmond Peter, has sacrificed a large part of his pay by working weekends only so that he can deal with workers' numerous complaints.

The shopstewards were tried and acquitted on 22 November. Subsequently, the company held their own disciplinary enquiry accusing

three of these shopstewards on the same counts. They were found guilty and dismissed. The company could do this because criminal law requires proof 'beyond reasonable doubt' but labour legislation allows for proof 'on the balance of probabilities'.

Another shopsteward was dismissed because he was found guilty of assault, and the remaining two were dismissed for 'absconding' as they

did not immediately report for work when they came out on bail.

Union approaches Springbok clients

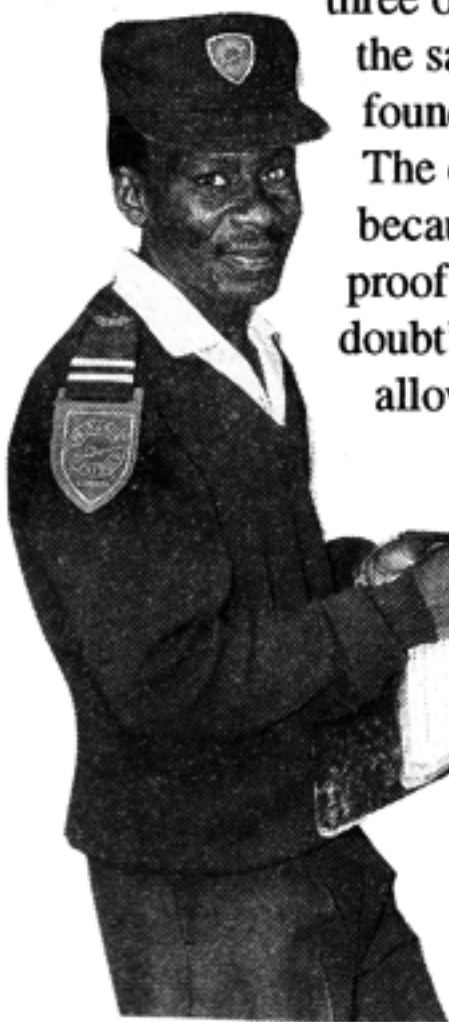
The union decided on a strategy of writing to Springbok's clients, some of them large companies with established relationships with unions, like OK Bazaars, Checkers, Eskom, Simba, and Coke. The letter told them of Springbok's illegal employment practices. It urged these companies to impress upon Springbok the importance of dealing in fair labour relations and operating legally. The union explicitly did not call for the cancellation of contracts with Springbok.

It is clear that some companies did take up this protest call as Springbok management obtained an urgent temporary interdict to prevent the union from communicating with its clients on labour-related issues. The company also threatened to sue the union for defamation. The company lost the interdict case however, in mid-November, and were ordered to pay the union's legal costs. It was basically a freedom of speech case where the court ruled against Springbok's attempt to muzzle the union. Threats to sue the union seem to have been dropped.

Where to next?

It is clear that the union has won a number of victories and the company is losing ground as the union whittles away at its lawless operations. Workers are more confident about asserting their rights, and the union is feeling the spin-off affect in other security companies, where many workers, through knowledge of the Springbok struggle, are joining the union.

Recently, the company reinstated the full-time shopsteward facility at the West Rand Branch. There is now a struggle to reinstate these facilities in the East Rand branch. The company has also started to make a real effort to ensure shopsteward attendance at disciplinary hearings. But there are still many issues to resolve, and it is taking up huge amounts of the unions' time and resources.



The union is waiting for the Financial Services Board report on their investigation into the insurance scheme. It is also fighting a number of dismissal cases, including those of the shopstewards who were acquitted on the attempted murder charge.

The union is also opposing the SWA's application for union registration. TGWU is opposing this application on the basis of its being an in-company union, and not representative of workers in the industry. The union is now awaiting the decision of the industrial registrar.

The union is also awaiting the Department of Manpower's report on its investigation into the company. No sick leave payment, no overtime records and hence payment, incoherent payslips with no record of basic pay, are some of the issues under investigation. The Department of

Manpower has two courses of action it can embark on if it finds complaints of malpractices to be true. It can instruct the company to rectify the wrong-doing, and it can pursue prosecution.

The Department told the union that the company has been

instructed to pay a proper overtime rate from the end of November. It has also been instructed to reflect certain things on worker's payslips so workers can check the wage paid, and to grant regular time off and annual leave.

The company is insisting on reflecting only the rate per shift on the payslip and not the basic wage, and is applying to the Department for exemption in this regard. The union will fight this exemption application. On the question of uniform deductions, which the company denies, the union is taking a strategy of flooding the Department with workers' payslips reflecting deductions.

The Department of Manpower now sends

an inspector every Tuesday to the company to follow up complaints that individual workers have lodged with the Department. The complaints are so numerous that Manpower decided to set up a regular appointment with the company.

Since May this year, the union has sent more than 40 letters of complaint to the company. Most of these complaints were formulated into the different disputes that the union declared. There have been a number of Conciliation Board hearings on these disputes, but none of them has been resolved.

The union is now faced with the decision of taking certain disputes to industrial action or going to industrial court. It is seriously considering taking the issues of the unilateral introduction of a new insurance scheme into the company, certain dismissals, and the operation of the 'spares' system to industrial court.

Springbok: reflecting the industry?

The question arises as to whether Springbok Patrols reflects the state of labour relations in the contract security industry. From the unions' demands in a campaign directed at all employers in the industry, it is clear that Springbok is not an isolated case. Looming large on the list of campaign demands is "An end to all illegal practices by Security Bosses. We are sick and tired of underpayment and over deductions. Many employers are still not paying overtime properly. They are not giving workers time off or paid leave. And they are deducting illegally for uniforms."

Barrett comments: "Fidelity Guards and Gray Security are about the only companies who appear to abide by the Wage Determination. I could not say this with confidence about any other company." It is an industry that is still firmly rooted in the old South Africa, where a shopsteward alleges that a director, in the presence of the company lawyer, speaks to a shopsteward who is politely conveying a request from workers, in this way: "You can't come and tell me what to do in my company. Are you drunk? Are you mad? Fuck off. I'll get you locked up." ☆

"An end to all illegal practices by Security Bosses. We are sick and tired of underpayment and over deductions"

Rethinking industrial councils?

Small business and collective bargaining



The Industrial Councils in the clothing industry are being undermined by a

growing trend towards small business.

JAN THERON asks whether this trend will lead to far-reaching changes in the IC system.

Over recent years a number of propositions about small business have acquired the status of conventional wisdoms. For example:

- ❑ small business should be promoted in order (amongst other reasons) to create

employment and stimulate the economy;

- ❑ in order to promote small business, it is necessary to remove restrictions and regulations which inhibit small business. Amongst the regulations which are seen to inhibit small business, labour legislation is seen as one of the most significant.

Should there be reform of labour legislation to take account of the needs of small business? Should this reform go so far as to create a special dispensation for small businesses, exempting small businesses from the regulatory regime that applies to other businesses?

Specifically, should small businesses be compelled to comply with Industrial Council Agreements which are extended to them in terms of the Labour Relations Act (LRA)? If not, on what basis should small businesses be exempted? What, also, are the implications for moves towards centralised bargaining, within and outside of Industrial Councils (ICs)?

In short, what does the question of small business signify for labour relations in the future? But first it is necessary to understand how the system of extending IC Agreements works.

The industrial council system

Industrial Councils have also given rise to a number of conventional wisdoms. One is that ICs are the cornerstone of our industrial relations system. Another is that this is a 'system' based on voluntarism. In other words, in which the involvement of the state is minimal.

In fact the state has always been involved in a very direct way in ICs. For once the employer and union who are parties to an IC have reached agreement, they almost always ask the Minister of Manpower to make it binding on employers and workers who are not. This is done by publication in the Government Gazette. The basis on which the Minister decides to publish an agreement is

This is an edited version of a longer paper produced for the Labour Law Unit, UCT



Worker organisation under threat in clothing industry

whether (in his opinion) the parties are 'sufficiently representative' of the industry. The rationale is to prevent 'unfair competition', such as where employer non-parties pay below the minimum agreed. It is nevertheless a political decision.

Thus when African workers were organised, the Minister used freely to extend IC agreements to them, negotiated by unions representing mostly skilled, mostly white workers. Clearly these unions did not represent the majority of workers in the industry. It was a way of legislating low minimum wages for the majority.

But from about the mid 1980s the Minister became increasingly unwilling to extend agreements. Of course this had to do with the organisation of workers into representative unions. But one reason given, was the effect extending IC Agreements would have on small business.

In what follows we shall look at what small business means in the case of the clothing industry, to illustrate a wider phenomenon, and what it may mean for the IC system.

The clothing industry

The clothing industry is a typical low-wage industry, because of its low entry levels. The only capital needed to manufacture clothing is the cost of the sewing machine. For this reason, there are many small factories in this industry. The call for industry-wide regulation and some system of extension of Industrial Council agreements is strongest in such industries.

Until the early 1980s, the parties to the clothing industry IC in the Western Cape were a "sweetheart" union and an employers' association. The union's representivity was not an issue for the employers or the Minister because there was a closed shop. Sixty-two thousand workers were employed.

Ten years later, some 48 000 workers were employed at relatively high minimum wages. The union had become a militant COSATU affiliate and the IC had been transformed. What is more, there are now two employers' associations on the IC. The members of the dominant one employ 75% of the workers and represent 35% of the manufacturers. They include the big

manufacturers. The other association represents small businesses engaged mainly in CMT (cut, make and trim) operations.

The employer bodies are divided over minimum wages and the extension of the IC Agreement. For CMT operators, wages and labour costs are by far their biggest expense, amounting to 70% to 80% of their operating costs. For the big manufacturers, it is only 20-30%. Linked to this is their power in relation to the union – the big manufacturers are the union's base whereas small business is inherently difficult to organise.

CMT manufacturers argue they cannot afford to pay the same wages as the big operators, and there should be a differential wage. However, the big manufacturers could then set up their own CMT operations in order to pay lower wages. The underlying problem is that both associations represent only registered employers. Both are being undercut by a boom in small clothing manufacturers operating entirely outside the IC — the informal sector.

The informal clothing sector

There are no statistics or studies that establish the extent of the informal clothing sector. The employer's association estimates that up to 40% of all unit garments are produced by small businesses not registered with the IC. But, even if this is an exaggeration, there is no doubt that the informal sector is extensive.

Many of these operations are home-based and may employ retrenched clothing workers. Some of them may supply registered manufacturers, in contravention of the IC agreement, or the informal retail sector such as flea-markets. And, there is evidence that small manufacturers are increasingly supplying major fashion houses. But how does the retailer contact the unregistered small manufacturer? It has been suggested that this is done through 'design centres'. The design centre approaches retailers with a design proposal. If the retailer accepts the proposal, it offers a contract, on the basis of a price per unit garment. The design centre then looks for the

manufacturer to supply a garment, at a price per unit garment.

A registered CMT manufacturer who prefers to work for design centres says he has turned away more work in the last six months than ever before because he would "rather work short-time than work at a loss". This, he says, is due to undercutting by unregistered small manufacturers who probably pay their labour piece rates.

How can the extension of IC agreements prevent the undercutting of the wages of organised labour, while informal manufacturers remain entirely unregulated? Instead of improving the position of workers in the formal sector, the extension of IC agreements inevitably squeezes out registered small businesses. They are now caught between the big manufacturers on the one hand and the informal sector on the other. The demand for centralised bargaining can only exacerbate this process.

If this trend toward the 'informalisation' of the clothing industry continues, there will be a shrinkage of the formal sector. The big manufacturers will be increasingly confined to a smaller section of the market, the 'higher added value' garments. The formal sector could shrink away altogether. This is largely what happened in North America. Any clothing industry there is now is in the homes of immigrant families in the peripheries of the big urban centres.

Encouraging 'informalisation'?

Small business is encouraged by state policy and capital itself. For example, capital's support for small business through agencies such as the Small Business Development Corporation (SBDC) is a matter of public record. To what extent, then, is it also their policy to encourage informalisation?

It is said the distinguishing feature of the informal sector is that it is unregulated by the institutions of society. Apart from not complying with IC agreements or labour legislation, what this also means is that the informal sector does not pay tax.

The mere fact that the SBDC, which is a parastatal body, lends money to small

Informal sector – what does it mean for collective bargaining?



businesses in the informal sector, suggests a willingness to turn a blind eye toward this development. There are also reports indicating more concrete forms of encouragement. For example, employers giving retrenched clothing workers machines with which to start their own business. This suggests a present policy to encourage 'informalisation' as vigorous as repressive regulation was to stop it in the past.

The blanket exemptions the Wage Board hands out to small business form part of the same policy. And, in a circular letter of May 1987 from the Director General to all ICs, ICs are encouraged to follow the Wage Board's example.

Whatever the objects of such policy, the effect is to undermine the relatively high wages of organised labour.

The IC for the Clothing Industry plans to deal with this problem in the Western Cape by more effective policing in the informal sector. The present inspectorate of five is to be doubled. This will enable inspectors to visit each registered factory once a year and, it is hoped, track down factories which don't register. Wisely, the objective would be to get them to register, rather than shut them down.

But to rely on such measures would be to underestimate the problem. It has to be understood in the context of a shift from big to small enterprises, including the growth of the informal sector, across the world (*see box on page 62*).

Clearly the 'informalisation' in the clothing industry is not an isolated phenomenon. Global changes are bound to have an impact on production in SA. The

increase in small business and the informal sector will have profound implications for collective bargaining in the future.

It cannot be an option to try to prevent the growth of small businesses in the informal sector. In the absence of any apparent alternatives, it is a question of survival for many people. In this limited sense (and not because of their supposed employment-creating potential) there is a case for a special dispensation for small business. In the case of sub-contracted small business, there may also be a case for a special dispensation. But how does one distinguish between small business in this sense, and technologically advanced small businesses which do not need a special dispensation? How small business is defined is therefore important.

NMC and COSATU try to define small businesses

In 1989, the Minister of Manpower requested the (unrestructured) NMC to investigate the influence of labour legislation on small business. Its report, released in July 1991, recognises the difficulty of defining small business but fails to develop an adequate response.

The NMC differentiates between micro-businesses and small businesses, and confines its recommendations to micro-businesses. A micro-business, in the NMC's definition,

normally employs no more than five employees, and has a turnover not exceeding R250 000. It should also be an independent legal entity, managed and controlled by a natural person, who is also owner. The NMC regards this as a "basic (minimum) definition ... where there is agreement in a sector to

change the definition according to the specific circumstances of that sector, such a proposal could be made to the facilitator". The facilitator is a small-business facilitator, which the Department of Manpower plans to appoint in each of its offices.

The Minister, in his official response,

The new significance of small business

The growth of small business in SA must be seen against the backdrop of global economic restructuring since the 1970s, as a result of a crisis in the system of mass production referred to as Fordism.

This restructuring involves the introduction of a new production regime. Long production lines employing large numbers of unskilled or semi-skilled workers are no longer necessary. Computer-driven technologies and Japanese production techniques are the order of the day. The watchword now is flexibility. Accordingly, there has been a shift from big to small enterprises, regarded as more flexible. A different workforce is also required: relatively skilled workers who can use the modern technologies in a flexible way.

This restructuring means that it can no longer be assumed that small business cannot compete with big business on an equal footing. For example, it is argued that technologically advanced small businesses dominate the economy in Southern European countries and, in some cases, perform competitively on international markets. In particular, attention has focused on the Emilio Romagna region of Italy, where clusters of small business operating in similar industries are located in 'industrial districts'.

Could this be the 'acceptable face' of small business? There are indications that organised labour may regard these industrial districts as a model to be emulated. It is no doubt wise for organised labour to make the best of the situation, but the implications for workers of this new 'post-Fordist' era are by

no means rosy.

According to one authority, the change which underlies the new production methods implies "relatively high levels of structural (as opposed to frictional) unemployment, rapid destruction and reconstruction of skills, modest (if any) gains in the real wage and the roll back of trade union power — one of the political pillars of the Fordist regime".* Further, at a macro level, it has led to a radical restructuring of the labour market, with a diminishing core of workers with permanent, full-time employment and a growing periphery of workers in various kinds of 'flexible' employment.

It is in this global context that small business acquires a new significance.

For, accompanying this growth in 'flexible' employment has also been a growth of organised sub-contracting and the rapid growth of 'black', 'informal' or 'underground' economies in large cities. This 'growth', it appears, is the assumed employment potential of small business. However, this 'growth' has been at the expense of permanent jobs. In Britain, between 1981 and 1985, the number of 'flexible' workers increased by 16% to 8,1 million. But, in the same period, permanent jobs decreased by 6% to 15,6 million. ❖

* D Harvey, *The condition of postmodernity*, Blackwell, 1990.

approves this definition "as a starting point". But where does this definition actually take us? How is a turnover figure to be determined? Is there to be disclosure of the financial statements of an enterprise? What is the meaning of "normally employs"? How will anyone know that an enterprise actually has a turnover which exceeds the prescribed limits, or actually employs more than five, if there is no requirement for an enterprise to register? What is the status of a "basic (minimum) definition" that can be administratively amended?

COSATU, in its representations to the NMC, takes issue with this definition. COSATU proposes that a micro-business should not employ more than 10 persons. In a clear attempt to prevent big manufacturers from reconstituting themselves as micro-businesses, and the problem of sub-contracting, it also requires that a micro-business should "not have been created by the division of an existing business or by contracting out of its services", or supply "the majority of its services or products to a single client".

But there are more fundamental objections to the attempt to arrive at a generic definition of small or micro-business. What is big or small, viable or not viable, can only be understood in terms of a specific industrial sector. It was, for example, suggested to the writer that an efficient operator in the clothing industry required to employ about 50 workers. How does the number of persons employed indicate whether it is a deserving case? Who will decide the complex questions these definitions give rise to? Finally, how does such a definition address the problem of 'informalisation'?

NMC encourages 'informalisation'

The ostensible purpose of the NMC's definition of micro-businesses is to provide certain "administrative and other relief". The simplification of certain procedures is not controversial, so long as it does not erode minimum standards. But certain of the

NMC proposals go far beyond this, and actually encourage 'informalisation'.

For example, the NMC recommends that factory micro-businesses no longer be required to register. If there is no requirement to register, it is impossible to enforce minimum standards. The proposal that micro-businesses be exempted from inspection of their premises has the same effect. The thrust of these recommendations is to place micro-businesses beyond regulation.

This is also the tenor of the NMC's proposals regarding exemptions from Industrial Council agreements. Thus the ICs are encouraged to adopt the view of the Natal Master Builders and Allied Industries Association that the objective of an agreement ought to be to establish minimum

What is a small business?

Most commentators agree that it is difficult to define a small business. Frequently they are talking about different types of enterprises. Our analysis suggests that, underlying this confusion, is a change in the production regime and a restructuring of the labour market. This involves the following related but distinct tendencies in businesses that can be defined as small.

- o A tendency toward technologically advanced small businesses established under the new production regime described above (*see box on p 62*).
- o A tendency toward small businesses set up in response to a restructured labour market where workers have diminishing prospects for formal employment. This would include small businesses to which certain operations formerly carried out by big business are sub-contracted.

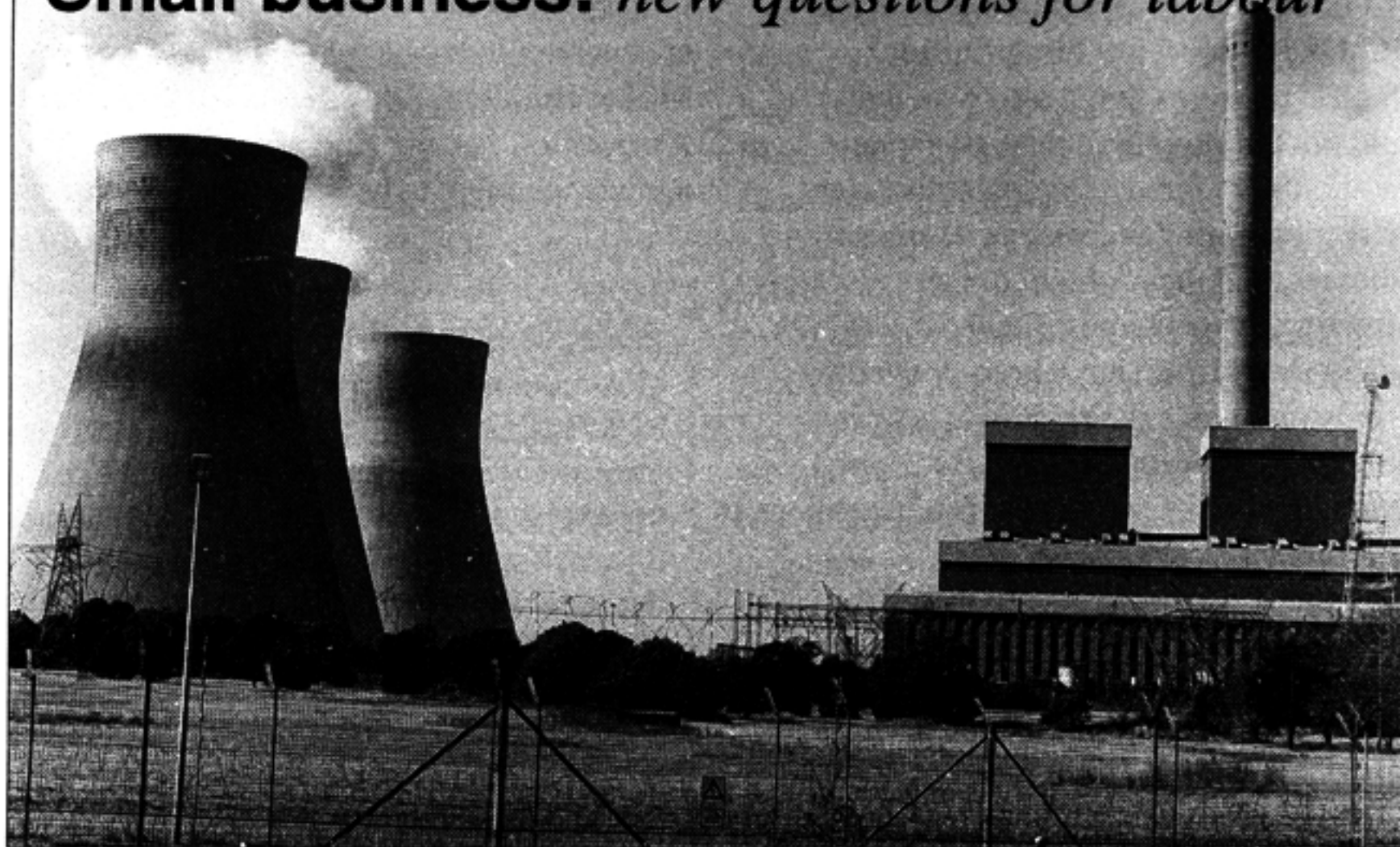
The former will tend to be in the formal sector and the latter in the informal sector, but this depends where and how the line is drawn. Further, in the case of sub-contracted small business, there is clearly a structural relationship between the formal sector and the informal sector. ♦

wages and conditions of work "without in any way restricting the entrepreneurial initiative and employment opportunities". Where an employer can satisfy the Council that his or her entrepreneurial initiative is being restricted, exemption ought to be granted. But this begs the question: who is to say, and on what basis, that "an employer's entrepreneurial initiative" is being restricted? What entrepreneur would not say his or her

entrepreneurial initiative was being restricted, given the chance?

Undoubtedly, such a policy will lend impetus to the blanket exemption of micro-business – which is consistent with the policies of the Wage Board and the Small Business Development Corporation. The NMC's fuzzy definition of micro-business, will ensure the growth of unregulated small businesses.

Small business: *new questions for labour*



Electricity giant sponsors sub-contractors: bypassing the IC

The words "Small business – the key to our future" were written on the T-shirts of a number of people at a meeting I recently attended. They were sub-contractors, members of the local civic association who had contracted with Eskom to lay cables, instal meters and whatever else was necessary to provide electricity in the township.

Like any such contract, a time-frame and a rate is specified. But it says nothing about the terms on which labour is employed. That is a matter between the sub-contractors and the workers they employ. ("Eskom supports small business" was written on their backs).

Except in this case the sub-contractors

have an arrangement with the civic, to employ as many persons as possible. Not whom they will, but from a list of prospective workers the civic has provided. The rate is also 'negotiated' with the civic. It is nevertheless below the rates prescribed by the Industrial Council (IC).

That is the reason for the meeting. The sub-contractors are obliged by law to register with the IC. They are also obliged, unless they obtain an exemption, to pay the minimum wages the IC lays down. There are also certain other contributions which the council administers, as well as a levy which must be paid to the council itself. The

COSATU proposes tighter regulation

The NMC's approach can be contrasted with that of COSATU. In effect, COSATU proposes a special dispensation for micro-businesses, coupled with tighter regulation. COSATU makes the following proposals:

- ❑ Micro-businesses would have to qualify in terms of the definition and register (or be "certified") with the Department;

- ❑ The size of the Department's inspectorate should be increased, and its quality improved;
- ❑ There should be no blanket exemptions from the Wage Act, the Basic Conditions of Employment Act, IC agreements and the LRA, and a new system of applying for exemption should be formalised.

This new system would require an enterprise to publish a notice that it is applying for

sub-contractors want an exemption.

Possibly they could pay higher wages. But then, they say, they would have to do with fewer workers. Even then they could not afford IC wage rates, or levies. In future they would be able to pay the IC wage rates. But first they need to build up some capital. It is a familiar argument. Except some of those advancing it were once workers themselves, even union members and shopstewards.

As it is, the sub-contractors have to use more workers than they really need, to meet the requirements of the civic association. The civic regards the electrification of the township as its project. One of its objects is to provide employment for the community for whom the service is intended. The sub-contractors have accepted the civic's terms. It was after all the civic who recruited them in the first place. For them, it represents an opportunity to establish themselves. Already they are looking to a future beyond their Eskom contract.

It is uncertain whether the IC will enforce compliance with its agreement. It is also uncertain whether the sub-contractors would be put out of business if it did. What is clear, is that the IC has the power to do so. Aside from the wage rates and levies laid down, all "employers" in the industry are required to have a "wireman's certificate", or employ someone with one. None of the sub-contractors has this qualification. In an industry which has long been the preserve of predominantly white artisans, there cannot be many Africans who have.

What is also certain, is that if the IC were to enforce compliance, it would certainly

provoke a reaction. After all, it is not an agreement the sub-contractors or their workers have had any part of. What might the ICs justification be for doing so?

So far as the wireman's certificate is concerned, the justification would presumably be to maintain standards of proper workmanship, and safety. But is the IC the only or best body to fulfil this function? So far as the wage rates are concerned, its justification would presumably be to prevent unfair competition from employers who pay below the negotiated minimum. But how adequate a justification is this in these particular circumstances?

To address this question, we need to scrutinise the system of extending IC Agreements, in the context of the regulatory regime as a whole. Can the sub-contractors be regarded as independent small-business? Should they be compelled to comply with an IC Agreement which has been extended to them in terms of the Labour Relations Act (LRA)? Or is small-business justified in paying lower rates than ICs have laid down, in such circumstances? Does it matter that workers have accepted these wages, or that the "owners" of the small-business are black?

These questions do not just concern the specific IC. They are questions of public policy. How should the labour relations system deal with such questions? Should labour legislation be reformed, to create a special dispensation for small business, exempting small businesses? What, also, are the implications of these questions, for collective bargaining within and outside of Industrial Councils? ☆

exemption in the Government Gazette, to allow for objections. The application would then be considered by the IC, or in the absence of an IC, by a regional committee to be composed of employer and union representatives. There would further be a right of appeal to a national body similarly composed.

COSATU also proposes strengthening the system of extension of IC agreements to non-parties.

Is there any reason, in a changed political climate, why tighter regulation should not succeed?

Obstacles to tighter regulations

There are many obstacles to COSATU's proposals for tighter regulation. The indications are that tighter regulation on its own would not succeed. For one thing, for the system of extensions to work, informal small businesses would have to register. In Quebec Province in Canada, with a well-established trade union tradition and comparable system of extending wage agreements by decree, such decrees have proved ineffective in the clothing industry. There are an estimated 25 000 to 30 000 'homeworkers' in the Montreal district alone, of whom only 1 000 are registered.

Obviously more inspectors could be employed. One objection to this would be financial. But a more profound objection is political. For, unless coupled with a policy which discriminates between categories of small and micro-businesses, their activities are likely to be perceived as repressive by a significant and growing constituency like, for example, the electrical sub-contractors sponsored by Eskom. (*see pp 64-5*)

COSATU's strategy raises other problems. On what basis would ICs grant exemptions? The introduction of more formal procedures is not going to make this any less contentious. Instead it will focus more attention on the question of exemptions. Can ICs be entrusted with the task? There is truth in the accusation that will undoubtedly be levelled at them, that they represent vested interests.

Recently a strident new voice has joined the chorus complaining about ICs and

extensions — the Confederation of Employers of SA (COFESA). According to its Director, ICs "provide a power base for some employers to conspire with other employers and unions ... to wipe out unfair competition". It is likely that this sort of comment will be heard more often. It will also carry more impact, as small business becomes increasingly black.

Will IC exemptions allow small business to pay differential wages? (At present it seems exemptions are only granted on an all-or-nothing basis). Will they be able, practically, to wade through the evidence that would have to be assimilated, if exemptions are to be granted on a fair and meaningful basis? Do they want to?

There is a fundamental objection to ICs playing this role. The move towards a more flexible production regime must inevitably result in a more flexible collective bargaining regime. The system of legislating wages is an inflexible system par excellence. That is why alternative models for extending collective bargaining to small business have to be developed.

The SBDC, regulation and industrial districts

But first informal small business must register. To achieve this, incentives are needed.

As outlined above official policy, and the SBDC (which is funded with public money) in particular, have profoundly shaped the development of small business. This influence could be used to shape small business in new ways. For example, the idea has been mooted by Darcy du Toit that small businesses comply with certain conditions before receiving assistance from the SBDC or, for that matter, benefits such as tax relief, low interest rates and the like. A minimum code of conduct would include recognition of representative unions and "industrial council representation for the purposes of negotiating collective agreements applicable to the small business sector".

Can this thinking be taken a stage further, by transforming the existing SBDC-established hives for small business into

something more closely resembling industrial districts? What distinguishes the concept of an industrial district is that it is composed of similar businesses which have a co-operative relationship with one another, and share certain functions and facilities, for example marketing. Obviously, for the SBDC to begin to play this sort of role would mark a radical departure from its 'deregulation' mindset.

When one examines the industries located in the hives, the idea is not as far-fetched as it might seem. In the hives surveyed in the Western Cape, the small businesses comprise primarily two industries, namely clothing and furniture. This may be the case in other areas, where hives have (organically, as it were) evolved their own industrial identity. The object of such a development would be to provide a model of how small business could operate, and still provide decent wages and the like.

Collective bargaining: the limits of the industrial councils?

The object of registering small business is to enable workers to be represented, and collective bargaining to take place.

Instead of relying on bureaucratic means, Du Toit and Bosch argue in a paper with the sub-heading "A challenge to the unions", unions should establish new forums where collective bargaining can take place. This could be on an area basis, for areas such as hives where small business is aggregated (they suggest area industrial councils). Or it could be by way of separate industrial agreements for the small business sector.

But before there can be collective bargaining, workers must be organised. That is the challenge. It is a challenge unions everywhere have been conspicuously unsuccessful in taking up.

In South Africa the challenge is shortly to take concrete form. A law exempting many hives from labour laws, IC Agreements included, is shortly to be lifted. Will the unions that are party to ICs rely on extensions to cover small business there? Or will they go in and organise them?

The challenge is also that new strategies, even new forms of organisation may be called

for. It may seem like a reversion to earlier forms of organisation. Faced with similar problems to those facing the clothing industry in this country, an official of the ILGWU in North America advocates a community based strategy, centred around a community advice office. General unionism may after all have a place.

Both organisation and bargaining would be greatly facilitated, if hives could be restructured along the lines of industrial districts. But that would be a solution for only a portion of small business. The underlying issue is that whether on an area basis or otherwise, the creation of separate forums for bargaining with small business implies acceptance of differential wages.

For some, that strikes at the very heart of the IC system. For, even if it is possible to prevent big manufacturers from restructuring themselves as small manufacturers to take advantage of the lower wages, the authority of the system of extension would be seriously eroded. In some instances that would have no drastic consequences. But in others it would threaten the survival of the system. Would that be a bad thing? Perhaps the question is rather, can it be avoided?

I would suggest it cannot. The authority of the IC system is already being eroded, by the process of informalisation described above. It is far better to arrest this informalisation process to the greatest extent possible by bringing small businesses into forums where they can be realistically and effectively regulated. After all, the history of labour relations in this country shows that attempts to legislate against undercutting, unless underpinned by organisation, are likely to rebound against the union movement and the system which seeks to impose them. ☆

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The cellular telephone struggle

Report by *FIKILE KHUMALO**

Many people are baffled by POTWA's vehement opposition to the introduction of cellular telephones. They ask: "How can you be opposed to new technology? How dare you deprive the nation of this smart piece of technology?"

As a progressive and democratic union, POTWA cannot be opposed to progress and advancement. But we are opposed to the undemocratic, unilateral restructuring of our economy in general, and our industry in particular.

The NP government first commercialised posts and telecommunications (P&T) in October 1991. By March 1993, 5 686 jobs had been lost. We expect the same pattern with the Posts and Telecommunications Amendment Bill which empowers the Postmaster-General (PMG) to issue licences to private individuals who wish to operate a telecommunications network. The Bill strips Telkom of the exclusive rights and powers to provide telecommunications services. The PMG, empowered by the Bill, issued cellular licences to two private companies during September 1993 – the Vodacom Group (Pty) Ltd and Mobile Telephone Networks (Pty) Ltd (MTN). Vodacom and MTN are joint ventures structured as follows:

Vodacom

1. Vodafone, UK-based cellular telephone

operator (35% shareholding)

2. Rembrandt Group, (15% shareholding)
3. Telkom, SA government telecommunications operator (50%)

MTN

1. M-Net, provides television services in SA (30%)
2. Cable & Wireless, UK-based cellular telephone operator (30%)
3. Transtel, SA government-owned subsidiary of Transnet (10%)
4. FABCOS, SA black company; NAFTEL, SA black company (jointly 30%)

Competition and capitalism

The mass media favours the introduction of cellular phones, hailing them as a 'communications revolution' which will transform our lives. Cellular telephones will reportedly create more jobs and extend the provision of telephones to the unserved areas in the townships and in the rural areas.

Our view is that cellular mobile competition using GSM (Global System for Mobile Communication) technology will bankrupt Telkom by taking profits which currently subsidise other services.

The government claim that about 70 000 jobs will be created by the two GSM networks is inconceivable since GSM is highly capital intensive. It will create around 2 000 jobs only.

Each cellular telephone handset costs around R4 500, which means only a few of the privileged minority will be able to access GSM networks. In most cases these people

* *Fikile Khumalo is POTWA's research officer.*

already have telephones.

Public telephones using the GSM networks in areas such as townships would cost 14 times as much to provide as fixed network public telephones and a local call would cost 10 times the current charge.

The level of income in South Africa is too low to afford GSM technology which is the most expensive and sophisticated of the new telecommunications technologies. There are other kinds of cellular technologies which are less expensive and appropriate to our country's level of income and development.

Fighting talk

During the past weeks POTWA, as part of a joint COSATU and ANC delegation, has met with the government, Vodacom and MTN. We were able to force the other parties to accept the idea of the establishment of an Independent Telecommunications Authority (ITA). The ITA will seek to develop a clear and cohesive national telecommunications policy which shall include a definition of a universal affordable service.

Our principal objective – to secure a majority shareholding by Telkom, the public operator – has been achieved. The public operator (Telkom) will hold 51% of equities in the Vodacom licence. Transtel (the state-owned subsidiary of Transnet) will hold 20% of MTN licence shares. The other 31% will be acquired over a period of five years as Transtel will be given preference whenever shares are sold.

This is a major victory for the working class. The future democratic government will now be in a position to meet its social and economic objectives because the revenue base and long-term viability of Telkom will be protected. Infrastructural development will be possible and our ultimate goal, namely universal service or the expansion of telephone penetration, will be realised. This will create even more jobs.

In the MTN licence, POTWA and other unions operating in the telecommunications sector will have 5% of the shareholding to be administered through provident funds or any

other related investments. Black business will acquire 5% of both licences.

Further battles will have to be fought for appropriate and cheaper mobile technology. ☆

Public ownership

Before October 1991 the provision of posts and telecommunications in South Africa was the sole responsibility of a government structure, the Department of Posts and Telecommunications.

Successive Nationalist Party governments were obliged to ensure all South Africans were provided with and had access to a telephone. Such ownership, control and regulation of postal and telecommunications services by a government is called "public ownership", which means the industry is owned, through the government, by the people for whom it is created. In many countries, including South Africa, public ownership is essential for meeting social and economic needs. The following example illustrates this.

In South Africa the telephone was used extensively to develop the rural areas during the early 1900s. The economy was expanding rapidly, and many South Africans left the countryside for the cities. Both blacks and whites lacked the necessary skills for living and working in an urban environment; townward migration inevitably resulted in high levels of unemployment. The government and media of the day constantly referred to high white unemployment as the "poor white" problem, while ignoring the "poor black" situation. The government instructed and subsidised the posts and telecommunications department to intensify the construction of the telephone network. This had two effects: First, it created jobs for many whites, and second, it improved communications in the country. ♦

“Recognise POPCRU”

ZOLILE MTSHELWANE interviews two Johannesburg Prison warders about their union, the Police and Prisons Civil Rights Union (POPCRU). THOKOZANI MADONDO is a member of POPCRU's NEC and a member of the campaigns committee and TOZAMILE TANA serves as the union's legal officer.

How is POPCRU structured?

We have branches, formed by at least 20 members. Then we have regions, constituted by at least four branches. From regions we have an NEC.

What campaigns has POPCRU embarked on since it was formed?

The first campaign was to popularise POPCRU. We visited police stations and prisons, as well as community organisations and distributed pamphlets to potential members. We were very isolated when we started organising for POPCRU. The press shunned us and ignored our activities.

Fear was the major difficulty. Potential members were afraid of being dismissed, because a clause in the regulations specifies that whoever is found discussing politics or union issues will be summarily dismissed. Some potential members even informed the bosses of our organising efforts.

Where is POPCRU established?

It is difficult to say, because POPCRU is growing very fast. Everywhere in the Transvaal, members are joining in great numbers, in Venda, Pietersburg, and Qwaqwa.

Initially the prison service was the fastest growing. But now the police department is joining up more than the prisons service. After our campaigns, the prisons service softened its stance.

What gains has POPCRU registered since you started organising?

The most important was the acceptance

POPCRU now has from our communities. Today POPCRU shares platforms at rallies with leaders of community organisations. And the prisons and police hierarchy treat us as humans, they listen to our grievances. This is a far cry from the days when we were treated like objects.

What grievances did you have at Johannesburg Prison when you embarked on strike action in 1990?

Black prison warders had to sleep in cells in those days. Our families were not allowed to visit us, even if we were off duty. Some of our relatives were arrested and locked up when they came to visit. Salaries were very low, someone with 11 years service used to earn R324. Black members could not include their wives or children in their medical aid scheme, while white members could. Above all, there was no channel for us to voice these grievances.

How did you then start organising?

From January 1990 we started holding lunch time meetings where we drafted our grievances, including the ill-treatment of black prisoners, for example, stripping prisoners naked for searches. We forwarded a memorandum of these grievances to top management. When no response came, we started a sit-in at the prison. More than 90% of the black warders participated in this action.

The bosses responded by suspending us. Some of us were arrested after the Internal Stability Unit was called in. They teargassed us and set their dogs on us. Some of us were locked up at John Vorster Square for up to five



POPCRU march, Braamfontein

days. But we embarked on a hunger strike on the second day of our arrest.

After we were suspended we started looking for an organisation to belong to. We went to NACTU offices, but they did not want to have anything to do with us. They referred us to the MDM and we met POTWA comrades, who were very helpful. They helped us to make contact with POPCRU. Gregory Rockman came to Johannesburg, and the first branch of POPCRU in the Transvaal, made up of Johannesburg Prison warders, was launched on 16 March 1990.

What did you achieve?

Two days after the strike began, we were allowed to include our families in the medical aid scheme. Our wage demand was for an R850 increase across-the-board. To our surprise, we were given more than we demanded. Our general working conditions improved. Previously, only black warders worked night duty. Now we change shifts with white warders. Administrative duties were reserved only for whites. Now black warders also work in administration. Promotion is no longer an exclusive privilege

for white warders. Everybody now writes exams to qualify for promotion. The situation of prisoners has also improved. They now have access to radios and televisions and can even use the telephone to communicate with the outside world.

After you were suspended, how and when were you taken back?

We embarked on marches, pickets and sit-ins. We were taken back on 23 May 1990.

What setbacks has POPCRU suffered so far?

The prisons department invited us to talk about recognition on 5 and 6 June. We did not respond to this, because they want to talk recognition only for POPCRU's prisons section. We want recognition for POPCRU, not only for the prisons section. They also want us to commit ourselves not to embark on any strike action. We find this difficult as strike action is one weapon we have to press home demands.

The SAP top brass is launching a union in opposition to POPCRU on 27 November in Welkom. ☆

Social democracy *OR* democratic socialism

The socialist debate in South Africa is dominated by the Leninist tradition and its crisis. On the other hand, the militant labour movement and the liberation movement are increasingly looking for practical models from social democratic societies. This development has not been assimilated into the socialist debate. *S A Labour Bulletin* decided to open new questions by inviting WINTON HIGGINS*, a leading left social democratic thinker from Australia, to address a seminar on the theme, 'Social democracy or democratic socialism?' His address was followed by responses from a panel of South African socialists, and comments and questions from the floor.



Winton Higgins
Social democracy and the
labour movement
page 723

The Panel
Enoch Godongwana
page 85
Dave Lewis
page 86
Pallo Jordan
page 89
Jeremy Cronin
page 92
Final comments
page 97

* Winton Higgins' visit to South Africa was co-sponsored by Sociology of Work Programme (Wits University) and the Industrial Strategy Project

Social democracy *and the* labour movement

Winton Higgins



A paper prepared for a
South African Labour Bulletin
workshop by WINTON
HIGGINS*

In spite of the comparatively recent renaissance of the South African Labour movement and the unique historical circumstances in which this renaissance has taken place, certain aspects of the movement's development are strongly reminiscent of earlier social democratic developments in western Europe. These aspects include a move towards industrial (as opposed to craft)

unionism and a related rapid rise in union membership as a percentage of the workforce; strong shop floor organisation and consequent capacity for mass mobilisation on political as well as industrial issues; a preference for democratic norms in its own organisations and in industry; and a readiness to enter into far reaching bilateral and tripartite negotiations with employers' organisations and the state.

A number of questions arise out of this convergence with at least some aspects of social democratic politics elsewhere. The most important questions are: should the South African movement enter more deliberately and fully onto a social democratic development? What would this choice entail? What is distinctive about social democratic politics and how can its elements be applied in a country undergoing a unique political

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transition and a not-so-unique economic crisis (in which manufacturing failure is a key element)?

A detailed account of what a South African social democratic labour movement would look like falls outside the limits of this paper and the competence of its author. What I will attempt, however, is an outline of one coherent tradition of social democracy that may shed some light on South African labour's future political options.

Social democracy began in the 1870s as an international marxist movement in the form of the socialist Second International and its European affiliated parties. Its pantheon of early great leaders included both marxist revolutionaries (like Lenin and Rosa Luxemburg) and marxist reformists (above all, Kautsky and Bernstein). After the revolutionaries left to eventually found the international communist movement in the wake of the first world war, 'social democracy' stood for a tradition that was almost exclusively reformist and northwestern European. The original conceptions of marxist reformism were fatalistic and lacked focus on the specific opportunities that industrial societies presented in the early and mid-twentieth century. Thus social democracy as a whole failed to consolidate a dominant political position even in those countries where it accounted for the bulk of the labour movement, and it made little progress towards socialist transition. These failures were in spite of its success in building the west's organisationally and institutionally most powerful union movements. On the basis of its failures, mainstream social democracy gradually (if also tacitly) abandoned the socialist project for social liberal politics – modest tinkering with ongoing capitalist economy and a preoccupation with distributional politics, that is, welfare state building alone.

“But in Sweden a distinctive new democratic socialism arose within the social democratic labour movement. It abandoned the old reformist model in favour of a more focussed and offensive statecraft”

But in Sweden social democracy broke with this pattern. During the 1920s a distinctive new democratic socialism arose within the social democratic labour movement where it deployed the existing resources of that movement more effectively. It abandoned the old reformist model in favour of a more focussed and offensive statecraft, and it resisted the retreat into purely distributional politics. It engineered an upheaval in the balance of class forces in Sweden and in so doing made Swedish social democracy the west's most successful electoral party of any political stripe. When the party leadership began to retreat down the well trodden route into social liberalism from the 1950s, the new democratic socialist tradition found a new headquarters in the Swedish union movement, where it continued to mature.

This renovation of socialist politics was conceived – and was to a large extent put into practice – by Ernst Wigforss (1881-1977), Swedish social democracy's major theoretician and Treasurer of Sweden (1925-6 and 1932-49) (Higgins 1985 and 1988). The radical version of social democracy that follows

builds on his theory and practice, and on the further enrichment of his tradition at the hands of Swedish unionists. But I also hope to show how social democratic politics of this kind would extend to the tasks of socio-economic reconstruction and industrial renewal in crisis-ridden industrialised countries like South Africa.

The aspirations of socialism and the inner logic of social democratic politics

It is said that the Chinese character for 'crisis' also means 'opportunity'. A valuable opportunity that the present global 'crisis of socialism' opens up is to re-examine the fundamental aspirations that underpin the socialist project. What is socialism for? Several generations of socialists before us, we may note with surprise, have been so beguiled by a 'scientific' and fatalistic outlook that they have left the aspirations of socialism unexamined and unexpressed. This neglect has hamstrung socialist politics. First, if we cannot identify our ultimate political goals we have little hope of finding the means to attain them. Second, how can any reform movement mobilise popular support if it does not hold up to its potential constituency a galvanising alternative version of social development, an 'active utopia' (Bauman 1976) – one that is both achievable and overcomes the painful predicaments of the present day?

Socialism is the sole legitimate heir of the eighteenth-century radical democratic thought that erupted in the French Revolution under the battle cry 'Liberty, Equality, Fraternity'. In fact, the socialist tradition has been the form that this older and broader democratic revolution has taken for over a century and a half of western politics (Laclau & Mouffe 1985). It is worth our while, then, to delve briefly into what liberty, equality and fraternity mean under industrialised conditions today. In doing so, we need to re-translate the first and third terms. Liberalism hastened to usurp and impoverish 'liberty', and nowadays 'freedom' captures the original sentiment better. 'Fraternity' we would now reject as a gendered concept. Today's democratic spirit overrules gender divisions as implacably as those based on race and ethnicity. In that spirit we would recast fraternity as 'community' and 'social solidarity'.

Industrialism and the modern industrial state have added greatly to the meaning of freedom as a socialist aspiration. For socialists freedom has included, but gone well beyond, the negative notion of liberty enshrined in liberalism – liberty as mere absence of arbitrary official violation of person and property – a notion that still leaves the 'free' but commodified individual subjected to the demands of social conformity (Wolin 1960:343-8) and to the caprice of market outcomes, not least on the labour market. By contrast, socialist freedom requires society to empower individuals to be self-determining initiative

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– political
democracy, social
democracy and
economic
democracy**

takers in all aspects of life, including work. In modern society, the precondition to this sort of autonomy is social security. Concretely, only a robust economy capable of delivering full employment and comprehensive welfare entitlements can support the kind of social citizenship that would satisfy socialist criteria for freedom. As we shall see, 'market forces' can never achieve those socio-economic outcomes; only democratic purposive co-operation can do that.

The ideal of equality is really a subset of freedom and community. The freedom of each is the condition for the freedom of all, as Marx put it. Freedom, in the socialist sense, is unachievable while any social group enjoys privileged access to the amenities of modern life – a high standard of housing, nutrition, medical and child care, education and culture. The aspiration of social democracy in the broadest sense is to break down the barriers of privilege and guarantee access for all to these amenities.

The ideal of community honours the fact that a great deal of what we as individuals find meaningful to do would naturally bring us into communion and co-operation with others – at home, at work and in the task of socio-economic reconstruction. A major part of socialism's moral revolt against capitalism has been the mission to overcome its alienated, divisive and competitive notion of individualism that denies the human need for community and subverts co-ordinated, purposive human action in pursuit of socio-economic betterment. But many earlier socialists have distorted the ideal into an imposed collectivism, a drab denial of freedom. As against this, social democracy sees community as voluntary co-operation, a living process that democratic interaction generates.

From this glance at socialist aspirations we can see that democratic norms and practices are fundamental to their achievement. Democratic conviction represents, in Wigforss words (1981, I, 264) "a belief in a universal human worth which should express itself in the human community and how it is ordered. Its purpose is not the mere passive sharing of all in the material and spiritual values which increase and are created, but also participation in creating and preserving them." When Swedish social democrats in the interwar years questioned their earlier assumption that mere nationalisation provided the royal road to socialist society, they reworked the socialist project itself into three successive stages of democratisation – political democracy, social democracy and economic democracy. In other words, the individual's achievement of political, social and economic citizenship marks the transcendence of bourgeois individualism.

Social democratic statecraft

The new democratic socialism in Sweden developed a distinctive approach to political conflict based on a critique of

the 'old' democratic socialism, the essential features of which are still preserved in the conventional labour reformism in countries like Britain and Australia. While the older social democrats were committed to a socialist transition in some distant future, they could neither specify this goal nor relate it to their immediate political practice.

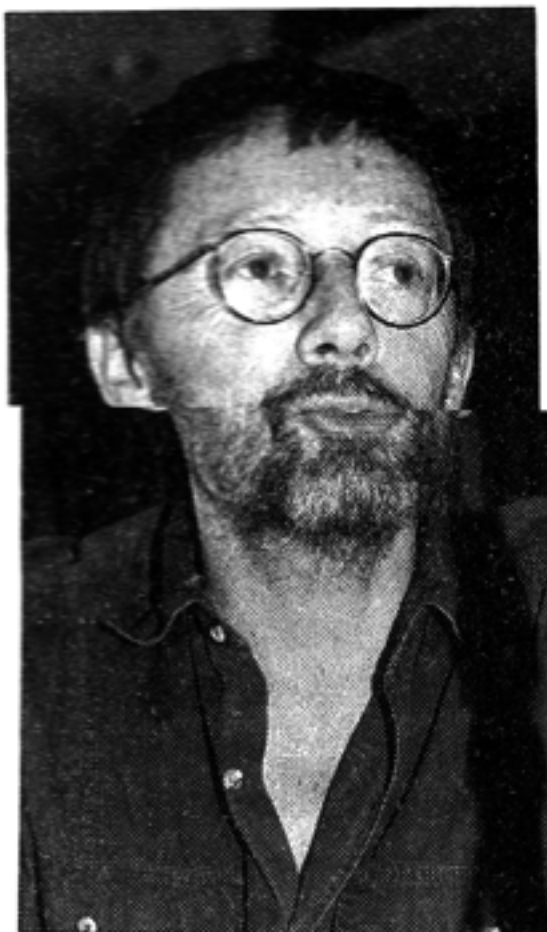
In daily practice socialism was, then, a dead letter. The analytical resources of the socialist tradition were laid aside (except for agitational purposes) and social democrats generated no alternative policy lines, especially in economic policy. They colluded, in fact, with economic liberalism, capital's perennial politics of small government, unregulated markets and contractionary economic policy. At bottom they believed that the time for socialist transition had not yet come, and in the meantime capitalism had to be managed on its own terms, which left precious little room for even ameliorative reforms – that is, reforms that relieved some of the worst abuses of an otherwise unchallenged capitalist system.

The new democratic socialism presents us with the antithesis of this conventional labour-reformist politics. It clearly announces the aspirations of socialism; it brings its alternative analysis to bear on capitalism's inequities and inefficiencies; and it mobilises around a coherent and concrete action programme of its own to implement collective and democratic solutions that can make good the failures of private enterprise and market mechanisms. One prominent observer has summed up its 'road to power' as "politics against markets" (Esping-Andersen 1985).

Historically, this strand of social democracy was quick to identify economic liberalism as the strategic enemy. From Adam Smith to Margaret Thatcher, economic liberalism is the enduring basis on which dominant interests mobilise support for the maintenance and extension of capitalist social relations and economic arrangements. It asserts – in the face of logic and evidence – the 'optimal' efficiency of managerial control and unregulated markets. Any attempt to impose social priorities on business, or equity on market outcomes, would (so the story goes) cripple this wonderful engine of 'welfare' creation. Efficiency and equity (including democracy) are unreconcilable. Capital must rule.

The new democratic socialists flatly deny these myths. The ubiquitous mass unemployment, waste and social misery point to the gross inefficiency of the capitalist system. Moreover, a definition of 'efficiency' like the economic-liberal one that does not require a productive system to meet social need and distribute 'welfare' accordingly, is meaningless. In fact, capitalism is inefficient, they argue because it is unequitable and undemocratic. Purely private forms of calculation in large-scale economic activity, authoritarian labour relations and maldistribution of economic rewards constitute a recipe for

“The new democratic socialism presents us with the antithesis conventional labour-reformist politics. It mobilises around a coherent and concrete action programme of its own to implement collective and democratic solutions”



economic crisis – underconsumption and industrial decline.

Herein lies capital's political vulnerability. In the long term, only economic liberal politics can maintain capitalist social relations. But the price of this defence of capital as a social relation is economic stagnation, including foregone opportunities for individual enterprises to accumulate profit and expand. The new democratic socialism exploits this vulnerability in an "economic growth strategy of class conflict" (Korpi 1983). Agitation around a coherent alternative approach to economic management that links efficiency and equity can not only gain majority electoral support but also – equally importantly – divide capital's political representation by winning over those sections of business more interested in economic recovery than in economic liberal orthodoxy.

In essence, this was the battle plan when Swedish social democrats launched their unique, head-on challenge to the economic liberal orthodoxy from the 1930s on. It was a classic formula for hegemonic political practice, and a stunning success. On this basis, they consolidated their political dominance and presided over the transformation of one of the poorest countries in Europe into a byword for affluence and social justice.

Contesting capitalism's economic rationality

Wigforss bequeathed to his tradition a standard method for forcing its opponents onto the backfoot. It was to constantly make an issue of how far the actual performance of capitalist enterprise fell short of what was technically possible given available labour skills, resources, unmet social needs, and an economy running 'at full bore'. This gap always provided the pretext for public interventions, including the assertion of social interests through industrial and economic democratisation. For instance, when the non-socialist parties demanded in 1934 an end to the interventionism of the social democrats' crisis programme because recovery had set in and the country could not 'afford' continued high public spending to stimulate production, Wigforss (1981, II, 510-11) told them intervention was here to stay:

"Whatever we, by our own efforts, can produce in the country determines the standard of living of the Swedish people. As much food as our agriculture yields, that is how much we can afford to eat. It is not extravagance and not unsound economics. However fine the dwellings we can build with our own materials and our own hands, these are the dwellings we can afford to move into. We can afford to consume that quantity of clothes, footwear, furniture and household items, roads and bridges, railways and telephones and gramophones and radio installations, cinemas and theatres and concert halls, schools and research institutes, meeting halls and sports grounds, as much of whatever belongs to life's

necessities, comforts or luxuries, as we ourselves can produce. And it is madness to suggest otherwise."

Here is the central method of social democratic statecraft: contesting the economic rationality of capitalism. As the institutions of capitalist economy – private investment, managerial control and unregulated markets – fail the test of efficiency and equity, they are to be gradually displaced by forms of social and democratic control. The point is, a capitalist economy cannot go on running 'at full bore' and still remain a capitalist economy.

The notion of what is technically possible also underpins the visionary element in social democratic policy making. Wigforss prescribed the use of 'provisional utopias' in the development of policies which aimed not only to deliver better socio-economic outcomes, but were also to be used as the basis of political mobilisation. 'Provisional utopias' avoid total blueprints of future society in favour of partial, achievable futures that flexibly meet today's acutely felt predicaments. Full employment, meaningful employment, industrial democracy and large, democratically controlled 'social enterprises without owners' were among the provisional utopias that bore Wigforss' own signature.

An explicit aspect of this approach to policymaking and socio-economic reconstruction is its creative and experimental nature. Coherence and consistency over time comes from the enduring aspirations of socialism and underlying method rather than dogmatic adherence to any particular form socialist transition must take according to pre-conceived 'scientific' protocols. Consistency in the values and method that social democracy propagates allows it to establish a resilient tradition in its constituency, something that can give it the upper hand in political conflict. At the same time, its open-ended approach to policy creativity means that it can respond flexibly to changing circumstance and openings.

Two preconceptions of how socialist transition must take place have haunted us since socialism became 'scientific'. The evolutionary school suggests that capitalism must naturally evolve into socialism, and political intervention is rather beside the point. The opposing revolutionary school proposes that there must occur an obvious 'rupture' in capitalist arrangements as a prelude to socialist reconstruction, and until then 'correct' political action is confined to resistance. To a large extent both schools are claiming that politics in any broader sense of positive intervention into socio-economic change 'doesn't matter'. As against this, the new democratic socialism asserts that politics does matter: transition depends on the political and policy-making competence of the labour movement.

How, then, can this tradition account for the transitional process leading to the socialist reconstruction of society? If there is no 'decisive rupture', what are the signs or criteria of

"Wigforss prescribed the use of 'provisional utopias' in the development of policies which aimed not only to deliver better socio-economic outcomes, but were also to be used as the basis of political mobilisation"

transition? The answer lies in the two defining characteristics of capitalism itself – capital as a social relation and the commodification of labour.

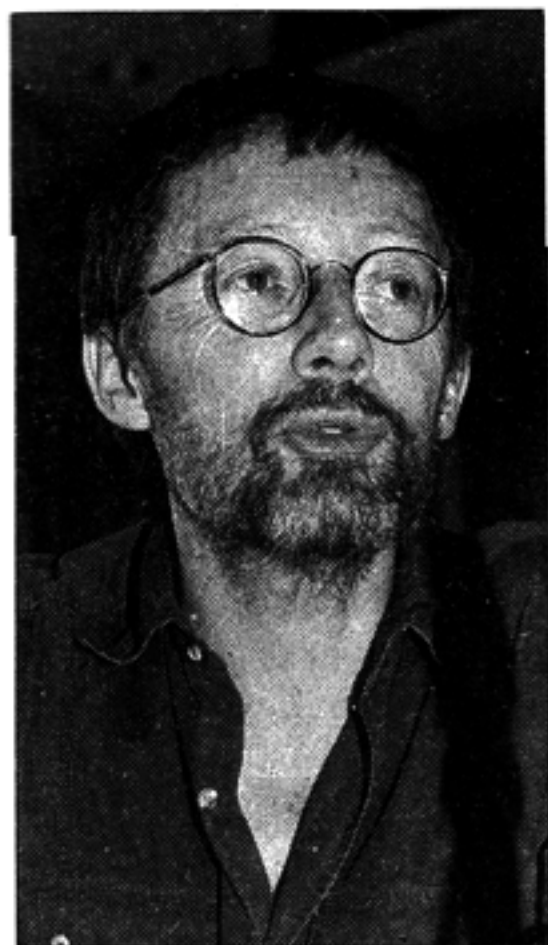
First, capital's prerogatives must be subordinated to emerging social forms of regulation that override private interest and private forms of calculation. This is what Keynes (1936, 378) referred to as the 'comprehensive socialisation of the investment function'. Second, labour has to be progressively decommodified in two senses: in its collective and individual re-empowerment at the workplace through industrial democracy, and in the individual's share of social wealth coming to her or him as a citizen rather than as a commodity. In other words, a combination of full employment and comprehensive welfare guarantees equitable redistribution irrespective of the individual's 'marketability' or even desire to participate in the labour market.

“... at this point, the union movement came of age, emerged from the tutelage of the party, and became the main bearer of the new democratic socialism. Henceforth, the unions would incubate all major initiatives in public economic management and worklife reform.

Social democratic unionism

Whatever the political shortcomings of the original social democratic founders, they left a particularly positive legacy to the union movement. They saw the latter as potentially a central bearer of the socialist project – as important sites of socialist recruitment, agitation and education. They worked hard to bring the movement under the tutelage of the party and to remould it on industrial principles. Pre-existing craft unions were justly criticised for splitting the workforce, pitting worker against worker, and failing to recruit workers comprehensively and to lead co-ordinated campaigns. Industrial unionism and the strongest shopfloor organisations in the world have thus been the hallmarks of Scandinavian unionism throughout this century. Sweden's union density has for some years exceeded 80 per cent, and has been the highest in the world since the late 1920s (Kjellberg 1983).

From the 1920s Swedish manufacturing unions have extended their concerns to 'production policy', on the argument that it would be futile making demands for better pay, working conditions and job security on failing industries. In conjunction with their developing interest in efficient production, Swedish unions were looking for a comprehensive answer to the inequities and irrationality of the market-determined wage structure – they sought to develop a socialist 'solidarity wage policy'. During the thirties and forties the union movement took advantage of the prestige of its affiliated party's political dominance to substantially increase its membership and standing in society. Centralised negotiations between it and the employers' association became routine. Its level of ambition to intervene in social and economic issues rose, which in turn stimulated the expansion of its institutional capacity to conduct research and develop autonomous policy positions as a basis for negotiations with employers and government.



In the early fifties the union movement produced its own model, the Rehn-Meidner model, for institutionalised and stable full employment within the framework of the rapidly developing welfare state. This model carried the characteristic stamp of the new democratic socialism – efficiency issues integrated with equity ones in a form that demanded technically optimal outcomes from employers. At the same time the model – which came to dominate Swedish collective bargaining and economic policy – was an in-house, union product which at first met with the antipathy of the party leadership. In hindsight we can say that at this point the union movement came of age, emerged from the tutelage of the party and became the main bearer of the new democratic socialism. Henceforth, the unions would incubate all major initiatives in public economic management and worklife reform.

In the late fifties and sixties the unions' direct implementation of their model forced the pace of industry rationalisation and expansion and the levelling of wage differentials. The success of the model was palpable in the working and living conditions of Swedish wage and salary earners, and union prestige and membership rose accordingly.

In the 1970s union movements in all western countries had to respond to the economic contraction and instability that marked the end of the postwar long boom. Conventional labour reformist parties gradually retreated from social liberal policies and their affiliated union movements retreated into 'moderation' as mass unemployment returned.

But again the Swedish development – at least in the union movement – was exceptional, as the movement issued what was in effect a second edition of the Rehn-Meidner model, this time with the emphasis on the Wigforssian concerns with industrial and economic democracy.

Both of these reforms were pushed in the traditional manner, as responses to the actual shortcomings of managerial decision-making and investment behaviour. The unions made considerable gains in industrial democracy. They were able to demonstrate organised labour's autonomous capacity, among other things, to formulate alternative corporate plans that could save jobs and industries that would otherwise have fallen victim to capital's new trend towards disinvestment in industry in favour of purely speculative or financial placements.

The union movement met defeat, however, in its economic democracy offensive which pointed much more directly to a transcendence of capitalism. Crucial elements of the earlier formula for hegemonic politics were missing on this occasion: the proposal had technical weaknesses, the social democratic party had by then abandoned the socialist project and tacitly subverted the proposal, and the union movement itself failed to mobilise in time against the united rightwing counterattack (Higgins 1992).

The issues of political unionism

Swedish unionism provides us with a prominent example of political unionism, of a union movement that pursues its own political agenda on questions that go well beyond the ambit of conventional unionism with its concentration on wages and working conditions. This kind of unionism raises three issues for socialists – the danger of incorporation, the possibilities of industry policy as a way into production politics, and the relationship with an affiliated party.

Several left-wing writers (for example Panitch 1981) raise the spectre of 'corporatism', understood as a process of recruitment of labour leaderships to a pro-capitalist agenda and the demobilisation of rank and file militancy. Certainly, negotiations with state and employers is a necessary part of political unionism, and this often entails representation on tripartite bodies. But whether this leads to labour losing the plot and being co-opted to capital's political agenda depends in the first instance on how clear its organisations are about their own fundamental political commitments and how these are to be translated into autonomous, effective policy. Where these political conditions are met, tripartite bodies really offer a form of 'societal bargaining' (Korpi 1983), a vital moment in social democratic statecraft. In any event capital itself is now unlikely to have a coherent agenda for industrial progress to which it could co-opt labour.

But there is a more general issue here, to do with a labour movement's being able to maintain a balance between what the Swedish labour historian Jan Lindhagen (1972) has called 'movement socialism' and 'state socialism'. Movement socialism refers to the movements vitality in its grass roots organisations, above all its shopfloor organisations, and the leadership's answerability to them. 'State socialism' refers to organised labour's engagement in negotiation, compromise and policymaking at the state level. To preserve this balance between movement and state socialism is to maintain a powerful antidote against co-option.

In its politics of contesting the economic rationality of capitalism, Swedish labour has left largely unexplored the possibilities of industry policy, which presents a major opening for union production politics. Precipitate manufacturing decline in mature industrialised countries, like Britain, the U.S. and Australia, with markedly economic liberal traditions of public economic management, point to the striking inability of private managements and market mechanisms to meet the financial, technical and organisational requirements of modern industry. The industrial 'winners' in today's competition for markets for manufactured exports operate industry policies, whereby social interests and public authorities take responsibility for the effectiveness of the national manufacturing effort and so make good the failures of private enterprise. Industry policy impinges

Movement socialism refers to the movements vitality in its grass roots organisations, above all its shopfloor organisations, 'State socialism' refers to organised labour's engagement in negotiation, compromise and policymaking at the state level

crucially on industrial relations, and it must be implemented either by a labour-repressive regime (as, for instance, in Japan and South Korea) or in 'partnership' with organised labour. In the latter case, labour is likely to bring to the task of industrial renewal a more appropriate social and technical rationality than capital is able to (Higgins and Clegg 1988). In imposing its own solutions, labour can begin the displacement of some of the vital institutions of capitalist economy.

The frustration of the Australian union movement's attempt to use industry policy in this way (Higgins 1991) points to the same problem that the Swedish movement succumbed to in its pursuit of economic democracy – breakdown in its relationship with its affiliated party. A social democratic union movement – or a temporarily social democratising one in the Australian case – has far better institutional resources and is closer to the production process than an affiliated party, and it is natural for the unions to take the lead in the formation of production policy. Yet this policy has to be secured at the level of the state, and the support of the affiliated party in this process is essential.

Unfortunately, parties of labour have a propensity to lose their political bearings in the heat and dust of the electoral process, and can be distracted from a reforming agenda by the spoils of office. There is no pat answer to this problem – it has to be left to the political finesse and negotiating skills of those union leaders who have to manage the movement's relationship with the party. They will demonstrate their art, among other things, by withholding unconditional commitments to the party's electoral strategy until they have guarantees that the party, when in government, will honour its obligations under pre-election 'social contracts' with the union movement.

Conclusion

I began the paper by mentioning a number of characteristics and preferences that the renascent labour movement in this country is already exhibiting – industrial unionism, mass recruitment, strong shopfloor organisations, democratic principles and its interventions into social and political affairs that go well beyond the narrow confines of 'industrial relations'. These characteristics and preferences resonate strikingly with those of northwestern European social democracy. The question then arises: what would be gained if the South African movement were to more fully and deliberately embrace the kind of social democracy I have outlined here?

First, the movement would become heir to a notion of the socialist project that is at once more authentic and more useable. Wigforss once noted that there was no paradise at the beginning of human history (the Book of Genesis notwithstanding!) and there will be none at its end; each generation must solve its own problems in its own way. Further, "socialism is neither utopia nor science. It is not utopia in

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the socialist system-builders' sense, nor science as marxism understood the word. What the socialist aims towards is a society where certain human values find better and more complete expression than in bourgeois or capitalist society. But just what this sort of society would look like cannot be displayed in advance or for all time. We start with immediate predicaments and seek ways to overcome them. Socialism thus becomes not the name for a particular form of economic organisation but rather a summary of guidelines for social transformation, and not least, of course, economic reorganisation. It looks simple and natural. We get away from blueprints of a future society. We also get away from a social-philosophical system which makes the posited nature of things and people the basis of a fatalistic development. The socialism that lives today in social democracy builds undoubtedly on the conviction that liberation is possible. It doesn't have to imply that liberation is simple, nor that we forget what utopianism and marxism have taught us." (Wigforss 1981, V:101)

This is the stuff, I suggest of a hegemonic socialist politics that could win allegiance and support alliances well beyond the labour movement itself. The movement will need starting points like these if it is to successfully lead the socio-economic reconstruction of South Africa.

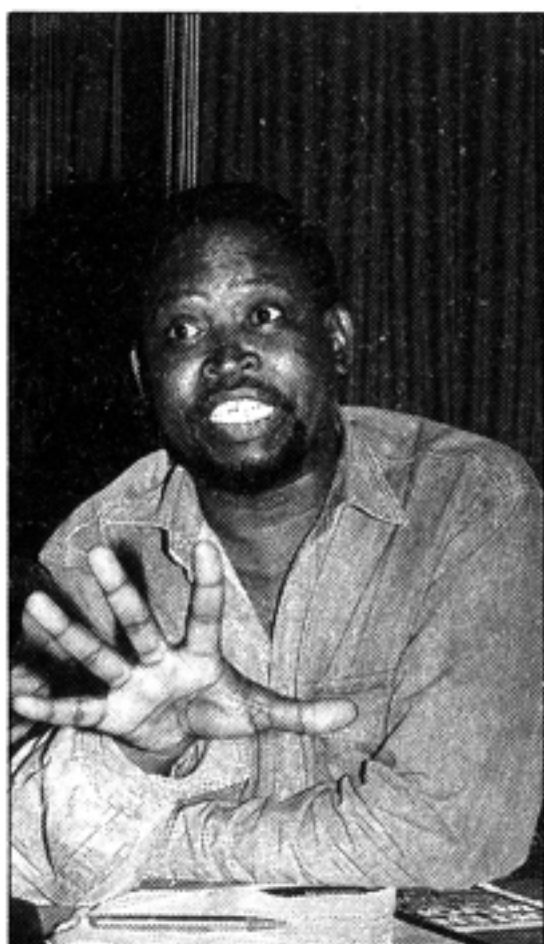
The second advantage of choosing a social democratic road consists in its coherence based on the hard-won lessons of international labour history. The choice would give South African labour access to a wealth of international experiences which, if assimilated critically and with an eye to local conditions, could be a vital resource in effective policymaking.

With coherence comes, thirdly, a consistent and attractive basis for mass mobilisation over time. There will be recurring periods of political polarisation here as elsewhere. It is in these situations above all that organised labour and its allies need to have already initiated a mass constituency into a clear world view and vibrant tradition that will mobilise around familiar values rather than retreat in confusion.

Finally, a labour movement that is so clear about its fundamental political orientations and methods need not fear co-option in its 'societal bargaining' with employers and the state. Rather, it will be able to confidently open up vital new areas of policymaking, such as industry policy, in its creative approach to social reconstruction and economic reorganisation. ☆

South African socialists *respond*

A panel of four South African socialists respond
to the paper by Higgins



**Enoch Godongwana:
Acting General
Secretary, NUMSA**

The first point I want to make is that we seem to be talking as if only one attempt has been made to construct socialism, that is the social democratic route. This is a problem.

Other attempts were made at constructing a socialist alternative, all with various weaknesses. The Swedish model is also collapsing, for a number of reasons. We are talking in a different context today, when capital is beginning to assert its rule and there is true globalisation. For instance, what is the impact of globalisation on the social democratic model, when globalisation tends to undermine the ability of nation states to plan economic development? These questions are critical in looking at which model is appropriate.

Let's look at the successes and the failures of the various options. What is referred to as 'existing socialism' did not have the only weaknesses. Most critiques of 'existing socialism' have focused on the political bureaucracy and commandism. We seem to lack a clear analysis of how the economic systems were working.

We should not tie ourselves to a particular model. Let's investigate what has been good in most of these models and critique what has been incorrect.

The second point is that historically our socialist vision has been simply seizure of power, which is basically an insurrectionary perspective. I would prefer that particular route, but the current situation doesn't seem to be close to an insurrection. If we want a socialist alternative in the absence of an insurrection, that poses a number of challenges for us.

I use the term 'socialism', because I still believe that it is a form of society which is different from what we have, although we may not have a clear definition.

So we argue a socialist alternative, but within the constraints of saying we cannot simply storm and seize power tomorrow. Therefore we should be creative – how do we make sure that, in the process of struggling for socialism, we assert ourselves as a

“What is the impact of globalisation on the social democratic model”

class with the objective of having class rule?

In Sweden, the Social Democratic Party or social democratic theory had some legitimacy in society as a whole, whereas we are still struggling within our liberation movements to assert a clear class theory. This imposes on us the need to look at various forms of transition. We must begin, while we assert a leading role in various areas of society, to build certain alternatives within the capitalist framework which will tend to undermine the capitalist logic.

In doing that, we cannot leave out the question of the state. As a class, the amount of public ownership and control by the state for the benefit of all of us is critical. Even if we are talking about the reconstruction programme, as we are doing in COSATU, you cannot simply rely on market forces to carry it forward. You will still need some form of state intervention and the question of nationalisation becomes critical in that debate.

In summary, we should not follow one particular model. We must take what is correct from all the models and develop what is in essence a socialist alternative in our country. That socialist alternative is not a straightforward path. We have to investigate various ways of control in the meantime, within the capitalist framework, and undermine the capitalist logic. ♦



Dave Lewis:
Co-ordinator,
Industrial Strategy
Project

I want to try and elaborate on some of Winton's remarks from the perspective of the work I have been involved in. I will focus on the role of industrial policy in supporting a socialist position.

The industrial project is not a project about wealth distribution or redistribution. The big guns of income redistribution really belong to the sphere of fiscal policy, and to the sphere of urban reconstruction and rural reconstruction. This is where I see the real income and wealth redistribution taking place. The contribution of industrial policy is in creating an efficient and competitive manufacturing sector that allows the state to introduce income and wealth redistribution policies. The necessary complement to what we are doing is the welfare state that Winton was speaking about. Nevertheless, an essential precondition for establishing a welfare state is an effective manufacturing sector.

But our programme is redistributive in a very important sense. A successful industrial policy is one in which the very narrow parochial interests of capitalists, and especially financial capitalists and financial capitalism, are subordinated to the requirements, or the logic (a term I don't particularly like) of capital accumulation, of economic growth or, in our terms, of industrialisation. A successful industrial policy is one that manages to unleash or empower a social force or a collective of social forces, that subordinates the narrow interests of capitalists to the logic of capital, because key fractions of

capital do not necessarily have an interest in successful industrialisation or in high rates of economic growth.

I should add that this subordination of capitalists is compatible with capitalism to a very significant extent. It has happened in different ways in societies as diverse as Sweden, Germany, Japan, Korea. These are very diverse societies – with Swedish capitalism offering far greater possibilities for progressive social outcomes than say Korean capitalism – but they have in common a social force that disciplined the capitalist class.

In Korea the capitalist corporations were disciplined by the social force that was the authoritarian military state. In Sweden and Germany, the capitalist class was disciplined by a very strong state and a very strong trade union movement. In Japan, the capitalist class was disciplined by a very complex aggregation of interests that, if it didn't include the working class, included the workers to the extent that this was manifest in life-time employment and in particular relations in the labour process that are potentially more empowering of workers than other forms of labour process.

You also have, interestingly, in all those societies, even the most authoritarian and oppressive of them, unusually high levels of income equality compared to just about any other society, certainly to any other successful industrial society. And the essence of those societies is that in a variety of ways there was a social force that was able to discipline the capitalist class. They have little else in common except high rates of economic growth and high rates of income equality.

Now, how do we secure this in South Africa? There are three ways in which we try and do that in the Industrial Strategy Project. The one is through our support for and elaboration of institutions like the National Economic Forum. The Industrial Strategy Project is very heavily committed to such forums.

The second way is through industrial relations and work organisation policies. Most particularly, we elaborate forms of work organisation very different to those that have characterised South African industrial capitalism up to now.

And the third way is through proposals for new forms of ownership in South Africa. Ownership has always occupied a very critical place in the notion of what socialism is. All of us, to varying degrees, have felt disempowered by having that carpet seemingly pulled out from under our feet very quickly.

Ownership in industrial policy is important in two senses. The one is the question of state ownership. In particular instances, state ownership is important and has to be fought for, particularly state ownership of the major utilities — the Eskoms, the Telkoms and the transport services of this country. State ownership is important because those institutions are major instruments of redistribution, in our

“A successful industrial policy is one that manages to unleash or empower a social force or a collective of social forces, that subordinates the narrow interests of capitalists to the logic of capital, accumulation or economic growth”

“I don’t think that state ownership over the manufacturing sector is desirable. But it is necessary to question very fundamentally the way in which the manufacturing sector is owned”

electrification campaigns and all the other campaigns for the extension of these services and these commodities across the social board.

They are also very very important instruments of industrial policy and the state has to have a handle on at least those instruments if it wants to implement an effective industrial policy. In fact, South African industrial policy on mineral beneficiation is actually contingent upon Eskom being owned by the state. So state ownership is very important.

I don’t think that state ownership over the manufacturing sector is desirable. But it is necessary to question very fundamentally the way in which the manufacturing sector is owned. There is widespread recognition at the moment, even amongst manufacturing capitalists, that the forms of ownership in South Africa are particularly ineffective and are responsible for the enormous weaknesses that characterise the South African manufacturing sector. The form of ownership in South Africa is the dominance by very narrowly based financial interests of the whole of the economy, including the manufacturing sector.

The domination, in ownership terms, of productive assets by a single stakeholder is extremely undesirable. If workers alone controlled the manufacturing sector, they would tend to reinvest, for perfectly good reasons, too little of the surplus in developing the corporation in the long term. If managers alone owned the manufacturing sector, they would tend to pay themselves wages that are too high and they would tend to go for growth at the expense of financial discipline. Where

COMMENT FROM THE FLOOR

Bernie Fanaroff – NUMSA:

I was interested by what Winton had to say about the lack of efficiency of enterprises under capital. I am not entirely convinced that you cannot have efficient production which is not privately owned. Companies like Denel, or Eskom, for instance, are divorced from state departments. They are really stand-alone corporations, although in their mechanism of control they should be responsive to national goals and ideals. It is not at all obvious to me that with that kind of share-owner control you cannot have commercially successful enterprises and efficient production.

But of course it goes further, and I would be very interested to have the question of the efficiency of investment investigated. Because there is the view that it is only private investors who can invest because they are the only ones whose money is on the line. I don’t necessarily believe that. Certainly if we are looking at increasing socialisation of investment we should look at this whole question.

financiers run the manufacturing sector, as they do in South Africa, they run it in terms of very narrow, financial, short-term criteria that do not emphasise growth in industrialisation to a sufficient degree, and yet enable them to profiteer very significantly.

The policy on ownership that I am suggesting is one in which stakeholder control over the manufacturing sector is diversified, in which managers, as well as workers and to a much more limited extent the financial sector, have a share in control. The questions that really need to come back onto the socialist agenda in South Africa are questions like co-determination.

Who runs Old Mutual and Sanlam – the two biggest owners of manufacturing capital in South Africa – and how can that be made a more socialised form of ownership? There are fairly simple mechanisms for doing so. What about worker participation in boards of directors? What about things that used to be called employee share ownership? We all know the derisory way in which that has been extended by capital here, but I think that there is a real potential for making collective forms of employee share ownership into an effective new form of governing South African corporations.

In my view, if we don't take those kinds of issues on, our whole social project and our whole project to stimulate the development of a major new wave of industrialisation in this country will not be realised. The current owners of South African corporations do not have a strong material interest in that particular industrialisation path. ♦



Pallo Jordan: Head of the ANC DIP

I find the paper by Winton Higgins interesting in parts and quite refreshing and challenging in others, but I find it very troublesome in the main. In the *Phenomenology of Mind*, Hegel talks about night and day and he says when one thinks of the day, that idea, that notion, immediately generates the notion of the night. And because it does that, one then recognises and realises that night and day are a continuous process, that there isn't such a thing as night that exists in and of itself, or day that exists in and of itself. They have to exist, necessarily, in relation to one another.

But he goes on to say, although they are a continuous process, there are nonetheless, within that continuous process, decisive moments. And, even if we think of night and day as a continuous process, we do recognise that there is such a thing as midday and midnight, there is dawn, there is sunset. There is, of course, also twilight, which is something in between.

Now the classic social democratic thesis was that socialist strategy should consist in striving for a number of incremental changes within the context of a capitalist political economy, that these incremental changes each have an intrinsic value but

“The classic social democratic thesis was that socialist strategy should consist in striving for a number of incremental changes within the context of a capitalist political economy”

that they are not necessarily decisively transformative of social productive relations within the economy. One thinks, for example, of the reform introduced by the British Labour Party after the Second World War. A good friend of mine likes to mention that, as a post-war baby in Britain, everyone of her generation knew that the likelihood of starving, no matter what the economic circumstances of your family, was not very great. The likelihood that you would be deprived of education or die of preventable disease because of the social circumstances of your family was not very great. Reforms introduced by the Labour Party, although they did not change the social productive relations, nonetheless had a very important impact on the quality of life of ordinary people in Britain.

The social democrats went on to argue that the cumulative impact of these small transformations was such that you would at some point reach a critical mass and that critical mass would then bring about some sort of decisive transformation of the society.

It is here that I find this paper a little bit troublesome. Higgins quotes the Swedish social democrat, Wigforss, “What socialists aim towards is a society with certain human values which find better and more complete expression than in bourgeois or capitalist society, but just what this sort of society would look like, cannot be displayed in advance for all time. We start with immediate predicaments and seek ways to overcome them. Socialism thus becomes not the name for a particular form of economic organisation but rather a summary of guidelines for social transformation, and not least of course economic reorganisation.”

This seems to suggest to me – perhaps I am being unfair – that even that moment of critical mass, will never actually arrive. We will always have the capitalist classes with us and maybe our task is just to contain their power, or, as Dave would have it, to discipline and subordinate the capitalists to some other interest, the interest of the greater society, the interest of the exploited, the working class, whatever term you might like to use.

Why it bothers me is that – much as I appreciate the need for not having a doctrinaire approach to social transformation, one that we perhaps inherit from the history of revolution and struggle – in every great epoch-making revolutionary struggle that we know of, there has always been your 14 July [in the French Revolution], 7 November [in the Russian Revolution], or whatever date you might choose; a moment, a decisive moment, and we can even visualise it because there are so many artistic representations of it: storming of the Bastille, storming of the Winter Palace. And, much as I say that one should not have that sort of doctrinaire approach towards social transformation, I think we must nonetheless hold onto the notion that there were things that were possible on 15 July that

“There is nonetheless a decisive rupture and that rupture is perhaps one of possibilities rather than decisive transformation”

were not possible on 13 July; there were things that were possible on 8 November that were not possible on 6 November. So, much as we are not going to dogmatise the notion of a moment, there is nonetheless a decisive rupture and that rupture is perhaps one of possibilities rather than decisive transformation.

What faces South African socialists today is the question of how we get to that decisive transformative moment. Before I came to this meeting, I was in a meeting of my department where we were attempting to discuss a media strategy for the ANC Alliance in the forthcoming elections. One of the issues we focused on was a tension which exists, and which is sometimes not clearly recognised within the Alliance. A tension exists between the expectations and the claims of the most oppressed and exploited in our society on the one hand and, on the other, the need for the Alliance to build a broad range of political forces, which are not necessarily in the Alliance, who are for a peaceful settlement, and the need for the Alliance also to elaborate a programme that is going to result in some form of reconciliation after the electoral victory we hope to win on April 27 next year.

It is in that context also that we have to look at what Higgins says about the fetishisation of state power by socialists and particularly those socialists in the Marxist tradition. Because the big problem has always been that those who hold power, the incumbents, whether defined as a racist state or capitalist classes or any other dominant class, do not want to surrender power. And even when they have not necessarily lost power, but where they see their power decisively challenged, they fight back and they inevitably use the instruments of coercion. The state then, as one of the key instruments of coercion in society, has always been one of the terrains which the socialists saw as necessary that they should capture, even for the limited objective of merely subordinating the capitalist classes to the interests of capital and society in general.

In South Africa, how do we arrive at a point where we can subordinate the capitalist classes to the interests of a more just

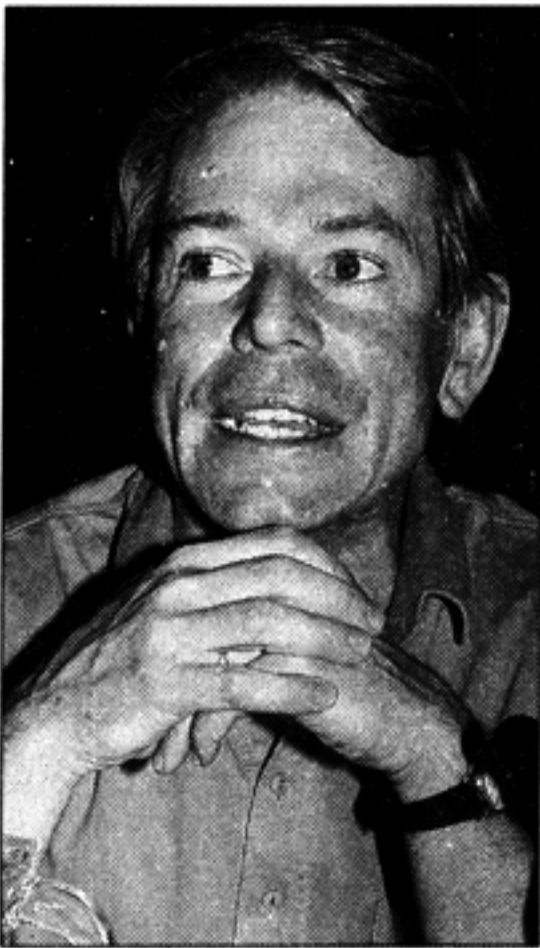
**COMMENT FROM
THE FLOOR**

Jeremy Daphne – SACCAWU:

My concern is a national liberation project which envisages a socialist project occurring at some later date. That is definitely how it appears in the Alliance reconstruction programme that was presented to the COSATU Congress. In the Alliance document it clearly states this is not a socialist project we are engaged in now, it is a project for national liberation. I am giving an interpretation, and it is one which is widely expressed amongst the membership that I interact with.

society, constructing a more just society and beginning a process of reconstruction along the lines that Dave is suggesting, which implies rapid industrialisation, which is going to create full employment, and also, through that, create the possibilities of redistribution? One of the answers, one of the pat answers the movement had was, 'take the commanding heights out of the hands of the capitalist class', hence those clauses in the Freedom Charter about nationalisation. We all know, of course, that the leadership of the ANC has had occasion to revisit those clauses in the Freedom Charter. I am not certain that the reasons for revisiting it are the sorts of reservations that Dave is expressing, but that is another question.

It is perhaps in this area that I find Higgins' paper challenging and refreshing, because he does suggest a strategy, which doesn't necessarily imply grabbing hold of the state or nationalisation of the commanding heights of the economy, but in a sense establishing a number of strategic bridgeheads? which enable you to empower the working class and the oppressed, and from those bridgeheads you begin then to subordinate the capitalist classes to the interests of society in general. I think to me that was the most useful aspect of the paper. But I think my remarks should be taken with the reservations I expressed at the beginning.



**Jeremy Cronin:
Editor of African
Communist**

Iwould first like to agree with Winton's observation that crisis also means opportunity. On the left, the crisis that has hit us in the last several years is a very important opportunity to emerge from trenches. Often, as we know, the deepest trenches have not been those between the Warsaw Pact and the Pentagon, but the trenches within the left. What I find most valuable about Winton's input is that he is compelling us to think about a particular left tradition which we in SA have all too easily dismissed as irrelevant.

Winton is talking about a particular left tradition, mainly embodied in the Swedish labour movement. He's extracting from that tradition a particular style, not just of unionism, but of politics. And this strikes many important chords for us in South Africa at present. Different people have labelled this kind of politics in different ways. John Saul, Eddie Webster and Karl von Holdt, have talked about a revolutionary reform (or structural reform) style of politics. What this points to, this notion of revolutionary reform – and let's use the words provisionally – is that, on the one hand, one has to maintain a revolutionary perspective if one's going to make socialism. To lose sight of one's perspective is to guarantee that you will never make that socialism. So, it's important to hold onto basic goals. Winton is pointing in that direction. I am not sure that he elaborates what he means by those goals sufficiently. He refers to liberty, equality, fraternity, and then invests them with a

“...a series of dramatic breaks, partial ruptures. I am not sure that there’s an easy moment when one says, yesterday we were in capitalism and today we are in socialism”

twentieth century and socialist content. I don’t have a problem with that, but it is still a little bit vague. It needs to be a lot more concrete.

The second important thing that Winton introduces and which also belongs under the revolutionary pole of the process is that it must be mass driven. That’s very important. It is not an issue of elites, bureaucracies, bestowing socialism upon us.

The third area is the area which is virtually absent in his paper, but which I would want to attach to the revolutionary pole of revolutionary reform, and that is the notion which Pallo has introduced, of rupture, of break. I don’t believe that the process of transformation in the direction of socialism is simply evolution. There are going to be ruptures. Now I would disagree a little with Pallo’s fascination with the all-important moment. Very often one is talking about a series of dramatic breaks, partial ruptures. I am not sure that there’s an easy moment when one says, yesterday we were in capitalism and today we are in socialism; but certainly the notion of rupture is very important.

On the other hand, one needs to engage a revolutionary politics with the present, which means a socialist strategy of engagement, not disengagement. That engagement with the present is partly what Pallo was talking about: building bridgeheads for further advances. But bridgeheads need to have their own inherent value as well. The rupture, the partial rupture, which we hope for at the end of the April next year with the elections, will be an important break. Things, if we do them right, will be different on April 28 from what they were, there will be more possibilities – a certain rupture will have occurred. But that moment will have an inherent value as well, it is not just a bridgehead for something else, it’s not just an instrumentalist thing. This is important – we’ve got to mobilise people, but also deliver, in an ongoing process of reform.

To develop a politics of this kind, one’s talking essentially about a hegemonic project, to try and make a working class, socialist project hegemonic. To have such a project, you have to enter into a critique of the two dominant socialist traditions of the 20th century. The one would be the old social democratic tradition, which amounts to fatalistic evolutionism – Bernstein’s “the movement is everything”. In this tradition, the direction of the movement becomes obscure and is eventually abandoned and forgotten. Hence the need for the revolutionary pole, of revolutionary reformism.

But, one also needs to critique the Bolshevik tradition – not absolutely, I agree with Enoch. In the first place, this means critiquing the notion of the ‘the Moment’. Related to this has been Bolshevism’s tendency to think of the socialist project, before ‘the Moment’, as an accumulation of forces outside of capitalism, in preparation for ‘the Moment’ – hence the great stress on, and the particular conceptualisation of a cadre vanguard party. Insofar as you engage with the actuality of the

capitalist system, before 'the Moment', it's to engage the working class in a pedagogic project, so that they can learn how terrible capitalism is. I think that this is a very instrumentalist and finally unhelpful way of developing a socialist project. In my view, both the social democratic and mechanically orthodox Bolshevik approaches end up with a statism, where you try to dispense socialism from above, whether its form the political bureau or a parliamentary party. All of this is, I believe, in line with Winton's position.

There are weaknesses in Winton's paper. In the first place, he has not strengthened his argument sufficiently against misinterpretations from Dave. Dave says the test of a successful industrial policy is that it should be competitive. I would put a question mark next to that. A successful industrial policy has perhaps to be competitive, but that isn't the bottom line test. The bottom line test is that it's got to deliver. It's got to clothe people, feed people, house people. You might find that, in order to do that, you've got to be competitive.

But I would begin with the material needs of people. To start with "we've got to be competitive" is to fall into the trap which I think Dave is in very self-consciously. He says that we must submit the capitalist class to the logic of capital. Why? I think we must submit the capitalist class to the logic of social need, of social demand, to the logic of a working class political economy. So Dave remains very self-consciously, within the logic of capital. As socialists, we are trying to challenge that logic. I think that this is also Winton's position and I would be interested to hear if he is comfortable with Dave's endorsement of his position. It is an endorsement based, I think, on the fact that Winton's own position is not always sufficiently buttressed against a simple reformist interpretation.

I think that there's another very very serious silence in Comrade Winton's paper. It is a traditional, silence of social democracy, and not of Bolshevism. In his paper Winton says, "Socialism is the sole legitimate heir of the eighteenth century radical democratic thought that erupted in the French revolution under the battle cry 'Liberty, Equality, Fraternity'". In fact, the socialist tradition has been the form that the older, broader democratic revolution has taken for over a century of Western politics." Those last two words signal the lacuna, the silence. Social democracy, particularly in its first decades, was peculiarly blind about the colonial world, the third world, national oppression. This is why social democracy doesn't exist in name in South Africa – because it's been historically irrelevant to the dominant issue in our society, of national oppression, of racial oppression.

I would argue that socialism is not the sole legitimate heir to the radical democratic traditions of the eighteenth century. In the twentieth century, the national liberation movement in the South is another very legitimate heir to those radical democratic

“Social democracy, particularly in its first decades, was peculiarly blind about the colonial world, the third world, national oppression. This is why social democracy doesn't exist in name in South Africa”

“Bolshevism, by contrast was both the theory and practice of making a socialist revolution in the most backward European society. It had a much more dialectical understanding of the global situation”

traditions. Take the Freedom Charter. Or take OR Tambo, if one wants to personalise it. He is a fine twentieth century representative of radical democracy. He might not have been a socialist, but his national liberation brand of radical democracy has a great deal of relevance and resonance within South Africa, within the South, within the third world.

Perhaps other legitimate heirs to the eighteenth century radical democratic traditions are the new social movements that have emerged since the late 1960s, whether the Greens or Feminism and so forth, those various human rights movements are also very much in the tradition of radical democracy. I think one of the prime reasons why social democracy was blind to the greater part of humanity was its evolutionism. Social democracy believed history advances from its most advanced side, so socialist revolution/evolution will occur where the working class trade union organisations are most developed, where capitalism is at its strongest and so forth. And so struggles in China or even Russia were backward at best and ignored by the dominant tradition within the Second International.

Bolshevism, by contrast, which was both the theory and practice of making a socialist revolution in the most backward European society, had a theory of the weak link, if you want to follow Lenin, or of combined and uneven development according to Trotsky. It had a much more dialectical understanding of the global situation and, therefore, of differential possibilities for socialist advance. This is why Bolshevism has had such a resonance inside South Africa, and why social democracy, in so far as it exists, hardly dares speak its name in our country.

I am saying all of this because I agree with Winton that we need, as socialists, to develop a hegemonic project. And that means engagement with the present. We've got to engage and democratise the process, to be at the forefront of the transition. Now, how do we develop socialism as a hegemonic project in a country like South Africa? This is not Australia and it's not

**COMMENT FROM
THE FLOOR**

Leonard Gentle – SACCAWU:

At the end of the day we're left with the notion that there are broad social movements which are contesting various terrains, and they hold out promises – but promises of what? That is still the question to be posed. The creative engagement of unions with management is left precisely that – creative possibilities, but creative possibilities towards what?

If the current organisation and distribution of wealth are in themselves a brake on further human development, a rupture is required, a new transformation is required. The institution for that transformation is the state. The task posed to socialists is how do we strengthen the working class in order for it to be able to take state power? However old-fashioned it may sound, that is still the task for socialists today.

“The national democratic project has run out of considerable steam throughout Africa. A once-heroic national liberation movement becomes a layer of venal bureaucrats. In my view, that’s the main danger confronting us in South Africa”

Sweden, it’s not Cuba either, or China, or Tsarist Russia.

In our situation already there is an emerging hegemonic project and that is the national liberation struggle — that’s the hegemonic project. We don’t have to fabricate a hegemonic project. The weakness of South African capital that Winton referred to earlier partly has to do with this, its isolation from the majority, its inability to be hegemonic, to appear to articulate the interests of the broad majority. Here in South Africa there is a national liberation movement, which is massive, of which COSATU is an integral part. We’ve got to insert the socialist project into that, not build it somewhere else, outside of this hegemonic project.

The hegemony of the national democratic project compels us to think wider than an organised industrial working class. It compels us to look at the majority in our society who are non-unionised, who are unskilled, seven million who are unemployed, millions who are in what is euphemistically described as the informal sector, and so forth. Therefore, to build in South Africa a hegemonic project on industrial unions alone, which again is suggested by the Swedish model that Winton argued, carries the danger that one fails to articulate those interests, and favours a privileged, albeit extremely oppressed, sector of the working masses in the country.

This project, the national liberation project, and therefore its leading formation, the ANC, are sites of struggle. We say that against the background of three failed projects, or projects which at present are in crisis.

There is the social democratic project, which has many things to recommend it, but, as Winton was saying, it’s petered out for the moment into a kind of social liberalism at best. This is a potential danger that confronts us.

The tradition of a harsh, authoritarian, centralising Bolshevik project has in the main collapsed. But so, too, has the national democratic project. It’s run out of considerable steam throughout Africa and many other parts, where it’s become bureaucratised. A once-heroic national liberation movement becomes a layer of venal bureaucrats. In my view, that’s the main danger confronting us in South Africa.

How do we guard against it? We’ve got to develop all the things that we’ve said today. We’ve got to develop a revolutionary reform strategy. The trade unions are an essential component of engagement, of buttressing a left project in our country, but it cannot just be a trade union project. Above all, in my view, we must hold to the mass line.

And that’s where there are some more problems in Winton’s paper. Although he does talk at times about the importance of the mass line, I think that sometimes gets forgotten. He says that, unfortunately, parties allied to union movements have the habit of forgetting their commitments once they are in power. The solution that he offers is that we need to rely on the political

finesse and negotiating skills of those union leaders who have to manage the movement's relationship with the party. In short, we need Machiavellian – to use his term – trade union leaders. But I wouldn't want to rely on their negotiating skills and finesse any more than I would want to rely on the negotiating skills of the ANC and SACP negotiators in the current political process.

The mass line needs to come up much more strongly. Unless we have a mobilised mass counterweight to the negative tendencies that are within all of our traditions, we won't get to socialism. ❖

Final comments

Winton Higgins I will take up some of these points very briefly. I certainly agree with Enoch that we should be looking at other forms of socialism. The comments this afternoon have impressed upon me the need to advocate a much more fine-grained view of the kinds of socialist endeavours and experiments there have been.

But I'm not very impressed with the claims about globalisation. They seem to me to be a moral excuse to roll over and die. We shouldn't write off the nation state, particularly, and ironically, a nation state as robust as the South African one has shown itself to be – able to assert itself against the moral disapprobation of the rest of the world. One shouldn't too quickly abandon national sovereignty, particularly when it can take the form of national economic development projects. The economic terrain on which class struggle occurs is still very much a national terrain, with national conditions of struggle.

There was a bit of an accusation that I am advocating some sort of a foreign model. Let me make it quite clear that the only model that is going to work in South Africa is the South African model. The model of socialism or the model of transition to socialism ought to be very much fine tuned to the socio-economic problems of this society and to the unique opportunities of this society. It has struck me very forcibly how open-ended the political questions are in South Africa. You have opportunities that are difficult to find in Australia and other societies.

I did have problems with Dave's definition about harnessing the capitalists to the interests of capital. Fundamentally, I believe the economy that produces full employment in South Africa will not be a capitalist economy. Capitalism is incapable of delivering full employment, which is precisely why the demand for full employment is a socialist demand. It cannot be met within the logic of capitalism and capitalism therefore will have to be transcended on the way to full employment.

It is part of the Swedish labour movement's political methodology to make demands it knows capitalist forms of calculation, capitalist institutions, cannot meet. The other point of making these demands is, as Jeremy has said, because it matters, it matters morally today, that

POINT FROM THE FLOOR

Langa Zita:

The consciousness in Cde Higgins' paper is, to some degree, a trade union consciousness. One should also consider the possibility that on the basis of understanding how a society works, people could be committed to realising political power, to attempt to transform such a society.

One sees throughout the paper the contestation of capitalist logic *within* capital's parameters. One does not see an attempt to negate capitalist logic by other means such as encouraging various forms of public ownership, encouraging a different logic of productive accumulation. Related to this question would then be the question of transcendence: *how do you move from this historical epoch to another one?* One fails to see an answer. Is it a question that the whole process will be incremental and therefore we will see at whatever time, that now we have reached socialism? Or is it a process that through consciousness we could impel in a particular direction?

Cde Lewis said he would discourage state involvement in manufacturing. I think it is not given that entrepreneurship should be the sole preserve of capitalists. I would like to make a case for our consciously looking at the role of state ownership and the various forms, creative forms, that it could take. When capitalism was evolving within the embryo of feudalism, it was not yet acceptable, it was an uncomfortable process. I think there will be such discomfort as well as we move from capitalism to socialism, and it might be the case therefore that we have various forms of state involvement and various forms of ownership in the economy.

people have jobs and housing, and so forth. So, the socio-economic ambitions that socialists should be announcing are the ones that capitalism, within its own logic, cannot possibly meet. I have no doubt that full employment and a comprehensive welfare state is well beyond the logic of South African capitalism.

From some of the comments in discussion today there seems to be a caricature of this social democratic style of politics that I am advocating. It has nothing to do with evolutionism. There is a great difference between gradualism and evolutionism. Evolutionism is the hypothesis that the transition from capitalism to socialism is an automatic process. It is not automatic. It really does depend upon purposive political intervention.

Certainly, there has to be some kind of a critical mass. But I would rather argue in terms of the erosion of capital as a social relation, the erosion of a system of domination and subordination which has to be achieved by capital, and which can be destroyed by socialism in quite concrete settings, institutions and organisations.

I am not convinced about the idea of rupture. I think rupture is something that historians see with hindsight. A comparison is the transition from feudalism to capitalism. There was no rupture. If you take the transition in England, for example, no particular point represented the rupture where feudalism ceased to exist and capitalism began. I suspect that most major transitions are of this kind.

Jeremy's comment about the silence in social democracy about struggles against colonialism set me back a bit. I am not sure I have the answer. In Australia, we have a long and sorry history of trying to make nationalism into a vehicle of radical social change and it has fallen, time and again, flat on its face. Not being in South Africa, I don't think I am going to have the impertinence to even make a guess about that.

But I don't think nationalism has a good track record anywhere in the world as a vehicle for radical social transformation. I am also reminded of Benedict Anderson's argument that nationalism is itself an invention of the late eighteenth century and a form of modernity that creates imagined communities. It is the role of socialism to create genuine communities, to resurrect genuine communities, and I am not sure the nation can go much beyond being this sort of imagined community. I am much more persuaded by the idea of the new social movements also being

legitimate heirs to the French Revolution and the democratic revolution that it ushered in.

It seems to me there are a lot more imaginative ways of achieving collective ownership than nationalisation — ones that don't cost anything, because you are inviting problems by nationalising without compensation. On the other hand, the people who own these things don't deserve any compensation. So the way to do it seems to be to progressively marginalise them in the capital market through some mechanism like wage earner funds, where private capitalists more or less underwrite their own expropriation. It seems quite a humane way to do it.

I probably have over-emphasised the role of the unions. Unions are so important, in my understanding of the South African situation, because they are the most programmatically coherent, part of a present or future socialist alliance. But the hegemonic force is going to be a coalition-style one, not one in which there is one monolithic interest at the very centre.

Finally, I am not impressed with blueprints. What is wrong with the idea that we clearly define a goal and then rationally work our way

COUNTERPOINT

Winton Higgins:

Wigforss was trying to encourage people to contest the economic rationality of capitalism at a grass roots level. This meant workers in any enterprise should be critical of what management was doing. The method adopted in the industrial democracy campaigns in the '70s and '80s in Sweden was that rank and file groups have standing autonomous corporate plans. They kept up with technological developments in the industry; whenever management comes with an initiative for technological innovation or job reorganisation, a rank and file group has an alternative way of dealing with whatever the problem is. I think this is absolutely vital, that organised labour right down at the grass roots level, as well as union leadership, has its own agenda for managing enterprise, for managing regions, for managing industries, for managing the economy.

Langa raised the problem that all this contestation of economic rationality goes on within the parameters of

capital. I guess I am trying to disturb that assumption. If we do see capital as a social relation, then where organised labour is seizing the initiative in developing industries, in developing the enterprise, then that social relation is becoming diluted, it's being displaced. An enterprise in which organised labour is the leading force in reorganisation, in technological modernisation, this is no longer essentially a capitalist enterprise.

The wage earner funds scheme in Sweden was a beautiful case of how to effectively gain control of capital allocation without it costing the state or the union movement anything. That kind of reform, which actually goes directly to capital as a social relation, does very much burst the integuments of that social relation, to go back to Marx's language. It's that social relation that we have to get at, it's the issue of control. Is it going to be organised labour that controls the enterprise, or is it going to remain those who exercise proprietorial rights?

towards it, is that it isn't how life works. We all, in our personal lives, know that we've set a goal and the way things panned out was completely different. I can't think of one goal I have achieved in the form in which I originally conceptualised it, and I don't think that works for movements or political parties either. The analogy is more like a painting – an artist takes a blank sheet of canvas and really hasn't the faintest idea what is going to be there at the end of the day. The artist knows certain things that she or he wants to express on the canvas, certain colours, forms and ideas; but what the final product is going to look like is not knowable until the process of emergence, the process of creation has taken its course.

Pallo Jordan

We can in fact speak of national liberation as the potentially hegemonic project at this moment in South Africa. I say 'potentially' because I have very grave misgivings, not about the national liberation project, but about its prospects.

Seeing national liberation as a hegemonic project makes it possible to draw in forces, social and political forces, that are not immediately black, oppressed and disenfranchised. But the motor of that process is the black and disenfranchised. There is nothing racialistic about that, it is an empirical fact.

When we talk about opening up the decision-making processes in relation to control of private and government resources, the agency for doing that has not been the privileged but the disadvantaged, and they can actually be racially identified.

Dave Lewis

Jeremy is absolutely right that competitiveness is not the objective of industrial policy – the meeting of social needs is the objective of social policy. But it is a cheap shot in the sense that lack of competitiveness is such a major constraint in meeting social needs. If you don't confront head on the question of South African manufacturing's lack of competitiveness, in other words, its lack of ability to produce affordable basic commodities or to produce for export such that you can realise economies in your domestic industries, or that you can earn the foreign exchange necessary to meet social needs, then social needs are not met.

So, yes, social needs are the objective, but competitiveness is the binding constraint. It's important to keep the question of competitiveness on the agenda because it refers immediately to productivity. It is very important that workers and unions are able to reclaim for themselves the notion of what is valuable for them in increased productivity. It's a concept that seems, quite understandably, to belong to the bosses. I think it has to be reclaimed, because it is an essential aspect of meeting social needs.

We need to think about a whole series of sacred cows in the trade union movement. Do we consider sitting on the boards of private corporations and indeed of public corporations? And, when we get there, what do we do with it? Do we think about taking shares in ownership?

Enoch Godongwana

I did not intend to argue against engagement at all. However, we must not engage on a terrain which is not defined by us. When you engage, there is an ideology that guides you. If you come in without being guided by a particular perspective, you are likely to be swallowed into a different agenda.

We have not experienced the sort of social democracy propagated by Winton today. But social democracy as an ideology and as a movement has never had as its objective the dislodging of capitalism. That has been its weakness. The majority of what have been called social democratic regimes have collapsed in the context of globalisation.

I am a bit uncomfortable with the question of competitiveness, which is also linked to globalisation. As an economic term it may be useful. I am not an economist, but I do know that, once you start coming up with competitiveness, it has political implications for us. For ordinary workers it means job reductions and retrenchment. Secondly, when you talk about competitiveness, it does not look at the needs of the people, as Jeremy was saying. It looks outside there — how do I compete in a market, a market which is not controlled by you but by someone else? I wonder whether the workers do have control over the market?

Jeremy Cronin

I don't go along with Benedict Anderson, the notion that nations are just imagined communities. In national liberation movements, the project is about defining what the community is, that third element of socialist values that Winton mentioned. The ANC's historic project is to define the South African community in a particular way against an alternative, but now very weak and crisis-ridden project.

Winton said, in the development of capitalism out of feudalism in Britain, there was no rupture. I would contest that. There are dramatic moments of rupture. Certainly in France, there's a very dramatic moment of rupture which Pallo points to. I think there are often partial ruptures. You cannot say that capitalism didn't exist before July 14 and after July 14 it did. We've got to begin to make socialism just like they began to make capitalism, in the integuments of the earlier social formations.

Socialism is not a blueprint. It is also not an event. It's about the socialisation and democratisation of power. As socialists, we must be in the forefront of every struggle for the democratisation and socialisation of power. I think we won't go far wrong if that's what we're doing.

Winton Higgins

I want to correct something that Enoch said about social democracy not having an explicit anti-capitalist perspective. Most social democratic parties continue to explicitly talk about the transcendence of capitalism and talk explicitly about the socialist project. The terrific contrast between social democracy and the kind of Anglo-Saxon labourism that we are burdened with in Australia and other countries is precisely that social democracy had, and the social democracy I am talking about still very much has, an explicit socialist programme, which gives it its coherence and its mobilising power. ☆

Russia's labour movement *after the coup*

Report by DENIS MCSHANE*

Right-wing forces worldwide who were hoping that Russia had now fully signed up for the neo-liberal project of global capitalism should pause a moment. The latest news from labour movement forces inside Russia is that, far from crushing them, Yeltsin is building new links with Russian trade unions.

In an astonishing reversal of fortune, the anti-Yeltsin trade unions in Russia have emerged from the Moscow events strengthened, while pro-Western trade unions founded since 1989, have suffered a set-back, despite their slavish adherence to Yeltsinism in the past two years.

Before the Moscow events, Russia's labour movement was divided broadly into two camps: the inheritors of the old Soviet trade unions such as the Federation of Independent Unions of Russia (FNPR) and the VKP, the co-ordinating body of the communist-run unions in the CIS, were critical of Yeltsin's economic policies. With 70 million members, the FNPR continued to dominate Russian workplaces, acting as a social agency of insurance, holidays and even food distribution.

Its leader, Igor Klochkov, joined the Civic Union alliance with Alexander Rutskoi and was loud in his criticisms of economic liberalism.

In the other camp, were independent trade unions such as the miners federation, NPG, and the Sotsprof unions. These relied heavily on support from the US labour federation, AFL-CIO, and had great difficulty in penetrating the enterprise

alliance between managers and the official union.

Moving between factions in these post-Soviet trade unions were left-wing intellectuals like Boris Kargalitsky, a member of the Moscow City Council and promoter of a militant and radical politics.

When Yeltsin dissolved parliament, the official FNPR union appeared to throw itself decisively on the side of Rutskoi and Khasbulatov. At its congress, which coincided with Yeltsin's announcement, Klochkov talked of a general strike and ranted against Yeltsin.

Russian politics is never one-dimensional and Klochkov's bombast was empty wind. While he was making his speeches to impress foreign visitors, the FNPR's dominant industrial unions were drawing back sharply from confrontation. In messages sent to Western European labour groups, they made it clear that they wanted no conflict.

When Rutskoi and Khasbulatov tried their luck with an insurrection, the FNPR's mood changed quickly. The FNPR and the VKP joined the independent unions in denouncing the would-be putschists and expressing full support for Yeltsin's restoration of "law and order." The industrial unions met and dismissed Klochkov.

The FNPR's swift re-positioning appears to have paid off. Despite earlier suggestions that Yeltsin would ban organisations linked to the parliament, the FNPR has not been touched. Their newspaper, *Rabochaya Tribuna* (Workers Voice), can continue publishing. In a job-switch, Yeltsin has appointed Yuri Yarov to head the important

* Denis MacShane is an official of the International Metalworkers Federation.

tripartite committee which determines Russian labour policy. Yarov is close to the FNPR and disliked by the independent unions. A proposal to take the administration of social security funds away from the unions has been shelved.

While the FNPR appears to have emerged unscathed from the Moscow events, the independent unions – pro-Yeltsin as they may have been – have suffered. The independent miners' union, NPG, had its office in the White House, where its leader, Victor Utkin, was a deputy. That office is now closed. The Sotsprof office in the Moscow City Council building is also closed.

Why the FNPR emerged stronger

When the crisis started, the independent pro-Yeltsin unions appeared to emerge reinforced at the expense of the anti-Yeltsin FNPR. But the reverse has happened. The reason is that, behind Yeltsin stand not just powerful Western interests, which have far less influence in Russia than the British and US media would have us believe, but a large part of the military-industrial and heavy-



industry complex and its allies in the Russian Army.

For this group, labour peace is essential and the old-style unions are best at delivering a controlled workforce. Independent unions or activists like Boris Kargalitsky, who has been released after a brief detention, are a nuisance to be brushed aside. For many of the US and European investors also, the compliant trade unions of the FNPR are a better bet than launching into a mass de-unionisation drive.

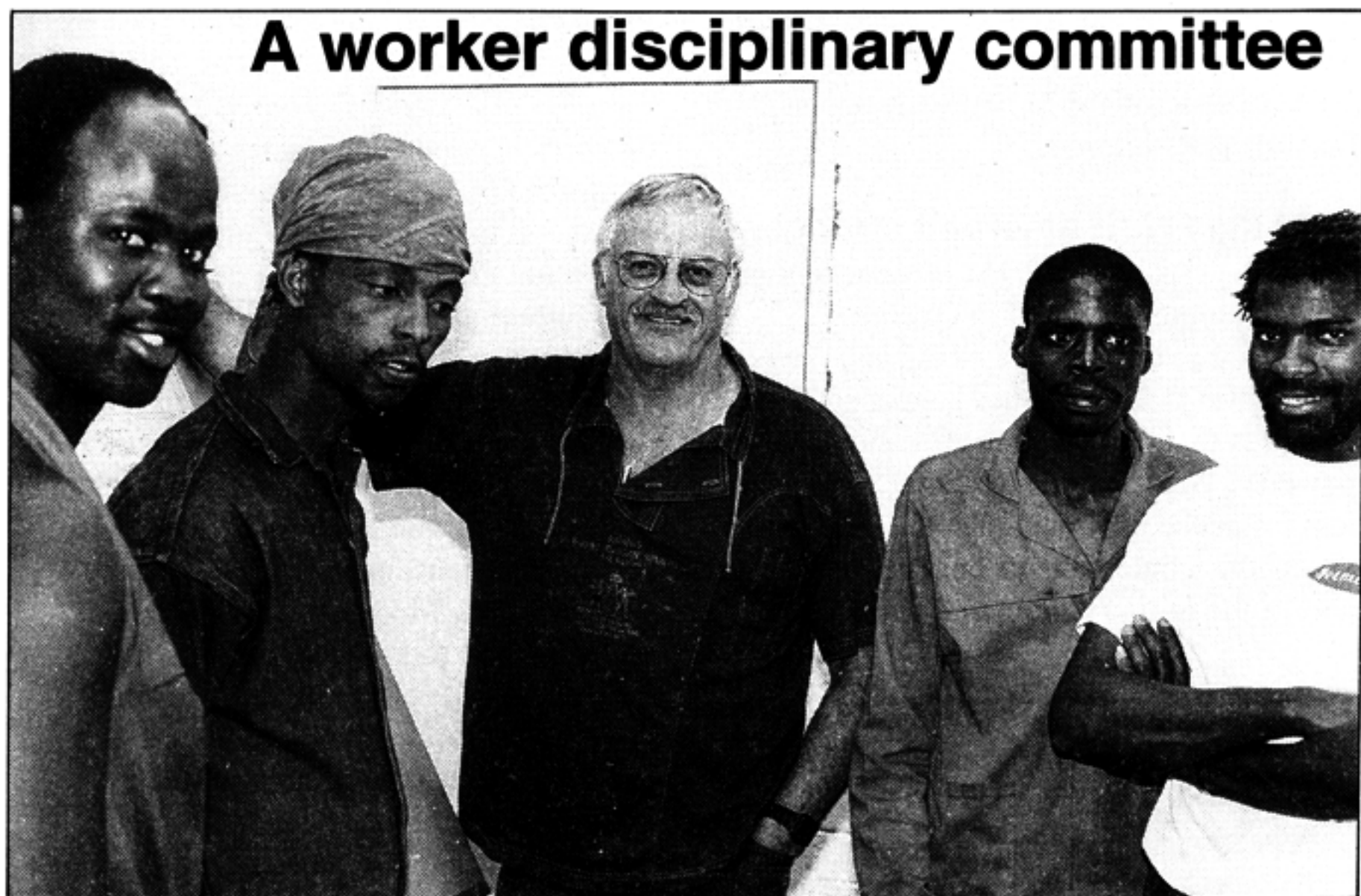
Thus, unlike lurid images of Yeltsin as a Pinochet or a Somoza, a butcher of democratic opposition – images, to be sure, reinforced by the tanks shelling the White House – it may be more accurate to see him as another France's General de Gaulle, who was authoritarian and statist, but sought to divide and, where possible, incorporate workers and unions rather than crush them.

The test will come in the elections in which the Socialist Party of Working People in Russia will stand. Set up by anti-Yeltsin parliamentarians, including the former dissident, Roy Medvedev, the party will include Boris Kargalitsky on its list of candidates. The party is excluding all communists but including monarchists from the Union-Renaissance group. Since metaphors of colour dominate Russian politics, it is tempting to see the blue-black Yeltsinites, having seen off the red-brown putschists, now confronting a pink-purple party of royalist social democrats.

Whatever Russia's post-election politics, the underlying economic crisis deepens. A new report by the London-based Centre for Economic Policy Research stresses the rapidly widening income and wealth gap developing in Russia. The central government, trapped in the Kremlin-White House power struggle, has been unable to either levy taxes or create a social security net. The first task of the new power-holders in Russia will be to exert economic authority, which, unless Russia is to give up all vestiges of democracy, further underlines the need for coalition rather than dictatorship politics in the years ahead. ☆

Shopstewards from Jetmaster in Industria, Johannesburg, say it is hard for the union to defend workers who lack discipline.

NUMSA shopstewards **GEORGE MLAMBO**, **SAMUEL ZIKALALA**, **DANIEL KHASHANE** and **EDMOND FIGNEN** tell **SNUKI ZIKALALA** their solution:



A worker disciplinary committee

Jetmaster shopstewards with manager

The recognition of NUMSA in our factory and our getting a full-time shopsteward with an office are victories for workers. Today employers cannot dismiss, insult or abuse workers as they did before. We are always behind those who elected us.

However, some of the workers take advantage. Workers expect us to fight for their rights but this cannot be done if there is a lack of discipline on their side.

Problems of excessive drinking during working hours and coming late to work without valid reasons are thorny issues. Both lower workers' productivity and make our

task very difficult.

The bosses point fingers at individuals: "He is always drunk, comes late every day. Do you still expect us to keep him? There are thousands of workers looking for jobs."

This used to annoy us as we were always on the defensive. Our meetings with management were not creative. We could not advance on other pertinent issues since we spent most of our time defending workers who behaved irresponsibly.

Then we decided to form a disciplinary committee consisting of all shopstewards. This is not a school-type disciplinary committee and we do not police workers. We

discuss and take up issues of drinking during working hours and late-coming with the individual concerned.

This clears the air during collective bargaining negotiations. Management has agreed to give us all available information on an individual's performance and problems.

We felt we could not deal with the problem of late-coming if we did not know how workers commuted. We got more information about the running order of trains. There is a problem with taxis and buses as they can be delayed by accidents and traffic congestion in the mornings.

We are now in a better position to defend workers. The managers who stay in towns and drive to work do not know the hustle and bustle of coming from a township. If a worker comes late without a valid reason, we take up the issue. We show him the importance of keeping time. We do not want workers to think we are doing management's dirty work. We want workers to behave responsibly, to be conscious of time. They should not give management unnecessary ammunition.

Employers have this prejudice that workers are lazy drunkards, irresponsible and unproductive. This really hurts us, because without our hands there will be no production nor surplus value for them.

Drinking and health and safety

We work with metal and welding machines. It is a dangerous environment and a drunken worker has a 90% chance of getting hurt. If a worker is drunk, management exonerates itself. The worker and the union are left with no defence.

As we are concerned about health and safety, we must ensure workers are not intoxicated during working hours. This is a mammoth task.

We call the comrade and try to find out whether he has social problems. We show him the dangers of working when he's been drinking. If he is hurt he won't be able to support his family as the majority of our comrades are breadwinners.

Because we are firm on drinking and

late-coming, workers now run to management. Within no time there are problems with management. The worker will then show us three written warnings and expect us to defend him.

As shopstewards we do not throw him away. We vigorously take up his case and after we have secured his job, he becomes the most loyal member of the union. We accept that people make mistakes and will always have attitudes towards those who are disciplining them.

As leaders we feel we have to be exemplary. We cannot expect workers to be disciplined and productive if we ourselves do not uphold those values.

We are still part and parcel of the workers and our task is to protect them and better their working conditions. We are not part of the management team. We have been elected by workers to look after their own interests and if they feel we are being unfair and not accountable they have the right to vote us out. ☆

Management's view

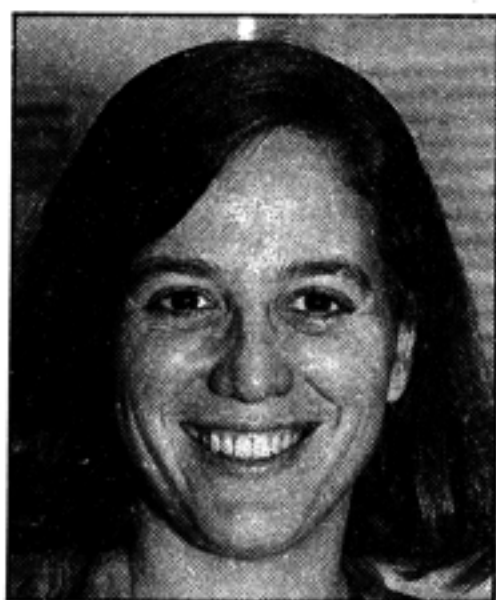
Jetmaster factory manager Don Smithers says: "I am happy workers have taken it upon themselves to deal with disciplinary issues. This makes both my job and theirs a lot easier. I believe the important issue here is to understand one other.

"The committee has reduced my work load. I am no longer directly responsible in the initial stages for talking to workers about their late-coming, drinking and absenteeism. This is handled by the shopstewards.

"I would gladly sit in these disciplinary hearings, to make sure there is no unfairness in dealing with individual cases. The view of the shopstewards is that they will only allow me to be present when action is to be taken against their colleagues. They provide me with all the facts and I have the right to look at both sides of the stories. I think this works much better." ♦

Reversing Discrimination: *Affirmative Action in the Workplace*

ed Innes, D; Kentridge, M and Perold, H
(Innes Labour Brief) Oxford University Press,
Cape Town 1993



Reviewed by AVRIL JOFFE*

Reversing Discrimination is an interesting examination of the complex and controversial issues related to affirmative action in the workplace.

The chapters of varying quality which make up the book were edited by members of the *Innes Labour Brief* as well as human resource development and social investment academics, practitioners and consultants. Written for an audience that needs convincing, like white management, the book combines persuasion, research and clear policy guidelines.

Recurring themes include:

- acceptance of equal opportunity practices but belief that these do not go far enough

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- and could entrench inequalities;
- the necessity for affirmative action programmes to reverse both racial and gender discrimination;
- concern over the usefulness of the quota system;
- a forceful rejection of tokenism;
- recognition that affirmative action is a process;
- belief that companies should embrace diversity;
- the idea that affirmative action can yield productivity dividends;
- the link with human resource development programmes for society as a whole.

Part One attempts to 'make the case' for affirmative action with contributions from black business and the trade union movement. In addition there are chapters which outline the issues and strategies in affirmative action, provide an overview of ANC and COSATU human resource policies and present guidelines for action. The overwhelming message is that affirmative action is necessary.

Part Two examines the implementation of affirmative action, with many authors agreeing that diversity can be harnessed as a positive attribute. The chapters span a range of case studies and views to highlight the problems associated with implementation.

Part Three focuses on an often neglected

area of affirmative action – gender in the workplace – with contributions on gender equality at work, obstacles and opportunities for women in employment, changing patterns in work and family life, discrimination at universities, as well as women's experience of affirmative action.

One important argument in favour of affirmative action is the resulting improvement in productivity. The first chapter by Duncan Innes argues that by integrating affirmative action policies with the company's strategic business plan, this long-term investment of human resources "should yield productivity benefits later on". In a challenging and hard-hitting chapter,

Don Mkhwanazi argues

for all or nothing. In this way he draws a distinction between economic empowerment and socio-economic upliftment. He quotes Thabo Mbeki: "while corporate South Africa is prepared to accede to the need for redistribution of income, it is unwilling to tackle the critical issues

of the redistribution of assets, management, and decision-making power. Failure to rectify these imbalances will render other economic adjustments meaningless."

The union perspective is offered by Ebrahim Patel who challenges 'quick-fix programmes' as tokenism, since they advance only a few select individuals and absorb blacks into 'an essentially white power structure'. It is a sophisticated argument linking affirmative action to the economic empowerment of workers on a mass scale through a number of measures:

- ❑ the support of tripartite institutions;
- ❑ the acceptance of a wider collective bargaining agenda;
- ❑ the extension of trade unionism and union rights;
- ❑ the training of the workforce;

- ❑ investment experience.

In his overview of ANC and COSATU human resources policies, Innes argues that both organisations view affirmative action broadly 'encompassing the areas of social and economic upliftment and educational advancement, and more narrowly focused on human resources development strategies within organisations'. These policies go further than most affirmative action programmes in that they encompass

- ❑ race, class and gender;
- ❑ production workers and adults excluded from employment;
- ❑ a link between training, grading and pay;
- ❑ issues beyond the factory floor such as the need to reform the education and

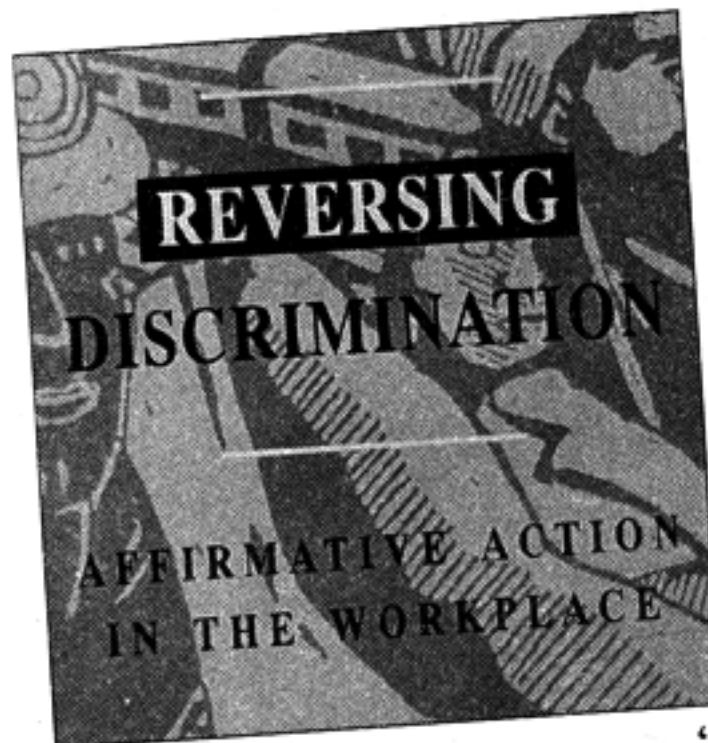
training system.

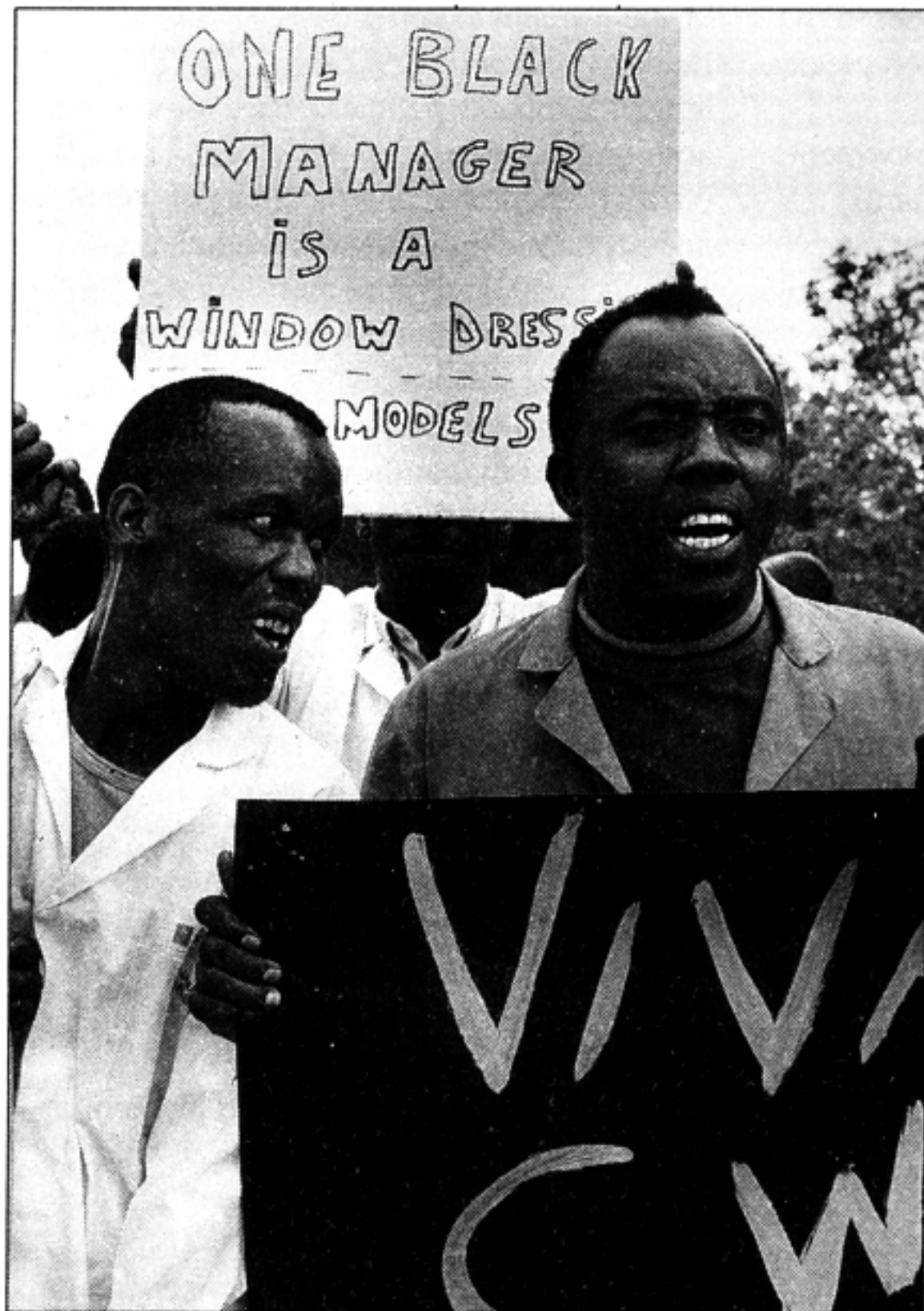
Nevertheless, Innes implicitly dismisses the policies of both organisations as idealistic and utopian. The central criticism he makes of the ANC proposals is the fiscal constraints of implementing such a broad-based strategy. The policy, he says, is couched in 'ideal-type jargon', is not practical and will therefore remain

'empty pipe-dreams'. Of the

COSATU proposals Innes seems particularly concerned to point out their 'socialist' character. Given the audience for whom the book is written, the implication is clear. This is a great pity since these proposals are among the few comprehensive approaches to human resource development and reflect a serious attempt to go beyond the tokenism of advancing a few blacks into management. Are the proposals too far reaching and holistic to be seriously considered?

Humphrey Khoza's chapter emphasises greater worker participation in decision-making and a commitment to workplace democracy. Affirmative action should lead to a more motivated work-force which, in turn, will have productivity dividends. For this to happen, Khoza argues, corporate culture will need to change to allow workers 'more





affirmative action. Not surprisingly, unions see affirmative action as much more than the promotion of a few blacks and some women into junior management positions. Rather, it is "a comprehensive strategy to overcome the imbalances caused by apartheid and racism". Thus unions emphasise collective empowerment while companies emphasise individual empowerment.

The company case studies are particularly illuminating of the dynamism of affirmative action programmes as companies come to terms with the fuller meaning of the term. In two well-researched chapters, the Zimbabwean experience is highlighted to illustrate difficulties South Africans are likely to face both with respect to the civil service and the private sector.

In Part Three, Janet Hersch tackles the difficult issue of 'equal treatment'. She argues:

"The problem with insisting on formal equality, whereby only those who are the same may be treated as equals, is that our very notion of what is the same and what is special stacks the decks against women." This is a well-written and powerful argument pointing out that the structures of the workplace are built around what is assumed to be the typical worker – a man in his prime. As she says, "it is convenient and contingent, and can be changed". The key to doing this is to develop a conception of equality which allows people to be both different and equal.

Myra Alperson offers a well-researched insight into women's experiences of affirmative action. She offers recommendations to help develop a culture that is not hostile and closed to women.

In the final excellent review of gender

access to the levers of power through democratic representation and participation'. These are significant views challenging black managers who may well be 'intent on emulating the hierarchical and autocratic behaviour of their white predecessors'.

In Part Two, Ian Fuhr argues against the notion of one big happy family and sees trust-building strategies – which emphasise wealth creation, diversity, leadership and empowerment – as a prerequisite to participation in work-related decision-making. A number of chapters draw on actual case studies to illustrate that significant investment of resources and time is necessary to implement these programmes.

A survey of unions and companies conducted by the *Innes Labour Brief* reveals the different meanings each attach to

discrimination in universities, Lael Bethlehem provides evidence to support her argument that universities may well have fine mission statements but they do not live up to these pledges and should be made to do so. She argues against the setting and filling of quotas as "too blunt an instrument for this task" and suggests a range of mechanisms as possible remedies.

These include transparency in appointment and promotion criteria, eradicating discrimination in benefits, recognition of teaching and administration, procedures for reporting and handling of sexual harassment and adequate maternity and paternity leave. Bethlehem concludes that pressure groups such as the Gender Forum at Wits are necessary to drive and monitor this process.

Duncan Innes ends the book with a look at middle-class fears of falling standards, tokenism, the end of merit as the basis for promotion and advancement and "South Africa's rapid decline into a banana republic". These are difficult questions with which the proponents of affirmative action have to deal. As the issue of standards shows, it is difficult to ensure these are legitimate concerns rather than "some hidden form of racism" or an attempt "by those presently in authority to justify remaining there".

As Innes concludes, the problem is immense and while reversing discrimination could be perceived as a temporary strategy after which equal opportunity will suffice, "for many in the business world it will be something they must contend with for the rest of their working lives." I have two quibbles with this challenging collection.

First, many chapters (with some notable exceptions) are too general and beg questions such as: Is the concern with

financial viability overstated, and are there policies to address this? What impact has affirmative action had on different groups of workers and management in companies, or on communities outside the workplace? How would we evaluate the success of these programmes given their long-term nature? How widespread are the views expressed?

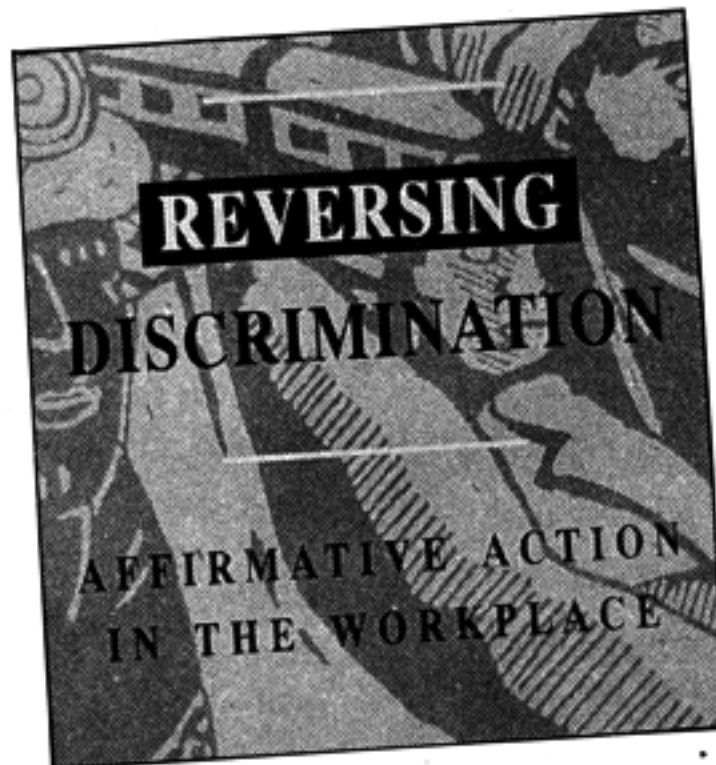
Second, while there is substantive discussion of what is a serious subject, it is belittled by what could be called "locker-room" joking. While it is legitimate to attempt to reassure white managers, I don't believe sentences such as "the [National Party government's] policy also spawned a plethora of rather amusing Van der Merwe jokes, which just goes to prove that

affirmative action does have its lighter side too", or "I, for one, would dearly like to see affirmative action policies introduced for left-handed people ..." are helpful or educative.

Nevertheless, it is a collection worth reading since it provides important guidelines for establishing

affirmative action criteria in a range of diverse workplaces. The task is not small. Specific proposals, such as those of the ANC and COSATU's human resource policies, point to the necessity of integrating proposals for reversing discrimination on the shopfloor, with the reform of the education and training system and with broader economic empowerment. Affirmative action will only successfully be addressed within the context of such a coherent human resource development strategy for the society as a whole.

Reversing Discrimination is an important resource for those concerned with human resource development, industrial relations, strategic planning, corporate governance and economic empowerment. ☆





Joyce Mabudafhasi

Profile by JANE BARRETT

Every now and then Joyce Mabudafhasi, national treasurer of NEHAWU and one of COSATU's parliamentary list of 20, feels a little weary. As you will learn when you read on, at 50, and after 20 years of tireless activism, she has every right to feel that way. "But," she says, "whenever I'm tired I think of Comrade Mandela and how at 75 he is still addressing people day in and day out, still working around the clock." Inspired, Joyce then gets behind the wheel of her car again and heads off energetically to deal with any one of a thousand issues emanating from her role as trade unionist, human rights lobbyist, motivator and representative of rural women, education expert, and most recently, parliamentary candidate for the northern Transvaal.

Life on a mission station

Joyce Mabudafhasi was born in 1943, the

eldest child of a missionary-father and nurse mother. She grew up in the Transkei, but completed her schooling in Venda, where her father originally came from. Her experiences on the mission station were to profoundly shape her thinking and later political involvement. She witnessed her father working himself to the bone in building a Lutheran mission station from scratch, but being paid a pittance on a quarterly basis. After years of hard work, the only "perk" which was provided to him by the church was a bicycle. In contrast, a white preacher, who was posted to the mission years after Joyce's father, was provided with a newly built brick house, a monthly salary, and a car. Without Joyce's mother's small salary Joyce and her brothers and sisters would not have got a high school education. As a young girl Joyce couldn't help but note the irony and injustice of her parent's situation. Her sense of outrage at apartheid

and racism was enhanced when as a young woman living in Venda she was exposed to the conditions of abuse of workers on white-owned farms in the northern Transvaal.

Early working life

Joyce trained as a teacher and her first job was in a Soweto school. She moved back to the northern Transvaal when she married a sociology lecturer at the University of the North (Turfloop). By the time she was 23, she was widowed with two young children, her husband having been killed in a car accident while on field research with a group of his students. This was 1966. Meanwhile, Joyce had retrained to become a librarian and was herself working at Turfloop in the library.

Becoming an activist

In the mid 70s Joyce was moved by the extent of the education crisis nationally, and linked up with others in organising against

“whenever I’m tired I think of Comrade Mandela and how at 75 he is still addressing people day in and day out, still working around the clock”

Bantu education both in schools and in tertiary institutions. In 1976 she was arrested for the first time, under the notorious Terrorism Act, but charges were never brought against her. Joyce continued to work behind the scenes and underground on education issues until

the formation of the United Democratic Front in 1983. In 1984 Joyce was instrumental in introducing the UDF to the northern Transvaal, and became the region’s first secretary treasurer, with Chief Nchabaleng (who later died in police custody) as chairperson and the young Peter Mokaba as publicity secretary. At the same time Joyce was assisting SAAWU to organise the workers of Turfloop.

The repressive 80s

1985 was known as the “Year of the

Shambock” in Lebowa, northern Transvaal. Joyce was detained frequently during this year. On one day in April 1985 she was arrested three times, whilst participating in anti-repression protests in Pietersburg. As was the case elsewhere in the country, 1985 saw countless schools boycotts. The police seemed to blame Joyce for almost every one that occurred in the northern Transvaal. When a student meeting she was addressing at Turfloop was broken up by the police she was targeted and set upon by police dogs. She ended up with a broken arm and dog bites, and a charge of public violence against her. But worse was to come. By the end of 1985 Joyce’s house in Mankweng was being raided by the police weekly. And in April of the following year her home was attacked with hand grenades. Joyce was critically injured and bears the scars of the attack to this day.

After the attack on her home Joyce went into hiding – or rather, into disguise. She continued her activism dressed in traditional Venda garb and under the name of Mary Make. She concentrated her work in remote villages. But in October 1986 Joyce was detained again. It was to be three Christmases and a number of periods of solitary confinement later that she was finally released in January 1989. Joyce’s release came after a prolonged hunger strike and extensive international pressure – including from the Lutheran Church in Germany. (Joyce is herself an active member of the Lutheran church.) On her release, Joyce was slapped with a house arrest order which remained in place until the unbanning of the ANC a year later. The order prohibited her from entering any educational institutions – making it impossible for her to resume her employment at Turfloop. However, even after the order was lifted, the university administration remained reluctant to reinstate her. It took eight months to win the battle for reinstatement. Once reinstated, Joyce wasted no time in re-organising the workforce into the relatively newly established NEHAWU. By November the

workers were on strike in support of a wage increase. At the time many of the workers were earning less than R200 per month. From Turfloop Joyce organised other workplaces in the region into NEHAWU. In 1992 she was elected the union's national treasurer.

Education as the future

Joyce has an interest not only in the conditions of work and study in educational institutions, but also in the content of education. She was a founder member of the National Education Crisis Committee in 1986. In 1991 she was appointed the Education, Arts and Culture co-ordinator for the Northern Transvaal region of the ANC, and in 1992 she became the region's Education, Science and Technology co-ordinator. "I love the political side of education," she says, "and will definitely take an interest in it in parliament. However, my first interest will be in worker rights."

Human Rights abuses

Joyce's detention experiences led her to become active in the Detainee Parents Support Committee (DPSC) in the mid 80s. Her interest in human rights continues to manifest itself in her involvement as a Commissioner of the Human Rights Commission – as a monitor of repression. That will be another interest of hers in government. "We can't expect that the police force will change heart overnight. There will still be monitoring to do. The police will need to be cooked again, as their training was cock-eyed. There will even be those who will be unable to change, and who's records will show that they need to be thrown out."

The rural poor

As a regional representative to the National Assembly, Joyce sees her most important task as being to address the needs of the rural poor. "Poverty, ill health, and illiteracy are all



closely related," she argues. "A strong

"I love the political side of education and will definitely take an interest in it in parliament. However, my first interest will be in worker rights"

programme of Reconstruction is going to be required to redress these. Water is scarce, there is a lack of clinics, disease spreads easily ... And women are the worst victims – they suffer the brunt, and burn in the fire of poverty, poor health, and illiteracy. They become the victims of people who have their own agenda. For example, they get manipulated into making contributions for the drilling of a borehole, only to find that the water ends up only for the chief. So along with a reconstruction programme there will have to be

powerful programmes of awareness and education, with women as the channel."

Joyce is under no illusion that the democratic election of a new parliament will solve South Africa's problems.

"Economically the country is not there, but with commitment we could get somewhere. And I will continue to rather die for my beliefs and for ultimate freedom." ☆

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