

South African

# LABOUR BULLETIN

October/November 1991 Volume 16 Number 2

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2) Per Lock

ICFTU debate  
Unemployment  
and job creation  
Productivity:  
Interview with Marcel Golding

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the  
entire  
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**Jay Naidoo**

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# Editorial Notes

## Struggle for democracy

It is common cause that South Africa is undergoing a transition to democracy. But at the same time it is a struggle for democracy. The contending forces in our country have very different perspectives on democracy. The De Klerk regime seeks a form of democracy which will preserve unchanged as many of the centres of power and privilege of the old order as possible. It seeks a constitution which will encourage deracialising of South African society, without disturbing white wealth and power too much.

Big business too seeks a new order that will preserve as much of the old order as possible. Preserving private property and maintaining the free market economy are its major goals. It shares them with De Klerk. Of course, both acknowledge the necessity for poverty relief, wealth redistribution, and participation by the black majority. But they want these to happen in a way that does not fundamentally challenge capital and the power and privilege of whites.

The democratic movement is driven by a far more radical perspective on democracy. It seeks a democracy that is rooted among citizens, empowers people, and challenges the unequal distribution of wealth and power in this society. Thus, this period of transition to democracy entails a struggle over democracy and a struggle for democracy.

Since 2 February, 1990, De Klerk has by and large set the pace. He has tended to define the agenda of negotiations and has appeared as a pro-active, innovative leader. The democratic movement - and the ANC in particular as the leading political organisation - has tended to react to events, without putting forward a positive programme. Mass organisations and ordinary

people have gradually been disempowered. The horrifying violence against communities and activists has obviously played a critical role in this process.

This scenario has created ideal conditions for De Klerk to accomplish a process of reformist 'elite accommodation': drawing an elite within the democratic movement into negotiations and a settlement which ends apartheid, but demobilises and disempowers the people. There are certainly elite forces and figures within the democratic movement who are available for such a project. This is the solution De Klerk aims for. It would preserve the centres of white, capitalist wealth and power by drawing in a black elite to share the spoils.

## A question of power

But then there came VAT. The VAT campaign has provided a broad focus for coalition-building, for protest and mass action. As Jay Naidoo says, it has "ignited the mass component of our struggle". For the first time since February 1990 the democratic movement has taken the initiative. Significantly, the working class is leading the campaign and stamping it with its demands.

The campaign is reshaping the agenda of negotiations as well as the process of negotiations. For the first time the questions of interim government and of far-reaching social and economic negotiations are firmly on the agenda. And the process of negotiations now includes the participation of the masses and the building of broad coalitions around a democratic thrust.

These shifts are highly significant. The power of the regime is located in institutions: the state and all its departments, the education system, TV and radio, the police, prisons and courts, the army, the

Reserve Bank. The power of capital, too, is located in institutions: in its ownership and control of companies and workplaces, its control of banks, finance and technology. In some ways this kind of power is invisible, which makes it is even more mighty.

The democratic movement does not have this kind of power. As Naidoo says in the interview published here, it was mass organisation and mass struggle in civil society that drove apartheid into crisis. This is organisation and struggle located, for the most part, outside the institutions of power. It is, however, also organised within those institutions, but in opposition to those who control them (for example, trade unions in workplaces, student movements in schools).

For De Klerk, the aim of negotiations has been to separate the political leadership from its mass base, to demobilise mass organisation and struggle, and thus cut off the democratic movement from its source of power. The regime and capital, on the other hand, would rest securely on the base of their invisible, institutional power. They would dictate the agenda.

This is no longer possible. The VAT campaign has mobilised the power of the democratic movement, its power in civil society. Labour has introduced a new dynamic into our nation's painful transition to democracy.

### Mass action of a new kind

One of the keys to the success of the VAT campaign is that it has ushered in a new kind of mass action. Among the many reasons why national mass action has been ineffective over the past eighteen months is that campaigns have reacted to events, rather than mobilising people around a forward-looking, creative vision of a new SA.

The VAT campaign is different. It combines resistance against a harsh economic measure, with a forward-looking demand for national economic negotiations to transform the economy. It combines the politics of resistance with the politics of reconstruction.

In this it builds on the experience of the anti-LRA campaign. Unlike previous stayaways, which protested against injustice and had a powerful symbolic appeal, the 1988 three-day stayaway was designed to force the government not to implement the new LRA amendments. It forced employers to start negotiating on the issue with the labour movement.

It also led to cautious contact, and then negotiation, with the Department of Manpower.

In September 1990 a one-day stayaway was called to pressurise the government to accept the COSATU-SACCOLA-NACTU accord on the LRA. When the government agreed, the action was called off. This was the first national strike in our history which was called as a pressure tactic in negotiating with the state, and which was called off as a result of the state backing down. It was through this process that the labour movement established its capacity to shape labour law and state institutions through a combination of negotiation and mass action.

Now the labour movement is driving a struggle over much bigger stakes: the future shape of democracy in the economy and the state. ❖

### New staff, editors

We welcome our new writer, Dot Keet aboard *Labour Bulletin*. She returns to South Africa, after a long absence, with varied African and international experience to contribute to our work.

We would also like to welcome three new members of the editorial board.

Roger Southall has taught at universities in Lesotho and Nigeria, and recently became head of the department of political science at Rhodes. He has written widely on international labour, and his book on internationalism and SA trade unions will be published next year.

Gay Seidman teaches sociology at the University of Wisconsin. She has written widely on labour, and her comparative study on the labour movements of Brazil and South Africa will also be published next year. Both Roger and Gay will strengthen the *Labour Bulletin's* coverage of internationalism.

As an active labour lawyer at Cheadle, Thompson and Haysom and at the Centre for Applied Legal Studies, Paul Benjamin has been in the thick of the struggle to shape a new legal dispensation for labour. He is a long-standing contributor to the *Bulletin*, and writes most of our Legal Notes series. He brings to the *Bulletin* a deep involvement in the labour movement, and an acute understanding of the challenges facing it. ☆



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# Letters to the Bulletin

## Challenges for NUM

### Dear Editor

I read the article "New Shift in Wage Agreements" (*Labour Bulletin* Vol 16 No 1) with great interest. A new perspective on the problems besetting the mining industry and bedeviling the NUM's approach to bargaining would be good news indeed. But Gabriel's article confuses rather than clarifies the issues.

He starts with a quote referring to the 1987 strike, goes on to describe the crisis in the mining industry and the 1991 wage settlements, and concludes that the NUM should concentrate on strengthening its structures at the shopfloor.

But are conditions in the mining industry in 1991 comparable to those of 1987, as Gabriels seems to suggest?

From an economic point of view the answer is a resounding no. The industry has entered a deep crisis. The employers are implementing a restructuring which would mean massive loss of jobs and closing of marginal mines. Yes, it is "ironic" that mineworkers, having been denied a share in the industry's profits for so long, now – as an organised force – are required to share in its losses. The union is faced with a battle to prevent unilateral restructuring by management, and to win a managed downscaling of the industry which will limit retrenchments and retrain and relocate workers.

In 1991, the outcome of our wage negotiations cannot be simply ascribed to the "balance of power at the negotiating table", as Gabriels does. The economic crisis in the industry introduces factors that were not evident in 1987, and the

strategies of 1987 are not adequate to address the new situation.

The critique of the NUM's wage agreements is equally unsatisfactory. Yes, there has been a radical departure from stated COSATU policy and yes, the NUM is opposed to productivity bargaining per se.

But to frame the problems confronting the NUM around the rights or wrongs of productivity bonuses is to provide the debate with an incorrect focus.

Instead it would be more useful to identify the contradictions between, (i) the NUM's involvement in negotiations over restructuring the industry in the Mining Summit, and (ii) the NUM's short term strategy in the annual wage negotiations. NUM is unique in being involved in these two sets of negotiations. By acknowledging crisis, including crisis of profit, in the Summit negotiations, NUM has been forced to acknowledge the same in wage negotiations. This has led to a shift from COSATU policy.

Developments in the industry place tension on the long-standing policies of the union movement. Quite simply, the old policies are no longer adequate for the position we find ourselves in. The challenge to the union is to address adequately the situation in the short term and in the long term as well as to maintain key policy positions.

It is significant that one of the working groups set up in terms of the Mining Summit is concerned with the implementation of agreements struck between the union and management as well as enforcement of the mining laws. It is an open secret that the mines have long been a law unto themselves. The challenge to the NUM is to



translate the space created on paper to one which exists in practice. The agreement on social and trade union rights is ammunition indeed, but ammunition for a far more fundamental struggle than most NUM observers realise.

*May Hermanus*  
Health and Safety Officer,  
NUM, Johannesburg

## Socialism is the answer

### Comrade editor

How dangerous it is to live in a country where there are no dreamers; of which at a certain stage dreams became true. It is true that the National party can no longer dream. There is a growing tendency towards a 'multiracial' society. It must be conceded that, since the apartheid policies have reached a cul-de-sac, they must be replaced by a socialist government, whom can best determine the dreams, needs and hopes of the long toiling masses of our beloved country.

I am aware of the loud shouting of the capitalists and their allies saying "Socialism Has Failed". It is of course the tendency of the capitalists to capitalise on the mistakes of the other people, thanks to the socialists for not having that tendency. The capitalists point out the failure of the soviet economy, but we need to remind our people that, in 1929 the powerful and confident state took an economic nose dive. There were bread lines in New

York's Time Square and tens of thousands of the jobless huddled along Riverside Drive. In Washington troops were fighting the Bonus Army that had invaded the capital. People were dying in demonstrations, strikes and riots. On October 1931 Business Weekly Magazine reported that 100 000 Americans wanted to emigrate to work and live in the Soviet Union.

Thank to the World War II which helped America to stand up and survive. The main question is, was that the failure of capitalism? We appreciate Soviet Union for its more openness and candid than anyone else in denouncing its own mistakes, errors distortions. Capitalist do not dream themselves doing that, because they are demons, greedy, gluttons and crucially ambitious.

Long live scientific socialism!! Death to capitalism!!

*Canny Mtshali*  
U 142 Umlazi Township  
Umlazi 4031

## SACTU "parasites"

### To the editor

Red Eye's short note on the "Cold War in the Unions" (*Labour Bulletin*, June 1991) has come to my attention.

Red Eye takes exception to my assertion, in an editorial in the IUF News Bulletin, that the WFTU was "entirely absent from the anti-apartheid struggle except in print" and that this struggle was actually

conducted by the ICFTU, its affiliates and the ITSs.

Red Eye thinks SACTU played "some small role" as well as "other WFTU affiliates", such as the French CGT and the Italian CGIL.

I stand by my statement. SACTU in exile represented never more than a small clique of parasites living off Soviet subventions who put more energy into defending their sectarian turf (like when they tried to undermine the International Metalworkers' Federation campaign to get Moses Mayekiso released) than into fighting apartheid. The French CGT did nothing except empty gesticulations and the Italian CGIL had suspended its membership in the WFTU in 1974 and left altogether in 1978.

A factual study of who did what and when against apartheid over the years in the international labour movement is long overdue.

Your heading is as misleading as the rest of the article. The "cold war" was a contest between two blocs led by the United States and the USSR. It started around 1945 and ended with the collapse of the Soviet bloc this year. The contest between democratic socialism and communism, which started in 1918 and which is evidently not over, is an entirely different matter.

Yours sincerely,

*Dan Gallin*  
General Secretary  
International Union of  
Food Workers

# Red Eye

## Bosses wear two hats

Many virtuous citizens are filled with concern about communists wearing two hats. Newspaper articles worry that communists are taking control of the ANC and the trade union movement, and that this is a subversion of democracy, because it allows a small organisation to control the policies of a big one.

But the same virtuous citizens never question capitalists wearing two hats in the economy. Consider the case of Anglo American. It only *owns* a small section of the economy. But, through its voting power in a carefully constructed network of holding companies it, *controls* more than half the shares on the stock exchange. Anglo American is of course controlled by the Oppenheimer family. One family controlling more than half the stock exchange! This kind of power puts the Communist Party to shame.

Even the rightwing economist Friedrich Hayek, father of the New Right, slammed this kind of capitalist two caps. One corporation having voting rights in another, he argued, "opens the possibility of the complete and perfectly legal control of large resources by persons who own only a small fraction of them, and of the use of such resources in the interest of that group only." You said it, Hayek! ♦

## Let's drink to a social contract

At a conference on social contracts Dr Frans Barker, chairperson of the National Manpower Commission, said that making a social contract is like making a good wine: it is a slow and gentle process

which needs time ...

For delegates at the conference, these words conjured up images of sipping delicious wine with a good meal. But the working class will remember the notorious tot system on the farms: a dop of free wine every day, as part of their wages, to keep workers dulled and apathetic. Seeing as the bosses want a social contract to mean low wages, no strikes and increased production, they're going to need plenty of dop ...

Question is, who's going to wake up with the headache? ♦

## Nobel prize for NUM?

One upon a time there was a man called Nobel. He grew up in Sweden and invented dynamite. He also invented detonators. Then the South African gold mines were opened, and became the biggest mines in the world. They bought tons and tons of dynamite from Nobel, and he became a rich man. His factories also sold dynamite to all the armies of the civilised world. They bought tons and tons of dynamite to blast the bodies of their enemies to pieces. Nobel became even richer.

When the wars ended, and the smoke cleared, and the dead were counted, Nobel was mortified at the suffering that his invention had caused. So he left some of his money to establish the Nobel Peace Prize, and prizes for literature, science, and so on.

Now Nadine Gordimer has won the Nobel prize for literature. All South Africans are proud of her. But what about the mineworkers? One hundred years after gold was discovered they have still not been taught how to write, let alone read great literature. ♦

## Extending the truth

**A**t a recent conference Piroshaw Camay, former general secretary of NACTU, stated that there is a difference between membership figures of trade unions and their organised strength. A member of the audience asked him to explain.

"Well, many unions claimed more members than they actually had," he said.

"Oh, you mean they were lying?" asked the person in the audience.

"Not really," he replied. "They were simply extending the truth ... " ♦

## Marxism conference

**T**he Marxism Conference held at UWC was an extraordinary event. The SACP was absent (perhaps they've given up Marxism?), most of the academic Marxists who pioneered New Left thinking in the late 70s and 80s were absent, and debate was dominated by a small band of far left zealots. Actually, strictly speaking most of it wasn't debate but a series of programmatic statements of faith.

In frustration one speaker said the conference made him think of a conference of dinosaurs convened to discuss the coming ice age. Speaker after speaker rises and speaks in valiant tones about their powerful teeth, their thick skins, their steel-like scales. No mere ice age can threaten the dinosaurs, they cry out fearlessly ...

We all know what happened to the dinosaurs. ♦

## Free marketeers

**S**peaking of dinosaurs, that intrepid free-marketeer Leon Louw is still going strong. Pity he missed the Marxism Conference - what a titanic battle that would have been! Perhaps, like matter, meeting anti-matter far left and far right would have exploded in a flash and formed a permanent black hole in the galaxy of economic thought ... ♦

## On the move ...

**Y**es ... and speaking of Marxists, early this year Red Eye commented on the career moves of workerists Duncan Innes and Taffy Adler. Now hardline populist Mike Roussos stuns us all. Former education officer of SARHWU, then ANC official and member of the SACP's Transvaal leadership core, Mike now works for Transnataal Coal's human resources department. Red Eye would like to warn management: Mike is probably on an undercover mission to check out whether Transnataal should be nationalised. On the other hand, maybe not. Rumour has it Mike no longer attends his SACP meetings ... ♦

## Red prophets

**R**edeye was paging through a glossy magazine called Chin-Africa the other day. Published in Beijing, the magazine aims to promote African trade and busi-

ness links with Red China.

Redeye's eyeballs almost lost their colour when they fell on this sentence: "During his meeting with Wang Wendong, vice minister of trade, former Zambian President Kenneth Kaunda expressed his grave concern for flood-stricken areas."

*Former president?* The article was written in September, before Zambia's democratic elections. This is hardly the way to treat a friend, specially when he has just expressed sympathy with your hardship. Well, maybe its an understandable error: the people of Communist China don't have much experience of electing their rulers. Sorry ... former rulers. ♦

## Redeye buys a book

**R**edeye wandered into the ANC's shop at Shell House, and was amazed to see so many books: books on Lenin, books on Communism. No books on the ANC, no books on Africa. Redeye decided to do an investigation, and phoned the SACP.

No, the SACP doesn't sell any books on Lenin or Communism. Now Redeye is confused. What is really the difference between a national liberation movement and a working class party? Who's really the vanguard around here?

And please don't tell the capitalists about those books - they'll screech so loud we won't even hear the stock exchange collapse ... ☆

# Labour Action

## Poultry workers against FAWU

Old battle scars in the Food and Allied Workers Union (FAWU) were exposed at County Fair near Cape Town recently when poultry workers came out on strike against a wage settlement signed by FAWU.

The strike was organised by the Food Workers Council of South Africa (FUCSA) - formed by ex-Eastern Cape officials of FAWU who were dismissed from the union in 1989.

It also served as a reminder of the storms which rocked FAWU's Cape Town branch early last year and led to the controversial 'Campaign for Democracy' in FAWU.

The strike lasted about a week. More than 450 workers were fired on October 18 and only offered re-employment if they accepted the wage settlement and recognition agreement with FAWU.

FUCSA national organiser Monde Mkele said workers accepted management's offer, but refused to agree to the conditions. "They have resigned recently from FAWU. Is management now recruiting for FAWU?"

Mkele said FUCSA had signed up over 900, or more than half the workers at County Fair. "The main issue which got workers to join FUCSA was lack of servicing from FAWU," he said.

FAWU organiser Goodman Mefeki said FUCSA first recruited the chairpersons of the shop stewards committees at County Fair. "These shop stewards were sympathisers of a FAWU organiser who was expelled from the Cape Town

branch. Workers had confidence in these shop stewards and some went over to the FUCSA," he said.

Another shop steward who had been retrenched by County Fair was a supporter of the 'Campaign for Democracy' and had also organised workers for FUCSA, he said.

Mkele said FUCSA had no contact with the 'Campaign for Democracy'. "We've had nothing to do with them. They were not in existence when we started organising County Fair this year."

Mefeki said FAWU and the company settled at R30,50 across-the-board, but "FUCSA promised workers they would get R50. Some workers believed this and participated in an illegal strike", but according to Mkele, FUCSA went into the strike demanding R36, its position after mediation.

"They are going to destroy themselves," said Mefeki. "They are there to counter FAWU, not to represent workers."

No, says Mkele. FAWU lost its members at County Fair due to "carelessness".

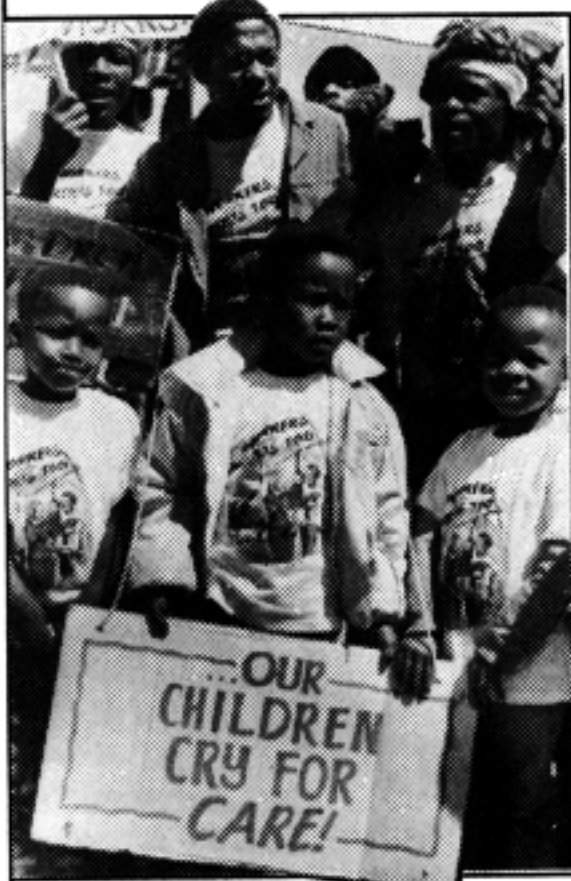
Workers will have to be the jury on this one. ♦

(Cape Town Correspondent)

## The auto settlement and childcare

Auto employers have recognised childcare as a problem to be addressed jointly by employers and unions (as well as parents, the state and welfare authorities). The parties involved in the recent auto settlement (see page 25) agreed that the problem of childcare will "not be solved by additional leave, but by the provision of adequate child-

care facilities in workers' communities". The issue of childcare is to be taken forward through negotiations between shop-stewards and management at a local level. These local



*Childcare is becoming a key issue of dispute for unions*

*Photo: Suzy Bernstein*

negotiations would be obliged to consider the NUMSA guidelines on childcare.

The recognition of childcare as an issue of joint responsibility is a real step forward. Although no concrete plans emerge from the agreement, the commitment to local level negotiations provides the space to put the issue on the agenda in every workplace in the industry. If sufficient local pressure can be applied, communities should be able to involve employers in the provision of childcare facilities. ♦  
(Lael Bethlehem)

## PWV protest stayaway fails

On 17 September, residents from the PWV area ignored a two day stayaway called to protest against violence. The call was made by COSATU, the ANC Wits region and the Civic Associations of the Southern Transvaal (CAST).

Lack of consultation with the community was one of the major factors. It was a normal working day for Soweto residents. Transport services in the townships were not disrupted. The passenger loads of Transnet and Putco were normal. Pupils, however, responded "positively". The townships and the City were full of kids who were moving about

aimlessly, instead of attending classes.

On the way into Johannesburg, passengers in my taxi were discussing the stayaway.

Lack of information and consultation with the community was one of the issues that the passengers discussed. Some said that they read about the proposed strike in the papers. Their ANC branch leaders had not informed them about the possibility of a two day stayaway (that is if they knew themselves). They were worried about losing their jobs in this critical moment of economic recession.

As we were approaching the ANC Head Office in Bree street, one of the

passengers made a very sharp statement: "Those who are in that building don't know our feelings regarding the stayaway. We have hardly digested the signing of the Peace Accord. We don't know its implications and for sure, nobody from the ANC will explain to me about what was happening at the Carlton Hotel. The calling of the stayaway was untimely. Our children still lack the culture of education, and they will now take this opportunity to stay away from school. What is painful is that, our leader's children are not affected by the strike since they are schooling in white areas. Our leaders are not going to lose a day's pay. Their wages or allowances are not measured by production. In future they should learn to consult us."

COSATU Southern Transvaal secretary Amos Masondo admits that the strike was a failure. He says that the stayaway was not properly planned and the timing was bad. Union structures were not consulted.

"CAST approached us very late about the strike. We took a decision on 12 September, expecting workers to stayaway on the 17 th. The whole matter was not discussed by the region and there was not enough time to communicate with the workers. However, the intention was good, since there was a need to register our protest against violence. We have learnt a lesson. That

## LABOUR ACTION

is why the coming strike on VAT is well prepared. It is being discussed by all regions and workers are aware of the strike and its implications," says Masondo.

People should be not taken for granted. Hopefully the ANC, CAST and COSATU have learnt to consult, and feel the pulse of the masses. ❖

(Snuki Zikalala)

### An injury to one, is an injury to all?

#### The 1990 strike at Mercedes-Benz

During the strike at Mercedes Benz South Africa (MBSA) last year, 542 workers were dismissed, (see *Labour Bulletin*, Vol 15 No 4 for details of the strike). In the agreement that ended the strike it was decided that these dismissals would be sent to arbitration. The hearing which took place at the beginning of the year confirmed the dismissals (except for 16 workers who could not be identified from photographs taken by management).

Ironically, arbitrator Chris Albertyn felt the workers' struggle for recognition of their special circumstances in relation to other employees in the industry was a legitimate struggle. They wanted some level of plant bargaining and (according to Albertyn) the union ought to have addressed their special problems with centralised bargaining (*Industrial Law Journal*, Vol 12, Part 3, 1991). Albertyn quoted from the September



NUMSA leadership at a rally during the Mercedes-Benz strike

Photo: Morice/Labour Bulletin

1990 edition of Employment Law (which looked at the MBSA strike) to criticize union inflexibility on this point:

"Once again we find a rigid insistence on observance of the deal struck centrally ... and once again this adamancy causes disaffection on the factory floor ... But the underlying problem was ... insistence o[n] a single bargaining inflexibility".

The hearing centred around the 1989 recognition and the relationships by objectives [RBO] process that went with it. The recognition agreement allowed for 15 strikers nominated by the union to assemble during shift hours for the purpose of picketing at each of the company's entrances. The RBO agreed to prevent mock weapons, including AK47's and bazookas from being brought

into the workstation.

Demonstrations would only take place on roadways.

Albertyn found that all these agreements were flouted during the strike. The pressure is now on the SACP, ANC and NUMSA. All agreed to support the dismissed workers. Indications are that NUMSA will appeal on cases of individual workers. ❖

(Ashwin Desai)

### Strike at Ibhayi city council

The Ibhayi City Council controls the townships of New Brighton, Zwide, Kwazakele and Soweto-on-the-sea. In Port Elizabeth it provides its 330 000 inhabitants with about 3 500 library books, no play parks, no parks, no functioning swimming pools, tennis courts, or

bowling greens, one badly maintained athletics stadium and about half a dozen halls in varied conditions of maintenance or non-maintenance. Almost half of black housing stock in the area is shack, without running water, flush sanitation or electricity (Rory Riordan, *EP Herald*, September 3, 1991).

In the mid-1980's community councillors elected on to the Ibhayi City Council met such sustained opposition from the constituency it was supposedly representing, that many were, literally hounded out of the area. Today the Council has met its most militant opposition from within. Workers employed by the Council have engaged in a series of work stoppages.

**Traffic officers strike**

On 29 April, traffic officers employed by the council began a sit-in strike demanding that Council respond to a series of grievances, many of which were submitted in June the previous year. With the officers off the streets the traffic situation had become chaotic, with people using roads as race tracks. Despite appeals by the ANC and minibus taxi-owners, the City Council refused to negotiate. Finally, the conflict went before the Industrial Council. All the traffic officers were reinstated, including a colleague dismissed before the strike, and the Council agreed to look into the demands not met. The officers resumed duty on 4 June.

**Council workers strike**

The Council had barely caught its breath when about 1000 workers came out on strike on 7 August demanding-back pay owed to them since 1987. As the strike continued through August, hygiene conditions sharply deteriorated in the townships. Sewage pipes in Zwide and Kwazakhele burst, emitting nightsoil and filthy water.

The workers returned to work on August 30 after the Industrial Council ruled that workers should have access to wage records. This was seen as a major victory.

**"Red" sit in**

While the strike was on, residents from Red location began a sit-in at Ibhayi City Council offices. They were demanding an immediate upgrading of an area where it is normal for six families to share a bucket toilet.

The sit-in was called off after the residents were promised R250 000 for emergency relief for 113 families. The president of PEBCO, Henry Fazzie, told the *Labour Bulletin* that residents called off the strike because it was felt the money for emergency victims was the first in addressing the problems at Red Location.

**Financially and politically bankrupt**

The Council's problems continue because it is bankrupt. By August 1991 it owed the Port Elizabeth City Council R6m for services such as water and electricity.

The problem for the Ibhayi City Council is that it does not have the political legitimacy or clout to pull in the nearly R17m in rent arrears owed by residents. If services are cut or scaled down this will make for an explosive situation.

**A way out?**

Rory Riordan-in a perceptive analysis argues that one has to see the Port Elizabeth-Despatch-Uitenhage area as a single unit. Although the area is only home to about a million people it is serviced by nine local government institutions. The area has six town clerks and treasurers, a director of a Regional Services Council and 100 councillors. With the town clerks and director earning an average of R100 000 a year and the councillors R15 000 each annually, apartheid is a costly business. Riordan sees the need for just one council for the whole area consisting of "probably 50 councillors drawn on a non-racial basis, and one town clerk and one city treasurer" (*EP Herald*, Sept 3 1990).

What has been "white" PE's response to the one city, one council idea? Some PE council members responded positively. However, recent signs have been ominous. A Conservative Party member just elected onto the council in a by-election aims to fight all moves towards a non-racial council. ☆

(Authors: Ashwin Desai, Beverly Garson and Shadley Nash /PEN. )

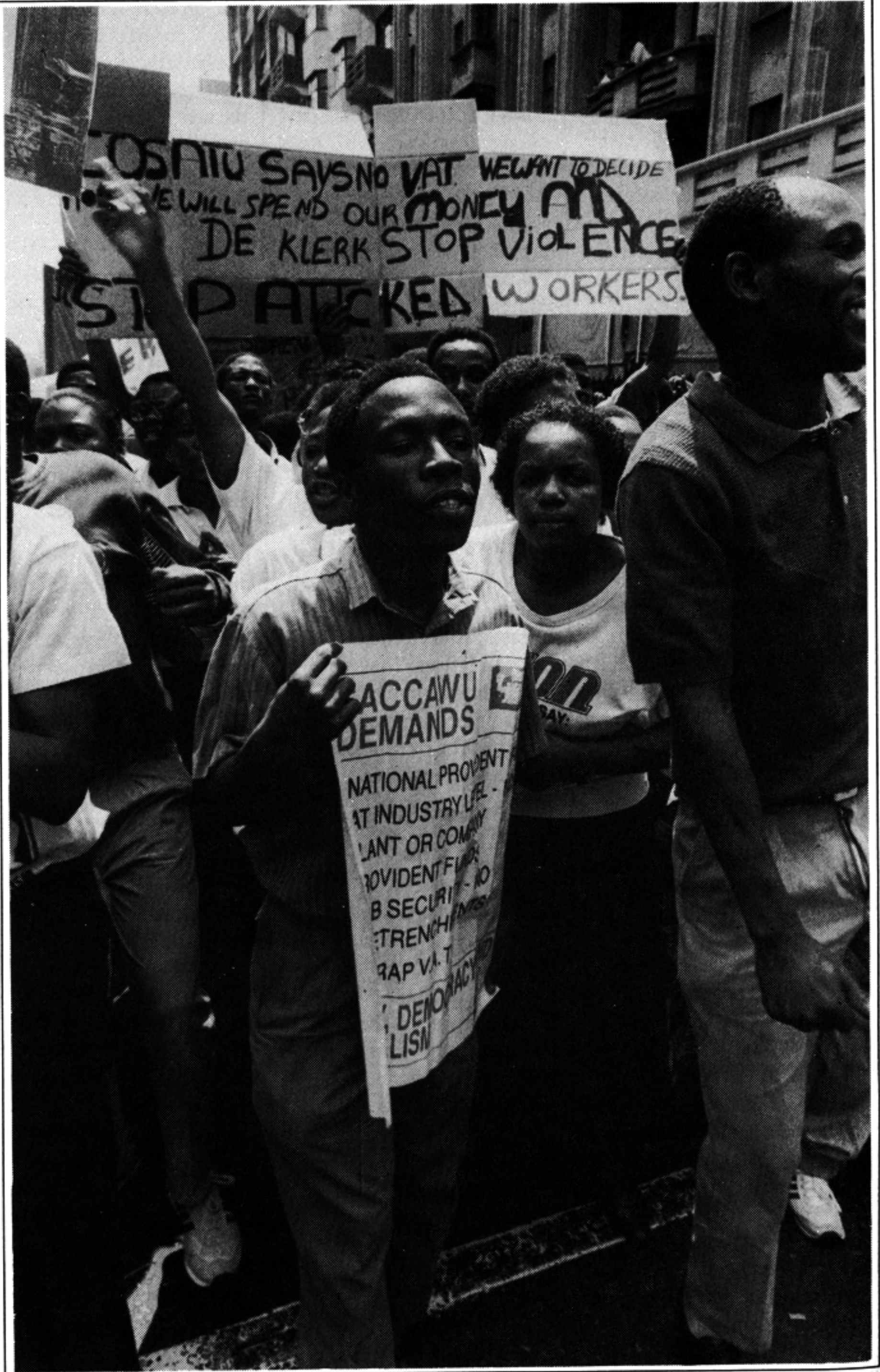


Photo: Abdul Shariff



# National general strike

*“It’s more than VAT, it’s the entire economy”*

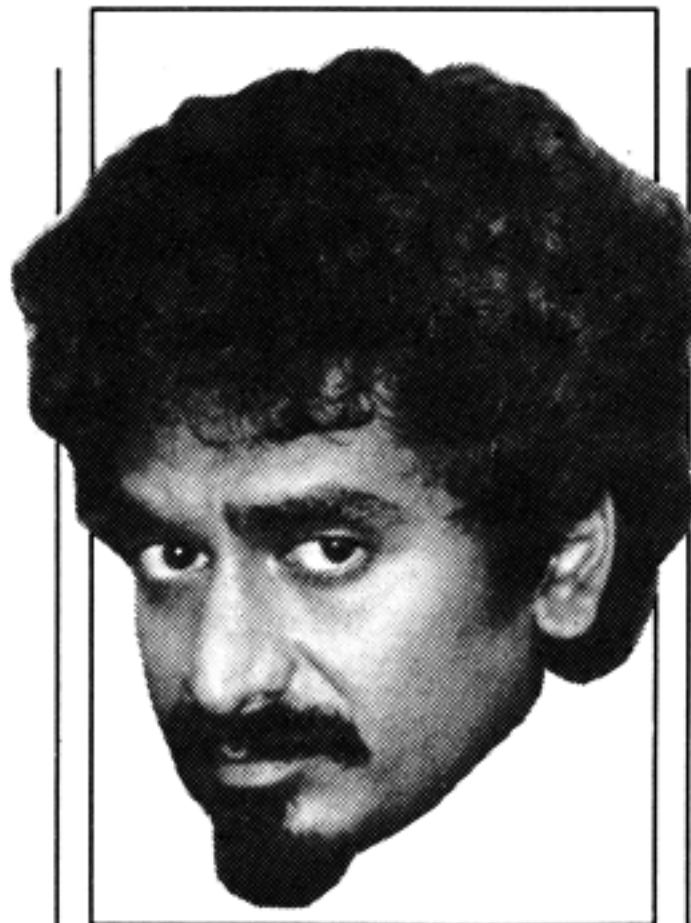
COSATU General Secretary JAY NAIDOO speaks to the *Labour Bulletin*.

**Bulletin:** *What is the central focus of the anti-VAT campaign?*

**Naidoo:** There are two central focuses. One is that there should be no taxation without representation. That is the political thrust. The other is that VAT has a very severe economic impact on our members. The success of the VAT campaign is that it has successfully woven these into each other.

Politically, the campaign has clarified that we cannot accept that the government is legitimate and has the right to govern. We have won that struggle. There is no question of this government’s legitimacy any more, even in the media, because it represents a white minority. We have broken the arguments that the government is a sovereign government.

The VAT campaign is also



a demand for a macro-economic negotiating forum. We intend to drive the government and business into two focuses of negotiations, one socio-economic and the other political.

**Bulletin:** *What impact has the campaign had on the negotiation process and on the relative passivity of the*

*masses over the recent period?*

**Naidoo:** It has given the masses of our people new confidence. Our people have been on the receiving end for a long time - on the receiving end of economic restructuring, and of violence. That has been very demoralising. People don’t come to meetings, they are scared of wearing T-shirts. But now there is a resurgence of confidence that our action can shape the future. There has been a resurgence of mass action – only today 10 000 cleaning workers were marching past our offices demanding an industrial council! – and this has given confidence to our leadership that, yes, we can have an impact on the situation.

The VAT campaign is serving as a vehicle to

channel people's energies, to challenge the government. VAT has ignited the mass component of the struggle for democracy.

It has developed a coalition that has propelled into mass action people and organisations that are not used to this. You have doctors, social workers, the moderate unions, black businessmen, getting up in meetings and saying we have to take action, we have to stop this government. The medical profession is particularly outraged. We have just heard that there have been mass resignations from MASA [the Medical Association of South Africa] in the Eastern Cape, because it is not coming out forcefully enough against VAT. Constituencies that were previously passive onlookers in the struggle between ourselves and the apartheid regime are now choosing sides and taking action. There is a wide consensus that the problem is the government.

We are redefining the agenda of change in this transition period. The campaign is establishing firstly, that the masses do have a role to play in transition, and secondly, that negotiations have to deal with economic as well as political issues.

Our starting point is that it is civil society that has driven the government into crisis, and forced it to opt for negotiations. This is the mass component of our struggle. Civil society will have a

huge impact on transition and on the future democratic South Africa.

The National Party can see this very clearly. Their strategy is to marginalise civil society and deal only with the political parties through the forum of the All-Party Congress. If we allow that, we allow De Klerk to set the agenda. They are surrounded by political parties which they have created, to add weight to their side. It will exclude out strength, which is based in civil society. Our engine for intervening in negotiation and transition is both the political organisations and the organisations of civil society.

**Bulletin:** *What then are COSATU's views on the links between the economic and political negotiations?*

**Naidoo:** The political negotiations take place through the All-Party Conference, the interim government and the constituent assembly. That must not preclude us from addressing the economic issues.

This is a debate in the ranks of the democratic movement. Some believe we are confusing ourselves by entering into a proliferation of negotiations around economic issues that delay the political negotiations. We have a contrary view in COSATU. We believe that political negotiations will actually mean very little to our people unless we deliver very concrete goods to them.

That is the connection that

our side is missing. We will blunder if we think that the process of transition focuses just on political power. If you go to Phola Park, you can't talk about a vote, you have to talk about housing. This is how you win their support.

We need broader macro-economic negotiations to identify the national framework within which we are going to try to resolve economic problems in this country. In that framework, we need to set up a number of working forums, on housing, education, health, technology, investment policy, industrial restructuring, and bring on board constituencies that represent the people there. In that way, we will be able to bring about a fundamental transformation of our society at the economic level.

Economic restructuring is preceding apace in all things - Eskom, the Post Office, the railways, steel plants, financial systems, etc. If we allow this to continue without intervening, the government will deliver some houses or better education to the more privileged elite, and then take the credit. They will engage us in consultation processes as they did with the education working group, which actually lead nowhere. The government appears to be consulting, but unilaterally introduces things that will entrench its position in a post-apartheid South Africa.

We need to block the aspects of government

policies that are going to entrench things and make it impossible for a democratic government to meet the needs of people and address the inequalities of apartheid.

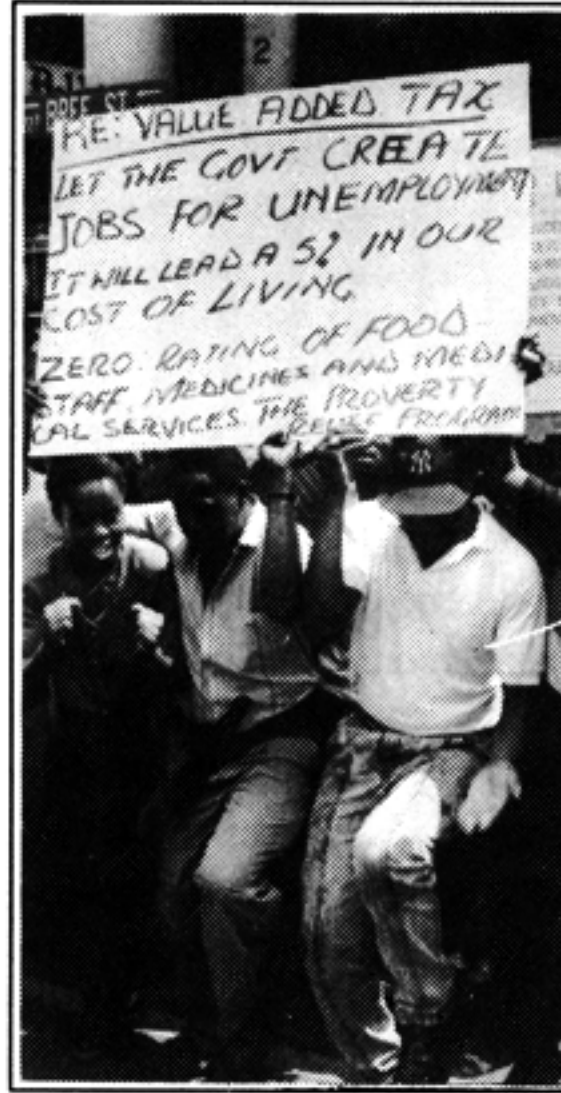
It is critical in this period that we challenge the government for control over the process of transition on all fronts. We need to drive it into central negotiations on political and economic issues, which are linked but independent of each other. So that accompanying the political process, people see that we are delivering on education, housing, health, and change in the factories.

In the democratic movement we need to define a clear negotiating strategy. How do negotiations assist us to deliver the goods? How does it help us in building organisation? How does it raise the consciousness of workers?

**Bulletin:** *De Klerk has accused you of using the VAT campaign to gain an interim government by stealth. Is this true?*

**Naidoo:** Our response was that we are not seeking it by stealth – we are coming openly, through the front door. It is a legitimate, democratic demand.

For us the interim government is not just a slogan. What is important is the content. Negotiations should reflect the positions taken by all major players. Any changes, at any level, have to be negotiated with



*Campaigning for macro-economic negotiations*

*Photo: Abdul Shariff*

the major players.

We do not see trade unions being part of an interim government. But we see negotiations as I have described them as the process on which the interim government is based. And certainly we see ourselves as playing an important role in this process of negotiations, both at an economic and at a political level.

**Bulletin:** *Are you saying that the interim government should have more than a simple administrative function and joint control of the security forces, the radio and TV?*

**Naidoo:** I think that is an important element. We should look at those aspects of government in which we want

to have some sort of joint control and monitoring, particularly in relation to the violence and the public media. But the interim government cannot rule by decree. We will not accept any interim government that rules by decree, even one that is a government of our own complexion.

In South Africa we have enormous problems to overcome. There are high expectations amongst our people. Unless we create a process that legitimises the transition and draws people in and makes the process their own process, they are not going to accept the leadership we offer them. They know that we cannot solve these problems overnight, but they need to have confidence in the process. It is useless to have a very powerful interim government that has no constituency and does not build the power of the people on the ground to take control of their lives. Therefore rule by decree is out.

**Bulletin:** *What impact has the campaign had on the labour movement?*

**Naidoo:** Labour has led this campaign, and COSATU has been one of the leading organisations. It has had a tremendous value in uniting workers across the political spectrum. We have developed a close working relation with NACTU, closer than it has ever been, as well as with independent unions. It is also an issue that has brought on

board the established unions, representing whites, staff associations, white collar workers, organisations like FEDSAL [Federation of Salaried Staff Associations] and the Public Servants Association.

These unions attended the labour summits where a general strike was discussed in principle. They said they would not endorse the strike because it is against their constitutions. They did not attend the union summit where we actually set the dates for the stayaway.

They do however agree with our demands on VAT.

With FEDSAL and the Public Service Associations we have reached an understanding that they are not going to attack the stayaway. The understanding is that they are not going to stand against it.

Our information is that white workers say that during the strike they will not do the work that is done by black workers, saying this is their issue as well. Even the rightwing white Confederation of Metal and Building Unions supports some of our demands. We extend our hands to them, and hope for co-operation in future. We are extending a very special appeal to white workers.

The campaign has laid the basis for building a very broad trade union unity around other issues, specifically union issues - issues like economic restructuring, job security, retrenchment. We built our

own organisations around economic issues, and that is how we can build a broader unity.

**Bulletin:** *What is the political significance of the coalition built around the campaign?*

**Naidoo:** The campaign has demonstrated the ability of the democratic movement to lead a broad coalition of people, including people who do not agree with our policy. The coalition includes small business, even white business, across the board to the PAC, AZAPO, consumer and welfare bodies. We were successful because of the way in which the issue was taken up. The people felt that this is their process and their negotiation.

That is why the coalition still runs, despite the fact that the trade union sector is launching a national strike. Previously a strike would have completely upset a coalition like this. We have broad support from the coalition for the national strike. By being part of the negotiation process and part of the process of reporting back, people are beginning to understand why we need to put pressure on the government, why the general strike has to take place.

**Bulletin:** *How does this affect the position of government?*

**Naidoo:** The breadth of the coalition has an impact on De Klerk. It legitimises the

demand for an interim government in the minds of ordinary people, black and white. White old age pensioners are up in arms on VAT. Municipalities in white areas are up in arms on VAT on water and electricity. It is now plain to see that De Klerk's constituency is the more affluent classes.

This government has absolutely no right, being unrepresentative, unilaterally to do anything in this country. We have been attacked for saying that previously. Now business is saying that ours is a logical view.

The alternative is to ignore public opinion and to ignore pressure of organised constituencies. This will lead to increased conflict and confrontation which will not be solved by the All-Party Congress or any political solution.

**Bulletin:** *What have been the responses of business on these issues?*

**Naidoo:** Organised business has seen that we are serious about the issue. Previously they were totally behind the way VAT was imposed. Now there is a significant difference of opinion amongst them.

Clearly one section of big business wants to smash us, using Thatcherite language. There is another significant section of business that sees that they have got to negotiate and reach an agreement that is binding, an

agreement that will create a national framework within which economic restructuring will take place.

That is the view which is gaining ground because they accept that they cannot destroy COSATU. The disruption to the economy would be too enormous.

**Bulletin:** *Politically, do you think that the democratic movement is now gaining the initiative?*

**Naidoo:** The initiative will be temporary, unless we go into it with a very concrete strategy, with a clear programme. Unless we do that, the gains will be very easily reversed. Already the government is accusing the democratic movement of following a double agenda, of being a revolutionary movement while at the same time wanting to negotiate.

We in the trade unions are very clear about the need for the alliance to develop a concrete strategy at the economic and political level. We need to run these processes simultaneously, and link that to delivering goods and building organisation amongst our people, as well as building the broader coalition. That coalition cannot be built just through events such as the Patriotic Front Conference or the All-Party Congress. It is going to be built through involving people in struggle on issues that really affect them. Such coalitions last much longer than coalitions established in conferences.

**Bulletin:** *Has COSATU consulted the people adequately on the question of the coming strike?*

**Naidoo:** There has been more mobilisation and discussion around this general strike than there has been on any other industrial action that we have taken, and therefore we are confident that the action will be very powerful. Inkatha-gate and the issue of taxation without representation came up at the Congress. Following the Congress resolution there was a Central Executive Committee meeting and mass mobilisation in industrial and regional areas.

**Bulletin:** *With violence going on unabated, what arrangements have COSATU and NACTU made for securing the lives of the workers on the day of the strike?*

**Naidoo:** There are rallies and marches planned for the day of the strike and demonstrations. Obviously, the violence is a key concern to us. That is why we have allowed time to make proper arrangements for the strike.

We are presently setting up monitoring mechanisms on the ground. We are setting up a central monitoring centre. We plan to use mechanisms of the Peace Accord and the dispute resolution mechanisms. We have also appealed to the security forces that there should be speedy action

against agents provocateurs.

Obviously there are forces which are going to try and discredit the strike through stirring up violence. We have issued guidelines on mass action. And the media, especially the black media, is playing an important role.

**Bulletin:** *This campaign has been led by labour and particularly COSATU, and some people are saying that COSATU is usurping the role of the ANC. Is this so?*

**Naidoo:** The ANC is in the co-ordinating committee. But I think the issues of economic negotiations were of more central concern to COSATU. Because the ANC is a political organisation, its focus has been primarily around political issues and political transition.

For us VAT provided the opportunity to place economic issues centrally on the agenda. Macro-economic negotiations are now on the agenda and no one can get away from that.

The campaign could strengthen the alliance enormously and strengthen the movement for democracy in this country. It could create in reality a very powerful coalition around issues of how to achieve democracy in this country. It is not that we are trying to usurp the position of the ANC.

COSATU has always been a political player and intends remaining a political player even if we have an ANC government in power. ☆

# Productivity: “participating to achieve control”



## Interview with Marcel Golding

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*The National Union of Mineworkers has just signed a path-breaking agreement on performance bonuses with the Chamber of Mines. It covers 17 gold mines. KARL VON HOLDT interviews NUM acting general secretary MARCEL GOLDING.*

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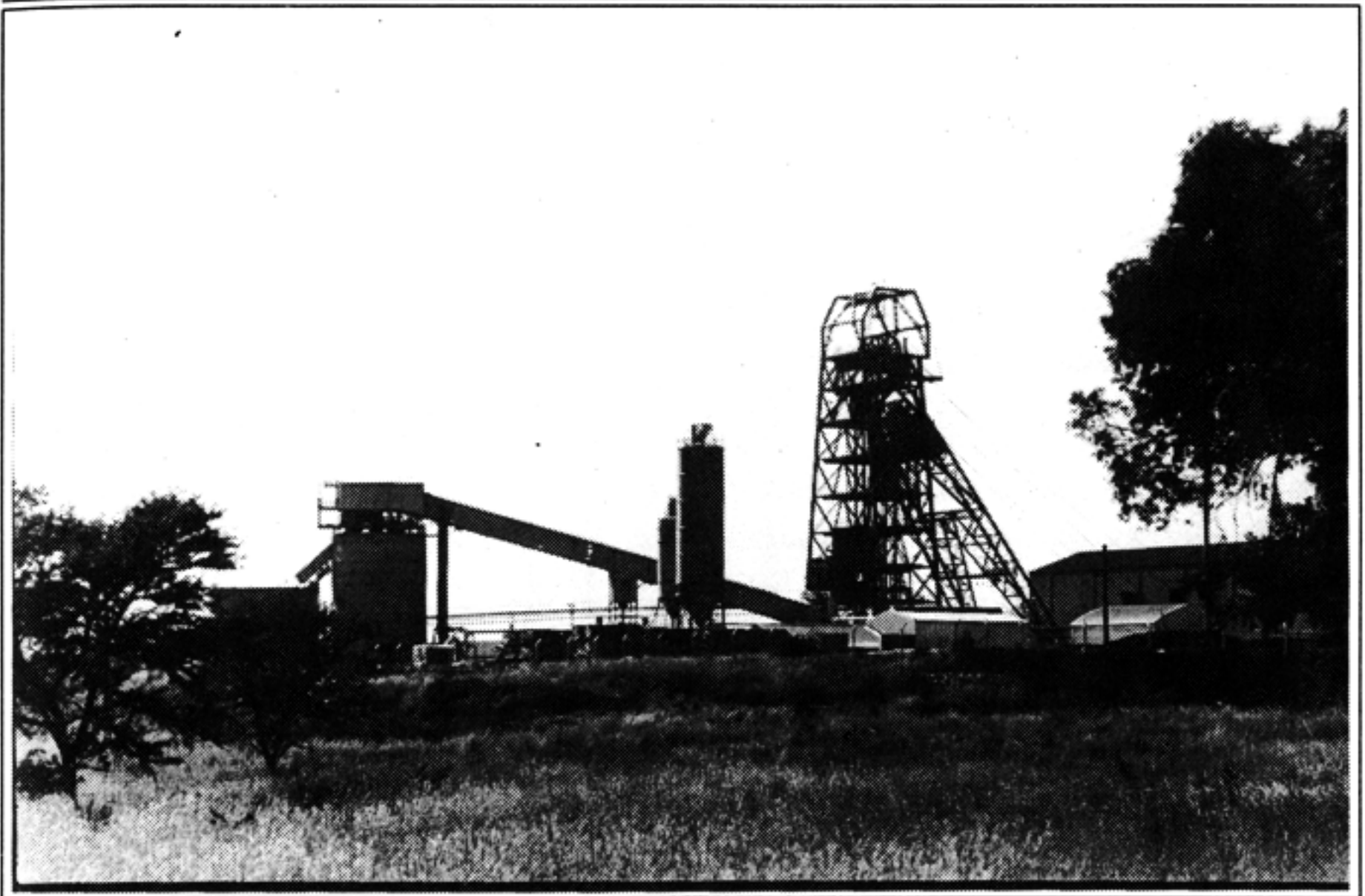
**Von Holdt:** *What is the significance of the new agreement?*

**Golding:** There were four aspects to our wage negotiations on the gold mines this year. We negotiated a wage increase of around 6%. We supplemented it with the gold price bonus. The third aspect is the agreement which we've just negotiated for a performance bonus scheme. The fourth aspect of the negotiations is the social and trade union rights which we have won on the mines.

The performance bonus scheme is essentially something to augment workers' wages. It is important to have central negotiations and negotiate parameters which will set the basis for negotiations over performance and productivity at mine level.

The purpose from the union's point of view is to improve efficiency by means of the performance bonus, and by means of improved training for workers. The successful implementation of this agreement will contribute to the future viability of mines, enhance conditions of work, and improve safety.

**Von Holdt:** *You say the performance bonus is not part of the wage. But it is financial and you did get low wages this year. Doesn't this mean that in effect the performance bonus is part of your wage? Wage rates will remain low, and*



*Crisis-hit industry: performance bonus to increase efficiency on the gold mines*

*Photo: Morice/Labour Bulletin*

*workers will only get a decent increase if they meet performance criteria?*

**Golding:** It will augment existing wage increases, that is true. But the low level of wage increases were because of severe problems in the gold mining industry. The choice we had to make was whether to drive a higher increase with less employment in the industry as a real prospect - or whether we try to achieve maximum employment, and at the same time augment wages and win social rights.

**Von Holdt:** *Although you have an agreement to protect members against retrenchment where there are productivity gains, there may be a gradual decline as management stops replacing workers who leave or retire.*

**Golding:** You must realise our wage agreement and performance agreement form part of an overall strategic perspective which the union has on the mining industry, which we put in the mining summit. The problems facing the industry have to be managed and more

efficiently planned, and for that reason we've called for a permanent mining commission that will try to co-ordinate the downscaling of the industry. Resource-based industries do decline.

**Von Holdt:** *You see productivity and efficiency increases as being one part of managing the crisis?*

**Golding:** Any industry has to undergo transformation and change. That's the only constant factor you have in society - change, innovation, development. There are two ways we can respond. We can either stand by while the process takes place, or we can become centrally involved in the management of the transition. Our union wants to be a central player and will fight to be a central player in the management of transition, so that we can improve the conditions of employment, extend the life of the mines, and improve social conditions generally.

In our industry, firstly you are dealing with natural resources, secondly you are dealing with the backbone of the economy, and

thirdly it has immense social impact if it is decimated in a piecemeal way. The employers want to leave it entirely to the market to determine, and we want to put in place instruments and processes which could combat the effect of the market. We believe the market has to be managed in a way which is beneficial to the working people. It's not beneficial left to its own devices.

The decisions of how to manage the enterprise and to achieve enterprise objectives - we're not going to leave those decisions to management to decide on their own. Because when they decide on their own they have one motive only, and that is profit. We are saying there are other stakeholders, including workers and their families, and communities which live nearby.

The nature of competing enterprises is that they have to contain costs and wastage. In the mining industry it's not necessarily workers who've been wasting - it's employers who have been wasting through mismanagement, excessive abuses, and their lifestyles. When they need to cut costs they say the first thing to go is labour. We say no, the first to go are some of your excesses. To us it's not a problem to have efficient enterprises. It's important, but not at our cost.

**Von Holdt:** *How are you going to be able to use the agreement to contest the broader issues of productivity?*

**Golding:** I think there is scope. The agreement states that criteria for measuring performance must be "fully discussed". Immediately we begin to engage management, the perspectives of our union are put on the agenda. Secondly, the agreement states that training is critical. It is not only workers who require training, but management themselves, because a new culture needs to permeate the mines.

We're going to be challenging prerogatives, challenging abuses. If they raise the issue of containing costs, we'll say yes, but why are you replacing Mercedes Benzes



every two years? Why is the health and safety record going down? Why is management being negligent there? Why do workers still live in hostels? Because people can only be productive if they're educated and trained and

developed, if the conditions under which they live are acceptable, if their work environment is acceptable. That will be a constant struggle.

The agreement opens up retrenchment for contestation. If there is a collapse of the gold price we can understand retrenchments may be necessary. But even then, there should be exhaustive negotiations to seek alternatives. But when they reorganise the production process and say they need to retrench five workers, we say hold on. Production levels have gone up, targets have gone up - these workers must be trained for other jobs.

For us the struggle for greater control over the production process is starting with participation. It is the first stage. To achieve greater control requires training, skills, development. It requires that you understand the technology, management, markets, geology and the requirements of the industry.

**Von Holdt:** *What criteria will the union put forward for measuring collective performance?*

**Golding:** It's a very new area for us, whereas management has been doing it all the time. We're going to have to start working out how to influence targets. But at the same time you've got to consider other issues like health and safety. Look, it's uncharted territory for us.

**Von Holdt:** *Will this agreement change the relation between management and labour?*

**Golding:** It gives us the scope to argue that the behaviour of a local manager is absolutely unacceptable - he's racist, abuses workers, shouts at them. Collective performance will be brought down if the attitudes of some managements remain the same. So you've got to start changing their attitudes. The same could be said of workers. Management can



complain that our workers are always loafing, and argue that if we're going to achieve certain things we need to work together.

This doesn't mean that the interests of management and labour have suddenly converged - they do have separate interests. Or that supervisors and workers have the same interests - they do have separate interests.

But there are common interests. You have a common interest in the life of the mine. I suppose you have a common objective in achieving a greater surplus, and struggles that will involve conflicts over how best to achieve it, whether safety is catered for, or whether there's no training, or whatever. Once you achieve that surplus there's a struggle over how it gets divided. That's critical.

We obviously remain committed to our perspective - which is control of the economic system and social arrangements. We will continue to fight for radical transformation.

**Von Holdt:** *While broad principles and rules of the agreement have been established in centralised negotiations, it depends on the ability of your workers and organisers to bargain over issues like performance and productivity at each mine. Do they have the capacity and skill? If they don't, you will lose any initiative you have gained.*

**Golding:** Absolutely. We do believe we have the capacity. NUM head office will provide a lot of back-up. For example, where management makes proposals they will be forwarded to head office and analysed here.

We plan meetings in the regions to discuss the agreement with our leadership. There will also be training programmes for our shopstewards, and we hope to get time off for this.

**Von Holdt:** *Does the agreement apply to all mines belonging to the mining houses which are party to it? In other words, a mine cannot decide not to participate - the agreement forces all mines to begin discussing performance with the union?*



**Golding:** Right, it applies to those mines where NUM has recognition, except Harmony Gold Mine, where we negotiated a profit-sharing scheme..

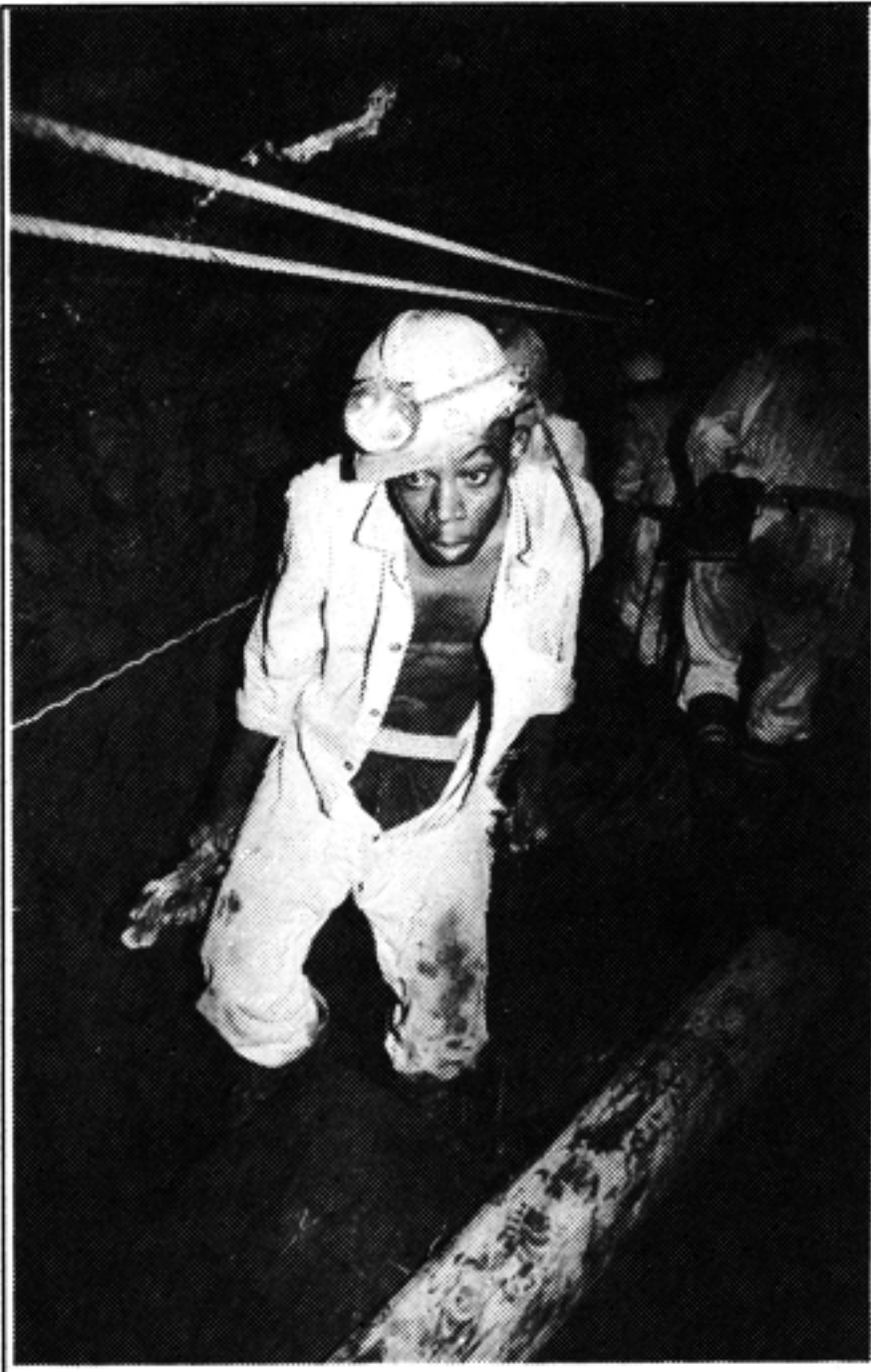
**Von Holdt:** *One of the principles enshrined in the agreement is worker and union participation. What does this mean?*

**Golding:** We are now talking about one of the most critical areas itself, the workplace, and participation in decisions made at the workplace. We are firing the first shots in beginning to challenge managerial prerogative in the production process. We've already challenged managerial prerogative on dismissals and other abuses. But I think through this we are beginning to challenge management's prerogative in decision-making over what they believed was their exclusive right - setting targets, setting the production plan.

I wouldn't say we've achieved that, because to do so you need great insight into the management of resources, you need the technical expertise. But, as we develop the capacity of workers, I believe we could reach that stage. The agreement arms workers with an instrument to say you must talk to us. By engaging with employers you begin to understand their psychology and perspective, to test your own views against the realities which they put on the table. Not everything an employer says is necessarily wrong. You've got to assess it. So you participate in order to achieve control. It's a process.

**Von Holdt:** *From what you say, you don't believe you have been forced by an unfavourable situation in the industry into accepting participation. You are using the crisis - which faces management too - to force them to open new space for you.*

**Golding:** To be quite frank, most of the principles in the agreement are our principles: employment guarantees, health and safety,



*"A tool for workers to contest control": will it work?*

*Photo: Paul Weinberg/Southlight*

disclosure of information, worker participation, training, equitable sharing of bonuses. Never before have the employers agreed to these things. Never! I don't think this is on their terms. We've turned the concept around, so that it is something that makes sense for us to battle on, rather than to ignore. It's the first shot - we'll revisit it later when our capacity improves.

Whether we like it or not they're going to change the production process. They're going to do that. They've done it. What we're saying is we're not going to be a whining chorus and moan on the side. We're going to say, hold on - these are our interests, our concerns, our rights. We see these principles in the agreement as our *rights* in the production process.

**Von Holdt:** *Currently employers are arguing that unions will have to agree to wage restraint and productivity increases to get the economy going. Management is*

*hailing the Ergo agreement, the auto sector settlement and the NUM-Chamber agreement as breakthroughs, that at last unions are abandoning confrontation and accepting co-operation. Are they right?*

**Golding:** I think its a false dichotomy to suggest that when we reach agreements we are pliable, and when we don't we are being confrontationalist. Our settlement this year was a recognition of the constraints in the mining industry. But the other aspects which we won - the social rights - were a major advance which in my opinion places our organisation in a better position to defend the rights of workers in the long term.

For us it was not a case of being persuaded to accept productivity - we've actually gone on the offensive and changed the perspective on productivity by having these principles accepted - principles which I don't think are part of the employers' vocabulary when it comes to production.

They have always operated on the basis of authoritarian management, with the assumption that it is their unilateral right to determine targets and not to disclose information. They have been forced, through the struggle of workers, to deal with us properly and coherently. Changes have not taken place because of employer benevolence. Bitter struggles have been fought to reach this stage, and the casualty list of victims and worker matyrs is high.

On the coal mines we reached a wage agreement which was 17%-12% - that wasn't wage restraint. There we're not involved in a productivity drive with management. Our position is based on realism, on the circumstances which face the organisation and the defence of workers' rights and the organisation itself.

**Von Holdt:** *But if it's so good why don't you take it onto the coal mines?*

**Golding:** We will have to consider this. But we would only do it in the context of an acceptable national wage level - which would have to be substantially higher than at present.

The coal industry can afford this.

**Von Holdt:** *How do you see the significance of this kind of agreement more broadly?*



**Golding:** We've got them to accept that productivity cannot be undertaken without a rigorous perspective of managing transition.

It's not a question of unions all of a sudden being realistic. One must understand that unions have gone through different phases of organisational development. The first phase was to build unions' strength and capacity, and they had different priorities and different concerns. It's not a case of employers always having been realistic. In fact, employers have lagged behind in creative industrial relations perspectives and solutions for many years. It's been the unions on the offensive changing that. To say the unions have suddenly become concerned about production is rubbish.

**Von Holdt:** *What will the effect of the performance bonus be on NUM's wage policy and on centralised bargaining?*

**Golding:** It doesn't affect that in any way. Firstly, the Chamber is still committed to discussing wage policy with us. We're going to try to work out a long term vision of where we're going with wage policy. Secondly, it doesn't affect centralised bargaining in any way. This year was an attempt at a creative solution to the problems we find in the gold-mining industry. It may be that the gold price bonus was not the right direction to go, and that we'll assess next year.

**Von Holdt:** *It does, however, open the possibility for some workers to get decent wages, and others - whether on poor mines or poorly managed mines - will not be able to get decent wages because they cannot get the performance bonus.*

**Golding:** That relates to our broader perspective - our campaign for a permanent mining commission is aimed at bringing some

of the irrationality in the mining industry under control. We are arguing that there has got to be more efficient management of South Africa's mining resources, and the only way that can be done is through better

co-ordination and planning.

We can either go the German route, where down-scaling seems to be managed efficiently, or we can go the British route where there's direct confrontation - where the union five years ago was 180 000-strong, and is now 50 000 and is likely to be 11 000 in three years time. There the mines were nationalised and yet they were decimated.

We're saying nationalisation itself is not the solution. The solution is the capacity of workers' organisations to manage the necessary transition, and not to try to ignore the realities. And one critical factor is that we need a sympathetic and democratic government. That is important. We need a political regime and a political policy that is sensitive to our needs. ☆



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# Marcel Golding describes the gold performance bonus agreement

The performance bonus covers 17 gold mines at Anglo American, Genmin, Rand Mines and JCI. Anglo Vaal and Goldfields are not party to the performance bonus or the gold price bonus agreements – they gave a higher basic wage rate instead.

There are a number of principles which we've identified.

- 1. There ought to be a fair wage structure - that is critical.** The performance bonus scheme is not a productivity-linked wage scheme. Wages are independent of productivity. But gains in efficiency will come to workers as a bonus. This agreement explicitly recognises the right of workers to negotiate fair basic wages at industry level.
- 2. Employment guarantee: no employee will be retrenched or down graded as a direct result of improved productivity.** We do however realise that industry is in a process of downscaling - that is being negotiated separately from the wage agreement.
- 3. Health and safety: increased production efficiency should not be attained at the expense of accident, injury or fatality rates.** Injuries are to be monitored at mine level, with full disclosure of information to our local committees. Health and safety should show improvement under the scheme. Under no circumstances will we accept a deterioration. If that does happen we terminate the agreement.
- 4. Information and monitoring: all information relevant to the scheme will be discussed and disclosed.** After eight sessions we got management to agree to disclose information regarded as sensitive at mine level on request.
- 5. Worker participation: in our view worker and union participation is critical for the improvement of workplace efficiencies and the successful operation of the scheme.** The Chamber has recognised the integral role of the union in the mining industry and restructuring.
- 6. There must be no discrimination in the performance bonus scheme in terms of race or gender.**
- 7. Training commitment - both parties recognise it is only through thorough and**

**broadly based training that sustained improvements can be achieved in production and efficiency.** All participating mines will specifically address the ways training can be acquired to improve efficiency.

- 8. Equitable sharing of the gains: we agreed on two tiers for sharing the bonus.** The first 25% of the bonus will be split equally between all employees. The other 75% will be divided according to wage grade, so the higher your wage the bigger your bonus.

We also agreed on several rules governing the performance bonus scheme. Two of the most important are:

- **The scheme will be based on collective performance, not individual performance.**
- **Criteria for assessing collective performance will be 'fully discussed' at mine level and should be as simple as possible. Against these criteria a realistic and achievable target will be fully discussed and recorded.** The Chamber rejected our proposals that criteria and targets should be 'negotiated' or 'agreed'. However, 'fully discussed' is sufficient to begin to make inroads into - not control, but greater say - over how targets are set, why they're set, whether they're achievable.

The agreement states that the mine will not pay a bonus, or the whole of a bonus, if this causes the mine to make a loss, unless by agreement at mine level. Our view is that if targets are set and met, the bonus ought to be paid irrespective of profit, but we had to compromise.

## Disputes will go to arbitration

These are the principles and rules which will regulate the process of negotiating at mine level. The agreement is a tool workers can begin to use to gain greater control over the labour process and combat alienation. It's a first attempt at an industry-wide framework of productivity, trying to guarantee employment and at the same time improve efficiency. ♦

# New deal for a new era?



## the auto industry settlement




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Unions and employers agreed to establish an industry-wide training board. NUMSA members won the key gain of a moratorium on retrenchments, and in return the union agreed to make up any production lost through unprocedural stoppages in the plants. Is this a first step towards co-determination or a social contract, as many commentators argue? LAEL BETHLEHEM and KARL VON HOLDT discuss the issues.

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*The August strike in the auto industry involved 25 000 workers and lasted for 13 days. It was a difficult time to undertake major strike action – depressed trading conditions may have enabled management to withstand the pressure of lost production.*

*But thanks to strong national organisation, NUMSA members were able to win key demands. The moratorium on retrenchments is a major breakthrough which other sectors will try to emulate.*

### The settlement

The agreement was achieved with the assistance of the Independent Mediation Service of South Africa (IMSSA).

It covers the following issues:

#### Wages

Employers agreed to grant pay increases of R1,15 per hour for unskilled workers, and R1,80 per hour (or 13,5%, whichever is greater) for skilled workers. These increases, which will be backdated to the first week of July, ensure that workers'

wages remain ahead of inflation.

#### Training

Employers and the union agreed to set up an Industry Education and Training Board, which will be controlled jointly by employers and unions in the

industry, and will be funded by the employers.

The education and training agreement is unique in a number of areas:

- Education and training initiatives are to be linked to programmes for "economic transformation" and the restructuring of the industry, and must be updated continuously to meet the needs of a changing economy.
- The industry recognises the need to address the effects of past discrimination on the basis of race and gender and to apply the principle of affirmative action where necessary.
- Training is to be recognised across the industry, and skills should be "portable" and provide workers with career paths.
- The agreement accepts that while trade union and employers have an important role to play in training, the state has an obligation to educate, and that free and compulsory education should be provided to "the highest level the economy can afford." There should be clear links between industrial education and the formal education system.
- Trade union involvement in all aspects of literacy was accepted as a guideline for industry-based Adult Basic Education.

The Industry Education and Training Board was mandated to begin work by no later than October 1991 and to "develop education and training to cover all

workers from sweepers to engineers".

**Productivity and job security**

Employers agreed to a year-long moratorium on retrenchments. It was agreed, however, that temporary lay-offs, short time and unpaid leave may be used to avoid retrenchment.

In return, the union accepted that any plant-specific unprocedural industrial action (this would not include action on broader issues such as stayaways or solidarity action) which led to repeated failure to reach production targets, would entitle the employer to withdraw the moratorium. This is the major concession made by the union.

In addition, the employers and the union affirmed their "commitment to the long term growth and viability of the industry and the protection of jobs within it." They agreed to develop a programme of action to achieve this through the joint industry wide sub-committee on job security and productivity, which was established last year.

The parties agreed in broad terms to negotiate the introduction of new shift patterns and forms of work organisation designed to facilitate international competitiveness, the introduction of fair systems to reduce absenteeism, and to support efforts to improve quality. Such negotiations have been taking place for some time.

**New deal for a new era?**

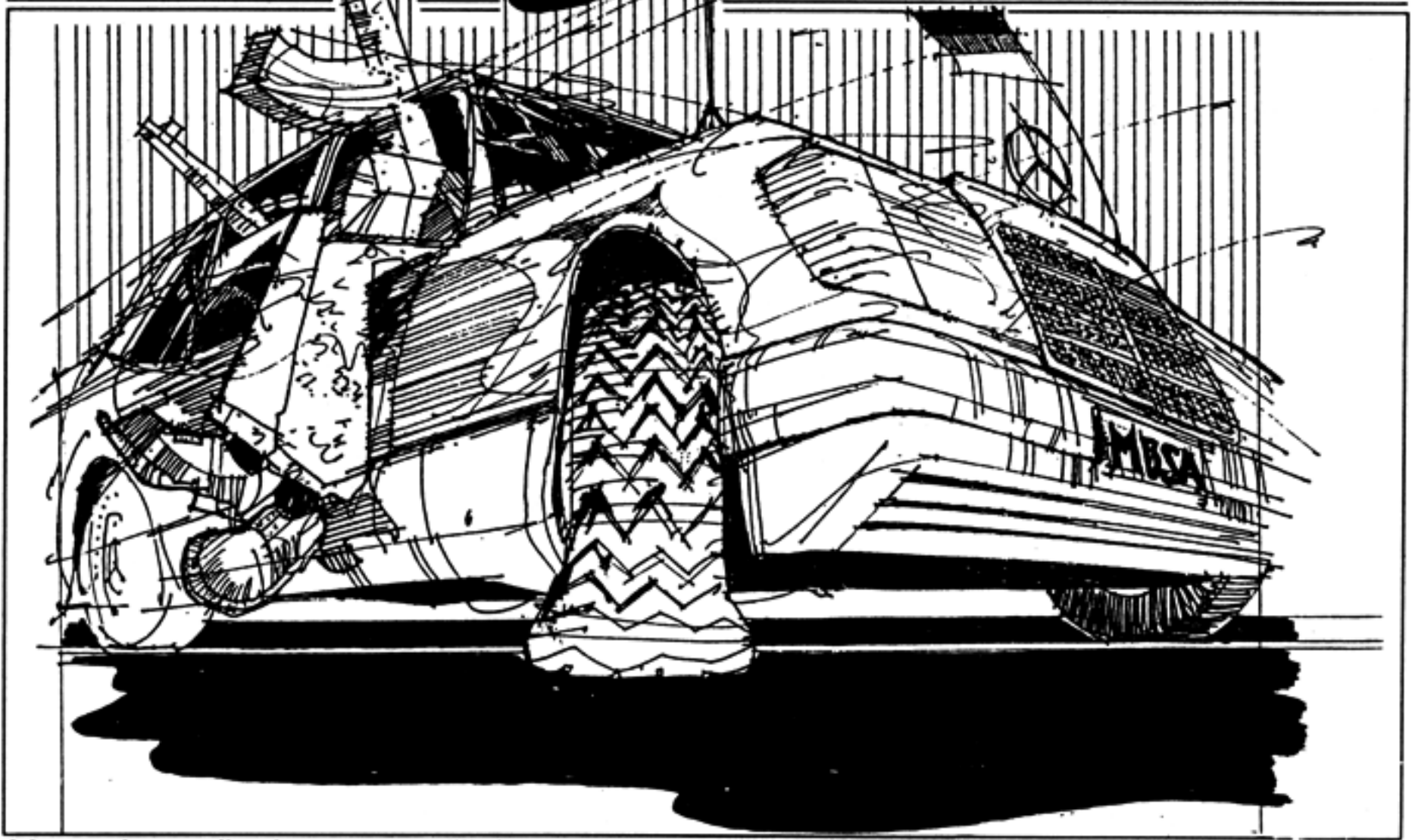
This settlement is undoubtedly a reflection of strong worker organisation and comprehensive union demands. In 1989 the union fought for and won industry-wide centralised bargaining in the National Bargaining Forum (see *Labour Bulletin* Vol 14 No 3). The following year negotiations in the NBF were overshadowed by the unprocedural strike and plant occupation at Mercedes Benz (see *Labour Bulletin* Vol 15 No 4). This year the union is beginning to see the fruits of centralised bargaining.

The new education and training structures provide an opportunity for NUMSA to play an important role in human resource development. These changes will benefit individual workers, and may also discourage employers from retrenching trained workers in future.

**Co-determination?**

Volkswagen's Brian Smith believes the agreement is a breakthrough. It signals "a form of co-determination and co-operation between employers and workers in the industry," he says. "We were influenced by the Ergo settlement. While some of us were upset that we didn't go as far as Ergo, we did make progress on the real issues of training, job security and productivity."

At recent industrial



Mercedes strike last year: will the settlement improve relationships in the industry?

Graphic: Jeff Stacey

relations conferences and seminars, employers and consultants have expressed similar views. The auto settlement, the NUM-Chamber and NUM-Ergo agreements (see *Labour Bulletin* Vol 16 No 1) and the settlement in the metal industry are all seen as signals of a new, more co-operative relationship with unions.

Charles Nupen, IMSSA mediator in the auto dispute, agrees. "Although crafted in crisis, where both parties were in the throes of industrial action, the agreement represented the most complete mutual commitment to the future viability of an industry that I have ever seen.

"The union is saying that it is prepared to commit its members beyond a statement of intent, for example, in

making sure that production schedules are met.

Employers are saying that they recognise the union's interest in protecting jobs with a retrenchment moratorium. So what we got was a win-win situation" (*Finance Week*, Aug 15-21).

But is the settlement really a step into a new era of co-determination? The major new element was that the employers agreed to a moratorium on retrenchment, while the union agreed in effect to control unprocedural action in the plants. The moratorium on retrenchment is a major gain in the recession-bound auto industry. Workers believe management has been itching to implement major retrenchments.

On the other hand, the agreement to end unprocedural stoppages, or

make up lost production, is of great significance in the strike-prone auto sector. The big auto assembly plants are highly vulnerable to industrial action. When workers in one department down tools they can bring the whole plant to a standstill. The union says it is committed to this agreement, and is already making up lost production at Delta. Employers are certainly pleased about this gain.

Bringing wildcat action under control may benefit the union too. A situation where any one department can bring others to a standstill without democratic decision-making by the whole plant is not conducive to healthy organisation.

### Production targets

There are some dangers in

the agreement, though. Union members may find their hands tied at a plant level. The commitment to achieving production schedules implies that workers will accept the targets imposed by management. The agreement makes no mention of worker involvement in determining what the production schedules should be.

Employers are already taking advantage of this. A major dispute is simmering at Volkswagon, where management has introduced new targets in the press shop after a time-and-motion study. Workers argue that it is impossible to attain the new targets, and the union is offering to send in its own time-and-motion study officer so they have something to negotiate over. The company refuses. It claims the failure to attain the new targets amounts to unprocedural industrial action, and threatens to withdraw its moratorium on retrenchments. This is an odd way to introduce a new era of co-determination!

At a broader level, the agreement to address problems of productivity, competitiveness, technology and employment in the industry-wide joint committee is important. NUMSA organiser Gavin Hartford believes it is "critical for the future of the industry". VW's Smith believes it is a first step towards co-determination. Although he feels unions and

management have to hammer out a common approach to productivity, he says union involvement in productivity is an "emotional issue" for management. Smith believes the union's commitment to meet production schedules is effectively "a commitment to increase productivity".

Hartford disagrees strongly. "We are contesting management's right to set targets unilaterally, as they have at VW." As for productivity, "everyone agrees it is a problem, but there is disagreement on how it arises. The next stage is for union and management to put forward their perspectives on productivity. We need a common understanding if we are to negotiate."

Hartford points out that management tends to blame workers for low productivity. "There are many factors - technology, breakdowns, management efficiency. Workers would be crazy to commit themselves to targets while they have no control of these factors."

The settlement in the auto industry does open up new terrain. Together with the NUM-Chamber agreements, this is the first time unions have committed themselves to negotiating productivity as well as the economic future of their sectors. In this they are acknowledging a shared interest with employers.

**New era, new struggles**  
However, employers who expect a new era of

co-operation with unions to dawn, may find it a long dark wait. Unions and employers are approaching these issues with very different perspectives and goals, as the dispute over targets at VW shows. In general, employers seek wage restraint and productivity increases.

Unions are looking for greater power in the workplace and in industrial and economic decision-making. For example, employers initially demanded an Ergo-style productivity-linked wage package, which the union firmly rejected. "For us it is a principle to keep wages distinct from negotiations over productivity says," says Hartford.

*These differences suggest a new era of struggle for control over production, rather than simple co-operation.* In Hartford's words, "The real point about this strike is that in this era of the 'social contract' and the 'new deal', workers can still be the ones to determine what that deal should be."

Both Hartford and NUM's Marcel Golding [see interview, p 19] clearly believe their unions have taken the initiative on these issues, and that they have opened up a new terrain of struggle to end management prerogative in production. Whether the unions manage to keep the initiative will depend on the intellectual resources they can muster, and their organisational vitality. ☆



**NICOLI NATTRASS** recently visited the giant Toyota City plant in Japan, as well as Toyota in Durban. Her conclusion? The SA automobile industry badly needs restructuring. But restructuring might require changes in union policy - like abandoning centralised bargaining.



## No co-operation at TOYOTA

The transformation of Toyota Motor Corporation from a war-ravaged, strike-crippled and technologically handicapped company in 1950, to world leader by the late 1970s, is synonymous with the Japanese economic miracle. Quality circles, just-in-time production techniques and flexible specialization were started or applied early in Toyota car plants. Toyota's stress on quality, elimination of waste, reducing inventories, quick die-changes, reprogrammable robots, the assembly of several models on the same line, and the use of worker-initiated productivity improvements, is widely regarded as a manufacturing ideal to be emulated in the 1990s.

A comparison between the Toyota plants in Durban and in Toyota City, Japan, is thus important for the debate about industrial restructuring. Although I can

provide little more than impressions, the visible differences between the plants raise a number of issues.

### Japanese production, South African production

At one level the comparison is misleading. It takes the plant in Toyota City less than one week to produce as many vehicles as the Durban factory does in a year. Toyota (SA) is a poor relative, operating under a franchise agreement and importing engines complete from Japan. Nevertheless, the Durban plant is a pretty big fish in the small South African pond. It supplies roughly one third the domestic automobile market and employs about 4 500 workers.

The most striking difference between the production line in Durban and in Japan is the degree of mechanisation. In Durban, cramped groups of untidily

dressed spot-welders cluster in the gloom at key points along the line. Directing their flames at the car bodies as they trundle steadily past, they evoke images of the industrial revolution's dark Satanic mills.

In Japan, well-oiled shiny mechanical arms do the welding with chilling speed and accuracy. Workers, smartly dressed in uniforms, with striped caps showing their rank, are visible only when the computer-operated quality control mechanism stops the line. The first time workers appear on the scene is after the body shells have been assembled and spray-painted.

I asked one of the Japanese executives familiar with the South African set-up about the differences. He leaned on a railing and gazed down at the spotlessly clean and brightly-lit Japanese production line. "The quality is better here," he ventured cautiously, "but it's still

\* Nicoli Natrass is based at the Economics Department, UCT



1991 national auto strike: Toyota workers toyi-toyi

Photo: NUMSA

cheaper in South Africa to use welders." He watched the snake-like welding robot speculatively. "But if labour in South Africa gets much more expensive, this might all change."

### The issue of cost

The issue of cost is vital. It is a widely held misconception that Toyota's technological and managerial innovations have replaced 'economies of scale' with 'economies of scope', and that quality has replaced cost as the basis of economic decision making. This either/or formulation is misleading. Toyota's success in the small car market was the result of a winning combination of *high quality at low cost*. By developing

the technological capacity to assemble several models on the same line, Toyota was able to continue reaping advantages of scale while producing shorter production runs on each model.

Understanding the continued importance of cost factors also helps explain why flexible automation technology can be applied in different ways in the labour process in different countries. When management adopts new technologies it is not necessarily committed to developing a highly paid, multi-skilled workforce as well (see Baumann, 1991). The nature of the local market and the existing system of industrial relations,

both play an important role in determining how technology is matched with labour relations.

### Different attitudes to skill

Take for example the use of highly trained labour. The Toyota production system in Japan relies heavily on the multi-skilling of workers. Toyota's flexible use of workers within and between its shops and factories can only succeed if workers are able to handle several machines or stations and perform many jobs. The development of workers' ability to handle different types of jobs is linked to promotion, and forms part of their on-the-job training (Shimokawa, 1986).

Toyota Durban seems to have a rather different approach to multi-skilling. 'Rotational training' is only 'an option' for workers. There is little incentive for workers to move out of familiar routines. "Why move out of a job you know to one you don't?" one worker said to me. "You only expose yourself to being shouted at by a white supervisor."

Management, of course, has a different interpretation of why relatively few workers request rotational training: "Blacks like repetitive tasks," explained the trainee manager who guided me around the plant. "They want to do the same thing over and over. Even if you show them a faster and easier way of doing a job, they want to stick to the old way."

### **The bargain between capital and labour**

Racist attitudes on the part of management are but one aspect of the difference between management practices in Durban and Japan. The nature of the bargain between labour and capital is the crucial factor.

In Japan, employment is understood by labour and management to be a 'life-time' commitment to the company. Rather than 'hire and fire' at various points in the business cycle, Toyota Motor Corporation attempts to keep a relatively stable labour force. The implicit bargain is job

security and production-related bonuses, in return for worker loyalty, co-operation and dedication to increasing productivity.

Most adjustments to changing market demand are achieved by altering over-time hours, shifting production and workers between plants, and, as a last resort, by altering sub-contracting arrangements. Although greater over-time pressure is placed on the individual worker in times of high demand, the reward is relatively high wages and almost impregnable job security. Under these conditions, it makes sense to management and labour to devote substantial allocations of time and resources to training.

The crucial issue is how the interests of workers are made synonymous in key respects with those of management. Given the life-time employment commitment, and profit and productivity-related bonuses, Japanese workers clearly have a direct stake in the firm's economic performance. The existence of enterprise-based unions rather than industrial unions is thus not surprising (Okayama, 1986).

### **Trust**

Trust is a fundamentally important aspect of Japanese industrial relations. Introducing productivity-enhancing changes is a very different

process when the parties trust each other. In the absence of trust, workers will insist on bargaining over employment and wage implications *before* such changes are made.

However, where workers operate in the faith that the benefits will be fairly distributed, then productivity growth is much faster, smoother and draws more on the intimate knowledge of the production process accumulated by workers themselves. In Toyota City, Japan, over two million suggestions (about 35 per worker) for improving productivity were handed to management in 1990. Of these 97% were implemented.

Trust is encouraged in various ways. Firstly, regular consultation between management and workers is built into the labour process. Labour-management council meetings are held ten times a year to discuss wages, bonuses, working hours and the company's economic performance. These are supplemented by monthly plant and shop level meetings, and weekly work group meetings. Regular consultation has been prioritised by management ever since strikes crippled the company in 1950. It is thus a mistake to explain Japanese labour-relations in cultural terms. Co-operation and consultation was a strategy borne out of intense industrial conflict during the early post-war period.

Secondly, the relatively



*Japanese labour relations in Durban?*

Graphic: Labour Research Review

limited social distance between workers and managers makes co-operation and compromise easier. Again, this is not just a question of culture. For example, Toyota insists that all university graduates entering the company spend between three and five months on the production line. The public relations manager at the Toyota City plant started off life in Toyota as an ash-tray fitter. He claims to have several friends on the production line.

Thirdly, the earnings gap between top managers and production workers is far narrower than in Western capitalist countries (Dore, 1982, p xxxi). All employees are covered by the same salary scale and welfare benefits, are evaluated by the same performance rating system and undergo the same step-by step promotion process. There is a strong commitment to 'fair' treatment.

**Industrial relations in SA: 'us vs them'**

It goes without saying that industrial relations are very different in South Africa. When I visited the Durban factory in late July, NUMSA was building up to a wage dispute. There was a palpable air of defiance in the plant, and the production line ground to a halt four times in the hour I spent in the body shop. There seemed to be problems with workers running out of parts and with the general speed at which tasks were being performed. The tour guide was becoming more irritated by the second.

"The blacks just think it's a big joke," he informed us testily. "They're supposed to call for more parts when they have less than ten items in their bin. But not *these* guys. They wait for them to run out altogether, *then* they call for more."

"Can't they be disciplined for it?" asked a fellow visitor. "Phmp!" snorted the

guide. "You complain about *anything* and you get the union on your back. Look at those guys smoking! It's against the rules, but you can't stop them. They just call a shop-steward, stop the line and then you have a big hassle on your hands."

Many of the workers were indeed smoking - a sight you would never see in Toyota City. Japanese security guards ensured that cigarettes were extinguished long before smokers entered the factory buildings.

Safety seemed generally lax in the Durban plant. Not all workers were using the protective gear provided to them. I asked our guide about it. "When these guys are employed," he explained, "they sign a form saying they are going to use the safety equipment. If they choose not to, then it's their problem."

The 'us' versus 'them' mentality was thus clearly evident on both sides of the labour-management divide in Durban - even to the most casual of observers.

**Japanese labour relations in Durban?**

Nevertheless, Toyota management in Durban has attempted to introduce some aspects of Japanese labour relations into the plant. These include quality circles and various other schemes to encourage individual workers to make productivity-improving suggestions.

The high point of the

Durban tour was a brief stop alongside a worker engaged in placing rubber seals on windscreens. Part of his job was to remove brown-paper backing from the sticky side of the seal. The paper was then drawn backwards by means of a wind pipe into a large rubbish bin.

The guide pointed to the ingenious contraption and informed us proudly that the worker had designed and constructed it himself as part of an effort to "improve his working environment". Beforehand, the worker had apparently been knee-deep in brown paper.

"What did he get for it?" I asked.

The guide became enthusiastic: "This improvement falls under our 'siyacabanga' scheme. *Siyacabanga* means 'we think'. The company is trying to turn the workforce into thinking people. If a worker comes up with three of these kinds of improvements, he gets a key-ring and a mug. If he does more than that, he gets a T-shirt."

My mind boggled. I couldn't think of anything that could be more insulting and less motivating to the worker than the knowledge that he was one third of the way towards a key-ring and a mug because of his innovative efforts.

Interestingly, when I looked for his equivalent in Japan, all I found was a robot humming happily to itself as it spewed out sealed window screens at an alarming rate.



Graphic: Labour Research Review

### Incentives for improving productivity

The question of providing workers with adequate incentives to come up with productivity-enhancing improvements is an interesting one. Neo-classical economics suggests that the worker be paid close to the savings accruing to the company as a result of the innovation. The better the invention, the higher the reward.

In Japan, however, the rewards are small. The best ideas are "usually rewarded with prizes, generally of not much more than token size,

and generally consumed in drinks at a work-group party" (Dore, 1982, p xxvii). In the Japanese social environment, praise by superiors, recognition by peers and improved promotional prospects, make social status an important part of the reward. The material side can thus be downplayed.

But there is more to it than this. Workers on the production line in Toyota City are organised into teams which compete with one another for productivity-bonuses. There is thus a strong incentive for workers

## Restructuring SA industry: four views

**S**outh African industry is in a bad way. The manufacturing sector seems incapable of dynamic growth, sustained job creation and significant export production. Everyone agrees that something needs to be done. The problem is what?

The buzz-word these days is 'restructuring'. COSATU, the ANC and big business are all calling for it. However very different things are meant by these organisations.

There are four broad views on restructuring:

- *The free market:* Free-marketeters argue in favour of removing all obstacles (such as tariff barriers) to the smooth operation of the market, and letting the profit motive restructure investment by guiding it into high-growth areas. The extreme version rejects all forms of state intervention.
- *Central planning:* Old-style socialists suggest that the state should directly restructure the economy. Since the collapse of the centrally-planned communist economies, this option has little credibility. Too much control seems to lead to corruption, structural inefficiencies and stagnant productivity growth.
- *Developmental state:* Advocates of this view rely on market forces - but not necessarily the initiative of private capitalists - to restructure investment. The argument is that individual investors may lack vision, guts or the resources to make the best economic decisions. Hence the profit motive is not enough and the state ought to encourage (and even coerce) capital into certain high growth areas. South Korea is a good example. For this model to work, however, the state needs to be efficient and have to capacity to pick and support 'industrial winners'.
- *Reshaping capital-labour relations:* Social-democrats argue in favour of a market economy characterized by institutions which encourage a co-operative and constructive relationship between capital and labour. A strong welfare state is usually assumed. The most cited examples are the German and Scandinavian models. Reshaping capital-labour relations, can however, involve changes at the level of the firm rather than in centralised institutions.

Most new-style socialists advocate some variant or combination of the third and fourth options. The idea of a future South African 'developmental state' has wide support. The underlying rationale appears to be that if capitalists are unwilling to invest in priority areas, the state must ensure that such investment takes place, and takes place in socially acceptable ways.

Another popular view is that capital and labour must enter into a more harmonious relationship, and that labour must have a greater role in decisions relating to investment, production and distribution.

The problem with this particular mix of ideas is that what the state regards as being in the best interests of industry, might well conflict with the aims of the labour movement. For example, the repression of labour was a crucial element in the South Korean success story.

It may be the case that promoting industrial winners involves restructuring industrial relations and forms of worker organisation in ways that run counter to the objectives of the present labour movement. Using Toyota as a preliminary case study. I argue that this could be the case as far as the automobile industry is concerned. ❖

to co-operate in quality circle activities.

Different processes are at work in South Africa. Tatty cardboard signs proclaiming "quality sells" and other insipid slogans adorn the production line at various points. It is difficult to imagine anyone being inspired by them. It is equally difficult imagining workers throwing themselves whole-heartedly into team efforts when (albeit puny) rewards exist for individual effort - as in the *Siyacabanga* and *Eyakho* (meaning 'my own') schemes (see Dewar, 1988).

Judging by interviews with several Toyota shop stewards in Durban, workers have mixed feelings towards the schemes. On the one hand, they accept that the recognition workers receive when they participate in the programmes has a certain rewarding element. However, workers expect the recognition to take them further in terms of promotion than it seems to do. Management appears to regard a round of applause as the main content of recognition. Workers see it as a starting point and are peeved when nothing more is forthcoming.

Workers also expressed dissatisfaction with the scheme whereby, if a worker comes up with an improvement which clearly saves the company money, then the worker gets paid a proportion of such savings. Workers, however, do not

feel equipped to estimate the extent of the savings. They tend to be suspicious of the role middle-level management plays in the process, believing that ideas generated on the shop floor get used by those higher up in the company, who then estimate the savings and pocket the reward. Whatever the truth, the fact is that workers suspect the system lacks fairness. This obviously undermines its success.

### **Restructuring means losing jobs**

Although racial prejudice, paternalism and ignorance are important factors shaping South African management practises, there are rational dimensions to them as well. Firstly, with production geared towards the over-supplied but protected domestic market, there is little incentive for management to force the factory onto the cutting edge of technological advance. Adequate profit can be made by combining automation with labour-intensive production as part of a cost-cutting exercise. Given that technology can be transferred relatively easily from Japan when necessary, there is little need for the Durban factory to build up its own technological capabilities by systematically multi-skilling its workers and seriously encouraging productivity improvements.

If, on the other hand, the plant was exposed to

international competition, the story might be different. For this reason, it may well be in the interests of the labour movement to include the gradual removal of protection in its demands for industrial restructuring. Thus some elements of free-market restructuring could be in order.

However, removing protection will drive some firms out of business. This would be in the interests of economic efficiency, because there are simply too many automobile manufacturers in SA to allow for adequate economies of scale. But that means unemployment for those workers unfortunately employed in the firms which are driven out of business.

It is this problem of economic efficiency and rationalisation which may create tension between the strategies favoured by a developmental state in post-apartheid SA [see box on p...], and those demanded by a defensive labour movement. A developmental state could, for example, actively restructure the industry into fewer plants with longer production runs. Such a radical move would probably be good for efficiency, but bad for employment in the industry. The labour movement would thus probably oppose it.

A potential compromise solution would be for the state to re-train and provide jobs for those workers made redundant as a result of the restructuring. However, to

# Everything keeps going right TOYOTA ?

the extent that this imposes limits on the options of the state, the conflict between the demands of the labour movement and the most economically efficient state strategy remains. Furthermore, by privileging workers made redundant in the automobile industry, other unemployed workers are moved further back in the queue for jobs.

## Problems of centralised bargaining

In the cut-throat world of automobile production, there is a greater convergence of interests between workers and bosses in each particular company than there is between workers across the industry. Given the over-supply of automobiles world-wide, this is the case every-where. A global shake-up is imminent and it has been predicted that Chrysler in the US may not see the end of the recession. It is a sad fact that workers in Ford and General Motors would be better off if Chrysler did indeed collapse.

In such a situation, organising workers on industrial rather than enterprise lines carries certain disadvantages. If industry wages are set through central bargaining, the wage levels would tend towards those which the average firm can afford. Less profitable firms would be

penalized by a higher wage bill than they could afford, and possibly even driven out of business. More profitable firms would be rewarded by a lower wage bill than they could afford.

For these reasons centralised wage bargaining might facilitate restructuring by forcing weaker firms into bankruptcy. But the cost would be that some workers may lose their jobs when they might prefer to keep them at lower pay. Furthermore, if the high profitability firms choose to pocket the increased profits, the labour force forfeits potential gains. If, on the other hand, the high profitability firms pay wages above the centrally negotiated level, their labour force will have little incentive to organise alongside and act in solidarity with the struggles of the average-paid workers in other plants.

Unfortunately, restructuring the automobile industry towards fewer producers with longer production runs implies an increase in unemployment, unless the remaining firms expand into the export market. However, the export option appears limited given the already over-supplied nature of the international market and South Africa's distance from it.

If the post-apartheid state does not adopt a develop-

mental state strategy, restructuring the automobile industry will have to involve elements of the first and fourth alternatives [see box, p 34], namely some market-related changes and some alterations in the relationship between labour and capital.

Firstly, the industry needs to become less protected and more exposed to international competition.

Secondly, labour and capital *in each enterprise* must enter into a more constructive relationship as the fate of each company will hinge upon it. Workers from different firms will be pitted against one another in a struggle to survive. That is an unfortunate consequence of the need to restructure along more economically efficient lines. ☆

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# Unemployment

*"[The] time bomb which could seriously damage civilised society and the success of political democratisation in South Africa"*

**Reserve Bank of SA, Annual Report, August 1991.**

*"If people's basic needs are not satisfied we will be faced with a revolutionary climate, regardless of how well our political policies comply with the norms of a democratic society"*

**Managing Director, ISCOR, August 1991.**

The problems of unemployment and poverty in South Africa are enormous. DOT KEET describes them, and some responses of government, employers and labour.

The magnitude of the statistics on unemployment in South Africa today are horrific - and getting worse by the day, as almost 1 000 new job seekers come onto the market daily and only 125 of them eventually find formal employment.

The national scale of the crisis is also becoming clearer with each new set of

figures. Totals of four to five million unemployed in South Africa are being mentioned in the press (see *The Star* 26/8/91). However, South Africa's central Reserve Bank's Annual Report, presented in August this year, gives a national total of up to six million unemployed.

Reliable independent estimates have been difficult to come by and the Labour Research Service (LRS) cautioned that its own 1990 "guesswork", suggesting more than seven million unemployed, "may be too high an estimate". This has been the figure generally quoted in COSATU until quite recently. However, as attention and careful analyses have begun to

focus in on the problem, even more horrifying statistics have begun to emerge.

In August this year a Senior Policy Analyst at the Development Bank of Southern Africa (DBSA), presented a figure for people outside formal employment of 8,4 million, representing 51,3% of people of employment age in South Africa!

This is a significant leap from the already high unemployment rates of 30-34% recorded under the more positive economic growth rates of the 1960s (5,8%) and 1970's (2,9%).

With a mere 1,4% economic growth rate during the 1980s, only half a million of the 3,9 million *new* entrants to the labour market were able to find employment in the formal sector. DBSA Chief Executive Simon Brand has pointed out that, in the 1960s, 73,6% of school leavers were absorbed into formal employment, whereas the figure has plummeted to a mere 12,5% during the past five years.

With 300 000 to 400 000 new workers coming onto the job market each year dur-

## UNEMPLOYMENT

ing the 1990s, South Africa will need phenomenal annual economic growth rates of 6 to 7% just to keep pace with the growth in the labour force, let alone tackle the backlog of years of accumulated unemployment.

This grave prognosis has been confirmed by a study just released by UNISA's Bureau of Market Research (BMR). This predicts an annual growth of 450 000 in the South African labour force from 1990 to the year 2000, and 510 000 each year from 2000 to 2005. With these rates, the BMR foresees as many as 11,5 million people, or 57% of the working-age population existing outside the 'formal' economy by the year 2005.

### Poverty and deprivation

The term 'subsisting' would be more appropriate for the levels of poverty and deprivation that such a rate of unemployment and under-employment will entail. Already it is estimated that some 17 million people in South Africa are living below minimal subsistence levels!

The National Productivity Institute (NPI) calculates that, between 1980 and 1989, with an average annual population growth of 2,3% in South Africa, but a mere 1,8% economic growth rate, average per capita income has fallen by 5%. The DBSA puts this more concretely in pointing out that GDP per head of population in 1970 was R3 531, but fell to R3 285 by 1989 (which is al-



Strike-hit factory: unemployed workers wait for jobs

Photo: Morice/Labour Bulletin

most 7% down).

Even these figures mask the full proportions of the problem, because such national income averages are pulled upwards by the disproportionate incomes of the white population. As always in South Africa, statistics on every aspect of life for the African population alone are very different to the 'national averages'. Key social indicators of poverty such as South Africa's infant mortality rate of 70 per 1000, or its illiteracy rate of 66%, are considerably higher when statistics are analysed only for the African - and especially the rural African - population of South Africa. Even in the 'better off' urban areas, however, more than 7,5 million Africans are living in 'informal' housing - back rooms and outbuildings, basements of buildings, and temporary 'squatter' shacks, or on the streets.

Quantifying the impact of

unemployment on the African population alone is also revealing. According to the DBSA, 85% of the unemployed are African, although they are only 75% of the total population of South Africa. Of those 'employed' in the 'informal' sector, 80% earn less than R650 a month.

But some of the worst immediate and long-term effects of unemployment are simply not possible to quantify:

- What are the social and psychological effects upon young people of having no prospects of ever getting paid employment, having no hopes for the future?
- What are the economic and social implications for adult men of not being able to develop work skills and experience, or being thrown onto the scrap heap after years of hard work?
- What are the burdens of hidden under or unemployment amongst women:

and are all such women actually even included in the national statistics on unemployment?

### Broader political implications

A recent survey by the Human Sciences Research Council (HSRC) revealed that "all four population groups" in South Africa identified unemployment - or the need for the improvement of job opportunities - as "the foremost problem field" in South Africa today. In the absence of any effective social security net for the great majority, unemployment means a rapid descent into extreme poverty.

Leading figures in the South African power establishment are, of course, less concerned about these effects of unemployment on people, and more preoccupied with the broader national - and international - economic and political effects.

The concern of big business is with the economic underpinnings to political stability. As Anglo-American Chairman Julian Ogilvie Thompson said recently, "No constitution, however sound and wide in its support, will enable South Africa to develop into a stable, tolerant and pluralistic democracy.... The key is not political [but] the problems of poverty and inequity..." The Managing Director of ISCOR is more forthright when he says that "If people's basic needs are not satisfied, we will be faced with a revolutionary climate, regardless of how

well our political policies comply with the norms of a democratic society."

Similarly, powerful directors of government financial policy, such as Bankorp's *Econovision* report for 1991, declares that unemployment is a "time bomb which could seriously damage civilised society and the success of political democratisation in South Africa." The Reserve Bank's further concern is that unemployment "can seriously destabilise society and thwart South Africa's return to international finance ... and considerably weaken the longer-term prospects of growing fixed investment and job creation."

There are important non-governmental initiatives being taken, especially by the trade unions [see p 42], but in the final analysis, the magnitude of the crisis of unemployment requires a national strategy, massive central government expenditure and well planned co-ordinated action. This will also begin to create better pre-conditions for all the other initiatives to have effect. How then is the De Klerk government responding to this national crisis?

### Government responses to unemployment

The South African government's latest response to this grave situation was to announce, at the end of August this year, the expenditure over the next months of one billion rand - half the proceeds from the sale of strategic oil

reserves. This money is to go to 667 selected projects for "socio-economic upliftment". This was announced earlier by President De Klerk in his budget speech in February this year - with great propaganda effect, mainly for international consumption.

This insignificant sum of money for the scale of the problem - and against a total national budget for 1991 of R86 billion - is designed to "ease the plight of the poor", but will produce a mere 59 000 short term job opportunities. This stands in sharp contrast to the comprehensive package of measures introduced by the South African government in response to the crisis of white unemployment in this country in the 1930's [see box, p 40].

Welcomed in the press with great fanfare as a generous "donation to the poor", "a pay bonanza", "a bonsella", government's underlying intention is suggested in *The Star* editorial comment (28/8/91) that this programme will "give a caring face to a government not noted for its sympathy for the poor."

The further thinking behind the present government scheme is revealed in the press statement, on 27 August, from the Ministry of Economic Co-ordination and Public Enterprise: That the one billion rand expenditure will contribute to "economic growth, job creation and social stability". This was reinforced by press comments welcom-

**GOVERNMENT RESPONSES TO WHITE UNEMPLOYMENT IN THE 1930's**

"One of the most successful cases of a nation-wide public works programme was that in South Africa during the 'poor white' era."

The world-wide economic depression of the 1930's combined with factors within South Africa to produce an unprecedented rate of unemployment amongst the white population. By 1933, the number of whites subsisting outside 'formal' employment had reached some 336 000 (about 22% of the working-age white population).

The South African government's response was to introduce a comprehensive package of measures to alleviate the suffering of the so-called 'poor whites' and to provide them with employment or the means towards employment, such as vocational training. Some 59 000 were given direct pauper (poverty) relief, and whites in need were guaranteed education, health services and housing by the state. More importantly, preferential employment opportunities were provided for whites in municipalities, on the state-run railways, and in special army service. The government also introduced special public works programmes for drought relief, irrigation, afforestation, soil conservation and the elimination of noxious weeds. Between 1933 and 1949 some 234 000 whites were directly and indirectly supported by different forms of state employment.

The government also provided massive support to the gold mines, and assistance towards industrial expansion (including the setting up of ISCOR), and cheap transport and marketing facilities for agriculture, as well as direct loans to farmers. The combined effect of such state interventions was to reactivate the national economy and create employment for whites. The last was also guaranteed by the application of the notorious racial Job Reservation laws that kept specific types and levels of employment specifically for whites alone.

According to an analysis by the DBSA, the lessons for today from the successful special employment programmes (SEPs) for poor whites in the 1930's are that

- \* training, education and vocational guidance must be provided to the unemployed to empower them to participate effectively in the economy;
- \* priorities have to be set for the utilisation of scarce resources, by choosing projects with employment potential in view, and targeting the participants desired;
- \* SEPs must be accompanied by measures aimed at structural changes in the economy for future improvement and a fundamental solution to unemployment;
- \* such a comprehensive state programme to combat unemployment "benefits from efficiency and enthusiasm of the state institutions and personnel involved."

In brief, what the South African government and its employees were committed to do for unemployed whites in the 1930s must now be applied, with the same zeal, to dealing with the much greater unemployment now affecting many millions of blacks. During the 1930's, the government made substantial reallocations within the national budget from such sectors as Defense, the Police and the Post Office to a package of public works programmes. This amounted to almost 16% of the national annual budget of the time. Applied at an equivalent rate to the 86 billion rand national budget for 1991, the government should be allocating 13.5 billion rand to poverty alleviation, social upliftment and job creation rather than the paltry one billion rand it has just announced. ☆

ing the scheme aimed to "rescue South Africa from a further slide into violence and instability ... ensuring social stability and creating a climate for investment". (*Saturday Star* 31/8/91)

The *Business Day* editorial (29/8/91) reflected business concerns at "bureaucrats being in charge of the schemes", and doubts about their "ability to produce 'one off' projects with enduring benefits". It calls for the

schemes to be "co-ordinated, keenly monitored and popularly supported." The South African Chamber of Business (SACOB) criticised the government's "ad hoc" approach, arguing that the scheme "should have been strategised along the lines of a social accord [with] broad consultation." SACOB expressed the fear that the government approach of "throwing money" at the problem will raise amongst

the poor "expectations that are not going to be toned down, as they should be" (*The Star*, 28/8/91).

**Reactions from the trade unions**

The most comprehensive response from the trade unions came in a COSATU statement on 30 August. It called for "a comprehensive approach to a national economic reconstruction programme, not continued

unilateral and ad hoc measures by the government, based on narrow interests and political considerations." This last refers to government endeavours to "prop up discredited government structures such as [local government] apartheid councils, and buying votes in future elections."

The statement goes on to point out that COSATU has already placed the pressing problem of retrenchments and unemployment high on the agenda for its proposed national economic negotiations with SACCOLA and the government. However, it goes on "while one arm of the state drags its feet in agreeing to these negotiations, the other arm ... allocates money into a vacuum."

The COSATU statement argues that if public works programmes to create jobs are not developed "through negotiations with key political parties, trade unions and community organisations, they will fail, as they have failed in the past." This recalls the government Special Employment Creation Programmes that have been in operation since about 1983.

### "Special Employment Creation Programmes"

In the years from 1985 to 1990, a sum of R719 million was spent by the government on "special employment training" for unemployed people not on UIF. Such training was done on-the-job

through private contractors who received R10,50 per day per worker, while the workers themselves received R7,00 each per day.

As a DBSA analysis of the schemes points out,\* no permanent employment opportunities were generated and no physical assets or social infrastructure were created. Furthermore, the projects were inadequately planned, designed and co-ordinated; the governmental institutional capacities were inadequate to monitor the projects; and they were not integrated into an overall development programme.

Finally, in many instances, permanent workers were actually replaced by contractors who took on what amounted to ultra-cheap labour subsidised by the government payments for so-called training on the job.

The government's formal "training schemes" for the unemployed in these years are also an object lesson on how such things should *not* be done. More than R422 million was spent, ostensibly to train 1 290 000 unemployed people. Of these, some 30% were later placed in employment, while the rest went into the 'informal' sector (often just a euphemism for semi-or under-employment). The greatest beneficiaries of these schemes were, in fact, the hundreds upon hundreds of private contractors who provided the 'training' in 'formal' and 'informal' sector skills, and

received R22 per day per worker 'trained' while the workers themselves each received R7 per day.

The training, the monitoring and the results of such schemes have been inadequate to the huge sums of public money being spent. At the same time, the amounts being spent have been totally inadequate to the scale of the problem. The effects of such schemes on the most serious sectors of unemployed in the population and geographical areas of the country, on the scale of unemployment in general and on the economy as a whole have been negligible.

Finally, the privatised, commercial approach is clearly open to waste, inefficiencies and abuse, and stands in marked contrast to COSATU's call for job creation schemes that are developed out of a process of full consultation, that are properly monitored by those most concerned, and that benefit those most in need.

This is where the fundamental differences lie between the trade unions' approach, and that of the government - which is more concerned with PR for consumption abroad and political vote-catching at home, and with patronising philanthropy to 'the poor' rather than national economic and social development that *trains, employs and empowers* people. ☆

\* See Lolette Kritzing-Van Niekerk "Public Works Programmes in SA", August 1991.

# Employment creation programmes

## COSATU outlines proposals

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COSATU has declared its intention to place retrenchments and job creation high on the agenda of negotiations with employers and the state. Could such emergency schemes pre-empt future national development programmes? DOT KEET raises the questions.

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**C**OSATU believes that job creation should be a central issue negotiated in a national forum by the labour movement, SACCOLA (the SA Co-ordinating Committee on Labour), representing employers, and the state. In preparation for such negotiations, COSATU held a workshop in August on employment creation programmes. The workshop drew on the knowledge and experience of participants from affiliate unions and unemployed workers' organisations, as well as academics and other specialists.

**Public works programmes**  
At the workshop participants stressed that job creating

schemes should directly serve the needs of communities, urban and rural. Examples are the construction of housing and social amenities, such as schools, clinics, community centres and arts and sports facilities, and water and electricity supplies.

Participants decided that job creation schemes should start with this kind of project, and "thereafter... focus on other areas of job creation", such as the building of roads, dams, irrigation schemes, environmental development and protection and so on.

The guidelines that emerged from the workshop, however, seem to focus on the latter, larger-scale government public works

programmes. This may well be because the unions would feel more comfortable with such projects than with numerous smaller, more varied community-based projects that fall outside their more established areas of organisation and expertise.

Furthermore, smaller community-based, specifically community-serving job creation projects should probably be the main responsibility of the respective community organisations, rather than trade unions.

### **Special Youth Programmes**

The COSATU workshop also proposed to combat unemployment with the

creation of Special Youth Programmes. This proposal draws on the experiences – positive and negative – of ‘youth brigades’ in other African and Third World countries, such as Cuba and Nicaragua, as well as the ‘New Deal’ Civilian Conservation Corps set up for 2,5 million young men in the USA during the 1930’s depression.

The COSATU workshop participants emphasised that such ‘youth corps’ in South Africa should

- be based on a voluntary ‘call up,’ and should not be militarised in any way;
- be aimed at community service projects or special environmental programmes;
- involve young people aged 17–25, but not draw any away from their schooling;
- offer remuneration including food and accommodation to supplement monetary wages or ‘an allowance’;
- involve the better educated youth in literacy, numeracy and other training for other workers on job creation programmes.

### Training

The workshop emphasised that training should be an intrinsic part of all job creation programmes. People should be trained *before* they go onto such programmes, for example, preparing unemployed people to be the supervisors in the labour-intensive road



*Promoting special employment programmes during the USAs 'New Deal'*

*Graphic: Posters of the WPA*

building projects proposed to the workshop. And training should continue *during* the work, in order to provide some sort of movement forward (“career path”) within the programmes. This would also equip workers for jobs after leaving the programme. One suggestion – also coming out of the US experience – was that participation in such special employment programmes should be

promoted as a qualification – a sort of apprenticeship – for employment in the mainstream.

### Participation

However extensive and varied such special employment programmes are, they will not - for some time at least - be able to embrace all the millions of unemployed people in South Africa. This raises the thorny

question of *who* gets jobs and the *criteria* for the selecting them.

Obviously the first criterion must be that they are genuinely unemployed. One way would be through a national register of unemployed not on UIF, but that would be difficult to set up in South African conditions. Means testing is also extremely difficult to implement... and degrading to those involved.

It was pointed out that the level of wages, at R200 – R300 a month, and the type of labour on offer in such programmes can ensure that only the unemployed - and most needy - will apply. This is called "self-selection".

However if such programmes are to target key sectors – such as the the rural areas, or long-term unemployed, those with many dependants, and women, especially single mothers - then a selection system will be necessary. Some possibilities to be considered are

- a geographical quota system guaranteeing a certain proportion for each township, rural community or other area;
- 'democratic' selection of those in most need by and within communities, where the projects are small-scale and community-specific;
- 'random' selection by

ballot, where large numbers of workers are involved on larger 'non-community' public works projects;

- 'affirmative' selection on the basis of two ballots – one for men and one for women – to ensure a pre-determined percentage of women\*.

Thus, although COSATU believes that the criteria for selection for employment schemes must be as simple as possible, the scale and complexity of unemployment in South Africa today means that selection may not be so straightforward.

The workshop agreed that selection should be entirely independent of political, religious or any other affiliation. However, the Unemployed Workers Unions (UWUs) argued that their members should be given priority for training and employment programmes. This may, as Mo Mohommed of the Western Cape UWU argues, provide an important incentive to the unemployed to join such organisations - with benefits to themselves, to the organisation of the unemployed *and* to organised workers.

This could, however, lead to the accusation of 'jobs-for-the-boys'. It was therefore suggested in the workshop that membership

of an UWU should not be a formal criterion for employment selection. It should be up to the organised unemployed, themselves, actively to ensure that their members are informed and prepared to benefit from whatever training or employment opportunities arise.

But a more problematic area for COSATU is the danger that existing workforces will be displaced by those being taken on to work on special public works programmes. COSATU's workshop report declares that "there is no danger of retrenchments of existing workers", because such schemes will be "new work... on separate negotiated terms."

Nonetheless, the government could avoid expanding existing public works where workers are covered by current agreements, and replace them with 'job creation programmes' or special youth programmes at lower wage rates and on less favourable terms for the workers. How will the unions prove, or know, that this is happening? This raises important questions about the planning, implementation and control of special public works programmes.

### Planning and control

The guidelines from the job creation workshop

\* It has to be pointed out that the workshop did not challenge the notion that 'women cannot work on labour-intensive construction programmes' - ignoring the contrary experiences of India, China and many other Third World countries, and the fact that throughout Africa it is women who do most of the heavy agricultural work.



recommend that a "National Controlling Body be established to implement the public works programmes - the unions, community organisations, employers and the state must be represented on this Body". The workshop report also notes that "there must not be excessive centralisation. The Body must consist of semi-autonomous Regional and Local Structures."

In the workshop discussion, Tony Ruiters, COSATU national coordinator for the Living Wage Campaign and job creation initiatives, stressed that the establishment of general principles and strategic coordination should take place at the national level, but the monitoring at the regional/local level. "The driving force to co-ordinate, control and supervise such schemes would come from the participating structures," he said.

Other contributors questioned whether such local bodies

- would be part of the existing, and discredited, local government structures;
- could be the emerging new local government structures, in which some civics are now involved;
- should be new non-governmental organisations, or community-based bodies, independent of government altogether, in order to be able to monitor effectively.

Most importantly of all, the question was posed, as to the "danger of COSATU

being part of the bosses [on a body which] will be responsible for negotiating the wages and working conditions with the workers employed in the projects."

unwilling to argue over wages. What is more, the need to plan the financing of such projects means wage levels will probably be decided long before the



*The myth of the informal sector - not the real way to create employment on a mass scale*

*Photo: Morice/Labour Bulletin*

### **Wages and conditions**

There is a widespread assumption that, in periods of high unemployment, workers on job creation programmes should accept lower wages or no wages at all. The workshop report states that "COSATU might have to compromise on the question of a living wage for all, with regard to these projects." It does, however, stress that "COSATU must not move away from the principle that the workers employed in these projects will negotiate the wage levels to be paid."

In practice, however, workers in such circumstances are notoriously unable or

workers are even selected. Would COSATU's suggestion that such wages and conditions must be negotiated "by unions affected by these projects" then mean unions negotiating on behalf of potential workers who are not their members? Perhaps the organised unemployed in the (at present very weak) UWUs would be better placed to negotiate on behalf of the unemployed.

Most seriously of all, however, the trade unions would have to try to negotiate for the same wages and conditions as they demand for their own 'properly employed' members - or be seen to agree to lower terms for the weakest

## UNEMPLOYMENT

and most vulnerable members of society. Difficult questions have to be posed:

- Can trade unions argue for low wages for the unemployed on special schemes, while continuing to fight for higher and continuously improving wages for their own members?
- Can trade unions argue for hard, labour-intensive, low (or no) technology projects for the unemployed, while arguing for high(er) technology and high(er)-skill training for their own members?
- How do trade unions view the risks of operating on 'double standards', of possibly contributing towards the creation of a new 'dual work force' in South Africa?

According to Tony Ruiters, "We will have to live with that contradiction: different work schemes, different methods, and possibly even different wages. We will have to live with a probable dual labour force for a while. The question is how we get people transferred from one type or area of work to another ... On-the-job training is essential."

The creation of low-wage employment schemes could have a serious impact on the labour market. The greatest number of South Africa's working people will continue to labour between 'mainstream' unionised and relatively well-paid workers

on the one hand, and 'special employment' low-paid workers on the other. Will the achievements of the organised workers pull their wages and conditions upwards, or will the special low-wage sector pull the entire labour market downwards? Could such large-scale low-wage projects reinforce South Africa as a 'low wage' economy, with relatively small pockets of well-skilled, secure and well-paid unionised workers?

Finally, there is the dilemma of 'trading off' wages against the number of jobs to be created. Figures presented to the workshop suggest that one million jobs at below subsistence wages (R10 per day) would cost R6 billion. Alternatively, one million jobs at subsistence wages (R30 per day) would cost R18 billion, approximately 21% of the national budget in 1991. What these two scenarios do not pose are the possibilities, and necessity, to *change* the South African national budget - its sources, size and directions of expenditure.

### The finances

The guidelines from the COSATU workshop recommend that

- the existing budget allocation of some R8 billion to government public works must be utilised more effectively - with careful planning, different

methods of organisation and with labour-intensive techniques - to employ many more people;

- the government budget itself must be restructured to transfer money from less important or over-funded departments towards those that create employment - such as public works programmes and other job creating, socially necessary areas such as education and health;
- the national budget, as a whole, must be increased by imposing a special tax on business to raise money for employment creating programmes.

An alternative approach to business suggested the creation of positive incentives for the employment of more labour. It was noted that South Africa's tax system has, to the contrary, actively encouraged business to resort to capital-intensive production, and government has thus directly contributed to the replacement of labour by machinery and the aggravation of unemployment in the country.\*. This policy should be totally reversed, it was said, and business should receive tax relief for expanding their labour force.

Further suggestions raised in the workshop discussion were that measures should be taken to discourage or forbid dividends from leaving the country so that these massive sums of money can be used

\* And this is now being reinforced by VAT which is not applicable to industrial machinery.

for productive investment to create employment here.

It was also suggested that foreign funding should be sought – such as foreign NGO aid agencies, UN development agencies and even the World Bank. This proposal could hold great dangers, however. Such agencies will be coming into

South Africa in the near future with large sums of money and power ... and their own agendas!

The South African trade union movement will have to be well armed with its own development strategies, to counter the imposition of inappropriate development models from outside. This is,

however, also of immediate relevance in the context of its campaign for employment creation programmes, for there is a direct relationship between longer-term national economic development and short-term emergency employment creation programmes ... and vice versa. ☆

## Some questions

The fundamental solution to unemployment in South Africa has to lie through the revitalisation of the economy with integrated balanced development strategies.

But a comprehensive development strategy will only have any chance of implementation when there is a new democratic order in South Africa. In the meantime, there is an urgent need for employment creation programmes to start tackling the unemployment crisis. What, however, will be the relationship of such immediate employment creation programmes to a future strategy for economic development?

Thus far, COSATU's statements on the subject have not been entirely consistent. The key resolution on the subject at the Fourth Congress states that a public works programme to address the problem of unemployment must be "part of a macro-economic reconstruction programme." The job creation workshop report suggests a more immediate emergency programme ("One million jobs by June 1992!"), as distinct from the longer-term aims of "full employment and a living wage for all." Tony Ruiters draws a distinction between "some elements" of job creation schemes which are "basic alleviation of unemployment", and others which are "part of COSATU's attempts to get the economy going."

It is important that COSATU reaches clarity on whether job creation programmes should be emergency transitional arrangements *until* a national reconstruction programme has been adopted, or whether they should be *part* of such a programme. Either approach will raise difficult questions.

- How can immediate special schemes, involving lower wages and worse conditions, be prevented from becoming a long-term feature of the SA economy, and actually affecting the starting point and feeding into the content of the 'new economy'?
- Alternatively, how can job creation programmes be 'new separate forms of employment' based on low wages, but at the same time be part of broader national development strategies that must be based on better and more humane working conditions?
- As with so many other issues in this transitional period, how is COSATU going to negotiate the creation of immediate employment programmes that are bound to be compromise arrangements, without affecting the longer-term development prospects?

The challenge to COSATU will be to negotiate interim employment creation programmes that will not pre-empt - or run counter to - more appropriate longer-term macro-economic programmes to tackle the root causes of unemployment and poverty in South Africa. ❖

# NACTU: restructuring to meet the future



NACTU is merging affiliates to form single industrial unions. It is actively pursuing unity with COSATU. It has arranged a university training programme to equip its leadership for their role in a new South Africa. General Secretary CUNNINGHAM NGCUKANA, talks to SNUKI ZIKALALA.

**Labour Bulletin:** *Nactu has been seen as moving closer to unity in action with COSATU. Is this so?*

**Ngcukana:** The question of unity between NACTU and COSATU is not a simple event. There are problems and stumbling blocks which have to be overcome. Politics is one of the hurdles to be crossed. However, I don't think just because we differ in politics there is no room for unity in action. It also depends entirely on the leadership. If it has a vision and imagination, a number of problems can be solved.

NACTU, as a working class organisation, is not officially aligned to any political organisation as is COSATU, which is aligned to the ANC and the SACP. What we have done as a trade union federation, is we

have supported a political platform that is in the interests of the working class. We believe this is a correct position, since it allows us to retain our own independence. In this position we are able to criticise any political programme which we believe might affect the interests of the working class.

We believe a trade union federation can be a parliament of the working people coming from various ideological backgrounds. It is only in such a federation that we can adopt a political programme which will defend our interests. This will also safeguard our independence, since we will not be aligned to any political organisation.

**Labour Bulletin:** *NACTU has committees which will facilitate the*

*merger of its affiliates into single industrial unions. What are these sectors and who is their membership?*

**Ngcukana:** The mergers are part and parcel of the re-organisation of NACTU. This is one of the pillars of restructuring and rationalisation in the federation.

Our target for mergers is 31 March. We are bringing together small unions which are in transport, metal, catering, food and public services. In each of these sectors there is more than one union and this affects our organisational work. Belonging to different unions in one industry makes it impossible for us to co-ordinate our activities and to speak with one voice.

We have taken a very strong decision on the question of mergers. If a union

does not want to merge, it will be expelled from NACTU. This is not an easy task to undertake. There are questions of personality and of positions being defended. This is a process of rationalisation and restructuring of our federation.

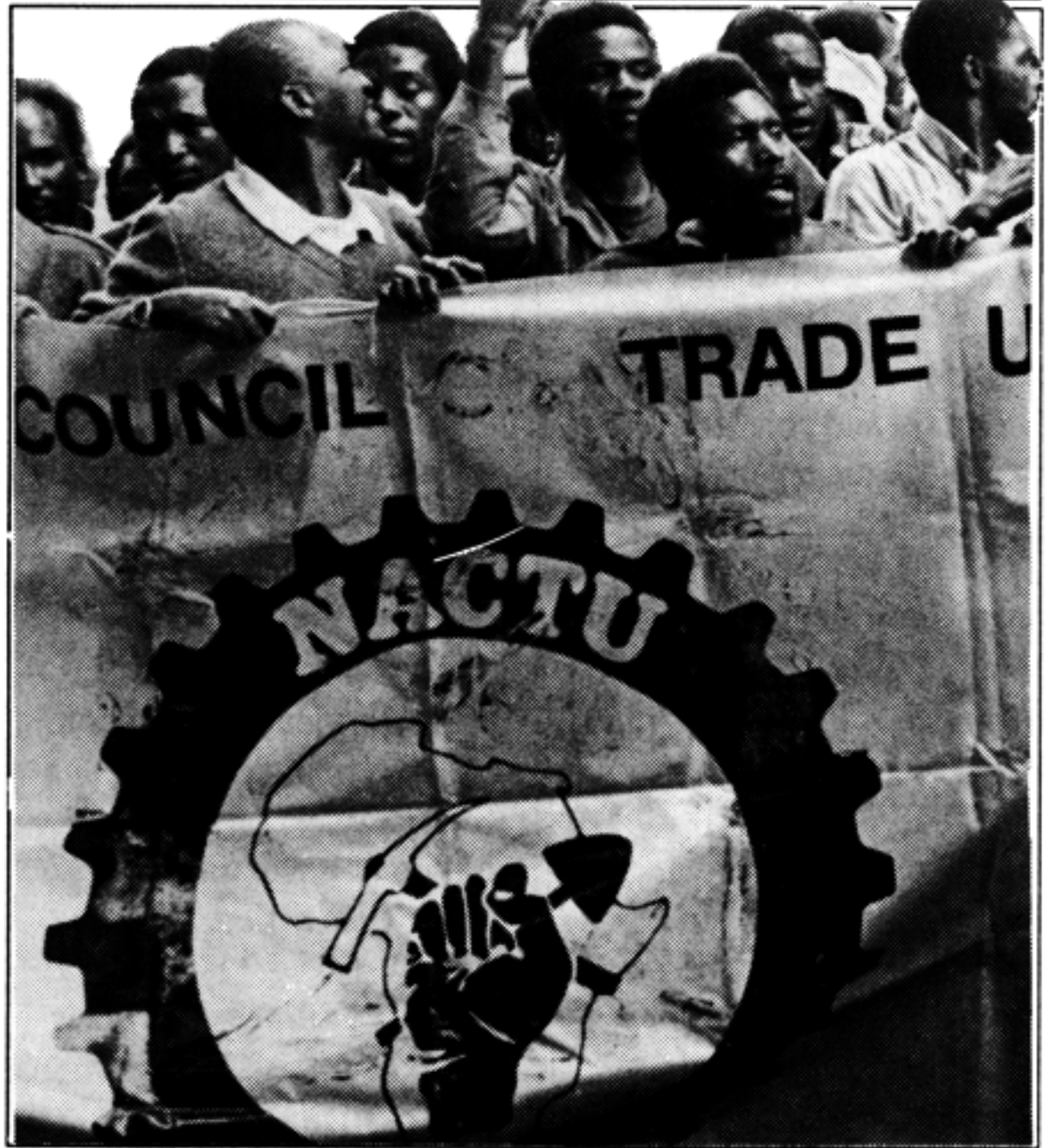
NACTU is made up of affiliates and any decision taken will be in the interests of those who have affiliated. The merger is long overdue. That is why we have taken such a strong measure that will bring our unions under a single body in each sector.

At the moment we are not in a position to give a proper figure of our membership. Questionnaires have been sent to all our unions. This will give us a clear perspective on their memberships and areas of organisation.

**Labour Bulletin:** *How is NACTU approaching the question of education?*

**Ngcukana:** NACTU has its own Education Department which is staffed by seven educators. We run our own basic education programmes. In addition to that, affiliates run their own programmes.

Presently, in terms of developmental education, we have assessed the future needs of the trade union movement according to skills. We weighed the current skills in the federation and we believe we will not be able to meet the future demands of the working class. We need an intensive education programme for our



*NACTU action - the federation looks ahead*

*Photo: Morice/Labour Bulletin*

leadership.

In this regard, we have agreed with UNISA on a tertiary programme. It is a two year programme which will train our leadership in various skills.

We need a leadership that is grounded in economics, which will help us in micro- and macro-economic issues. The South African trade union movement is lacking in those fields. We are working out a programme that will deal with financial accounting and administration, principles of negotiation, commercial and labour law, trade union management, occupational health and safety, and comparative labour relations systems. It is very important that we have a theoretically

well grounded leadership with skills that are oriented towards the needs of the people.

As a short and long term project, this will prevent the trade union movement from being used by outside persons for their own agendas. It is a fact that we won't be able to fund ourselves. That is why we are currently negotiating with some donors for funding. The whole project will cost about R2 million. UNISA will train about 60-100 cadres per year. We have selected people who have experience in trade union work and knowledge on the proposed subjects.

UNISA is the most suitable institution. We have

taken into consideration its experience in conducting distance education.

We are not prepared to remove our leadership from its own constituencies. This will create a vacuum. Part-time classes which will combine theoretical and practical knowledge are regarded as the best for our leadership.

**Labour Bulletin:** *How does NACTU see its participation in the patriotic front?*

**Ngcukana:** We have always supported a broad front of democratic forces. We are also in support of a broad political platform of organisations. This enables democratic forces to reach a consensus on key political questions. We see the patriotic front in that vein.

However, we don't see the patriotic front as having all the solutions for the working people. It is a short term process for specific objectives. The working class still has to strive for long term objectives.

What the patriotic front may achieve is an approach which has a united voice on key and strategic issues. This will help in eliminating friction within the democratic forces on key political questions.

It is unfortunate that one of the convenors, AZAPO, was expelled before the conference started. Such a situation should have been avoided by both the ANC and the PAC. I don't condone what AZAPO

did, but I believe that through intensive discussions some of the problems could have been avoided. I am afraid to say, if the patriotic front does not work out, we will have more divisions within the black community.

We will have different organisations pulling their own ways and this might fuel more violence.

We are attending the patriotic front conference as an independent organisation. And our main task is to put a workers' view on key important issues affecting our unity in action.

**Labour Bulletin:** *How is NACTU organising for the VAT campaign?*

**Ngcukana:** We had a VAT campaign conference in May. A decision was taken that we should pull together with other organisations in opposing the VAT system.

VAT will affect the standard of living of the working people in terms of foodstuffs, medicines and medical supplies. Big business will be exempted in terms of dividends.

We were surprised to learn that VAT was part of the IMF package given to the South African regime. As you know, the IMF is an institution of big business. It has no morals and only acts in the interests of the profiteers. The implementation of structural adjustment throughout the Third-World has brought untold misery to millions of people.

It should be made clear

that NACTU is not opposed to a tax system as long as the tax system is negotiated beforehand. The tax system should not affect the standard of living of workers.

As workers representatives, we are making demands for a tax commission, where workers and finance capital will be represented and will discuss a tax system. We have to look not only on the revenue side but also on the expenditure. Workers have the right to know how their tax money is being used by the state. That is why we are taking up the VAT campaign.

On the upcoming strike, we have organised joint regional meetings with COSATU. A thorough explanation was made to the workers about the implications of VAT. Workers are very angry that the government has taken such a drastic decision about their lives without consulting them. They are the ones who recommended a general strike be called on 4-5 November.

This will be one of the biggest strikes in the history of South Africa. The strike is supported by a broad coalition: medical practitioners, small business, consumer organisations, welfare organisations and some of the more moderate unions.

There is wide general support for the strike. It is better organised than all the strikes that have shaken this government. We are going for a major showdown with the regime. ☆

# The NMC and labour legislation for farm workers:

## *the problems and possibilities of negotiated labour law*

Dawie Bosch\* analyses the negotiations in the National Manpower Commission (NMC) over extending labour law to cover farmworkers, as well as the response of the state. He suggests guidelines for future participation of trade unions in tripartite negotiating over labour law in a restructured NMC.

**F**arm workers in South Africa will be covered by two of the four central labour laws from next year — the *Basic Conditions of Employment Act* (BCEA) and the *Unemployment Insurance Act* (UIA). It is unclear for how long the government will be able to ignore the majority decision of the National Manpower Commission (NMC) that farm workers should be covered by the other two, the *Labour Relations Act* and the *Wage Act*, but it seems to be dragging its feet.

Negotiations around the new legislation on farm workers raised important questions regarding the redefinition of the role of the NMC in the drafting and regulation of labour legislation in South Africa.

At the end of September this year COSATU announced that it has withdrawn its tentative participation in the NMC — because it was unhappy with the government's

handling of the NMC recommendations on farm and domestic workers and because the proposed changes to the NMC were slow in coming and the response from the Minister of Manpower inadequate.

In this article we look at what led to the imminent inclusion of farm workers under labour legislation; how the different parties participated in this process; the possibly changing role of the NMC; and what pointers the process may give to the future formulation of labour legislation.

### **The recommendations of the NMC**

Information on the recommendations of the NMC on inclusion of farm workers are set out under Legal Notes (p 85).

The following are the crucial unanimous or majority recommendations of the NMC:

- Farm workers should be included under the

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BCEA, with specific amendments with respect to farm workers.

- Farm workers should be included under the UIA, the *Labour Relations Act* (LRA) and the *Wage Act* (WA), without amendments specifically for farm workers, but with various general amendments, applicable to all employers and workers.
- The BCEA, UIA and the LRA should include farm workers as soon as possible, but their inclusion into the WA should only be effective two years after the changes are made to the law.

### History of exclusion

Historically, farm workers have been excluded from protective labour legislation.

In 1979, the government's Wiehahn Commission recommended that they be covered by labour legislation.

But the government was wary of this recommendation. In a White Paper, it referred to the effect of the "intimate and long-established personal relationship between farmers and workers" and decided, instead, to "consult all parties before a decision is taken in this regard".

This process of "consultation" started only in 1983, when the minister requested the NMC to launch a new investigation into the application of labour legislation to farm workers. At that stage, the NMC did not include individuals from the growing black trade unions (who were not prepared to sit in a state body), but included a representative from the South African Agricultural Union (SAAU), the giant and well-organised association of commercial farmers.

It is understood that the NMC recommended that farm workers should be included under the BCEA — as a separate chapter of the Act; LRA — inclusion was to have taken effect five year later; and UIA — subject to further discussion with the Unemployment Insurance Board. It recommended that farm workers should, at that stage, still be excluded from the Wage Act.

It appears as if the organisations of agricultural employers objected strongly to

the NMC recommendations, as the report was never made public.

### Negotiating law to protect farm workers

In April 1990, Manpower Minister Eli Louw announced he would direct the NMC to investigate the application of labour legislation to farm workers. The BCEA and the UIA would apply to farm workers and legislation would be submitted to Parliament in 1991. The NMC's brief was to investigate how these acts should apply to farm workers — not whether it should be done.

With regard to the LRA and the WA, the minister made no such promises. The question of including farm workers in these Acts would only be referred to the NMC for investigation and recommendation. At the same time he announced an investigation into labour legislation for domestic workers.

Various factors appear to have convinced the minister to take this step:

- The Labour Party — partly in an effort to win votes in rural areas of the Cape Province — used its limited, but in this case significant, political power in the tri-cameral parliament to block any manpower laws until the government committed itself to labour rights for farm workers.
- President F W de Klerk had just proposed his New South Africa deal, entailing attempts to return SA to the international fold.
- The minister had contact, either personally or through an envoy, in 1989 and 1990 with the International Labour Organisation (ILO) and the International Federation of Plantation, Agricultural and Allied Workers (IFPAAW), which reflected the government's considering moving towards internationally accepted standards on labour legislation.
- The government realised that if it were to open and expand foreign markets for South African agricultural produce to their full potential, it had to get its farms in order.
- The impact of the agricultural lobby on government policy had waned somewhat (but possibly not as much as some



commentators suggest), partly because many farmers had left the National Party for the Conservative Party in opposition to government reforms.

- COSATU had committed itself to organising farm workers, as well as linking its demands for amendments to the LRA to the extension of labour rights to farm workers.

### Restructuring the NMC

In September 1990, COSATU, NACTU, SACCOLA (representing most of big business in South Africa) and the government signed an agreement on amendments to the LRA, known as the Laboria Minute. The Minute represented a retreat by the government on its controversial 1988 amendments to the LRA, which were scrapped after a two-year campaign by the COSATU-NACTU alliance.

This agreement had a significant impact on the extension of labour legislation to farm workers in that it led to COSATU's and NACTU's participation in the NMC.

Under the Laboria Minute, the two union federations agreed to participate in a restructured and representative NMC, with NMC recommendations having considerable influence on the Department of Manpower and Parliament.

At present, the NMC is a body of individuals, half from employer's organisations and half from trade unions. Members of the NMC are appointed by the Minister to advise him on labour matters.

The NMC was not yet restructured when its technical committees started investigating labour legislation for farm workers in August last year. COSATU and NACTU were faced with a choice: should they go into a government-created structure and negotiate law before the NMC was restructured — or should they stay outside and criticise whatever emerged?

COSATU took the first step by deciding to participate in the NMC's technical committee and, shortly afterwards, the NMC itself. COSATU believed this would be the quickest way of extending legal protection to farm and

domestic workers — along with its aim to get the NMC restructured to be a body of real power. NACTU joined the technical committee five months later, when discussion on the LRA and WA had started.

Once the issues around farm and domestic workers had been dealt with, COSATU convinced the NMC to suspend its usual work and concentrate on restructuring. This was accepted by the NMC. Geoff Schreiner, COSATU's main negotiator around the NMC issues, said in an interview with SALB that COSATU, would not "participate in an unrepresentative, powerless NMC".

Schreiner was not particularly optimistic about the restructuring process, as "the minister appears to be very nervous of the implications on other state structures". NMC Acting Chairperson, Frans Barker also believed the process would take longer than thought.

By the end of September, COSATU was so frustrated by the slow progress on restructuring (which was initially planned to be completed in mid-September) that it decided to withdraw from the NMC.

COSATU's information spokesperson, Neil Coleman, said in October: "we will definitely not rejoin the present toothless structure. It must be a negotiating forum that accurately reflects the main parties in industrial relations."

### Response of the various parties

During the labour federations' short sojourn in the NMC, new challenges faced all those involved in the NMC technical committee on farm workers. Its deliberations emerged as negotiations, rather than mere discussions; the committee was, after all, a forum for major oppositional actors from organised labour and employers in agriculture.

Both the SAAU and COSATU/NACTU were forced to justify their positions and demands in discussion, partly ignoring their relative strengths on the farms.

Barker termed "the constructive contribution of all parties" to be a positive spin-off. Not only because they were prepared

to compromise, he said, but also because they had to argue their respective positions. "Parties could have stuck to their own opinions and threatened mass action and withdrawal from the committee, or put pressure on the minister, but they did not."

Nonetheless, the parties involved in this process did not all react or participate in the same way.

### **The SAAU**

Historically, agriculture has been totally opposed to legal or trade union rights for farm workers.

However, following the Laboria Minute the SAAU has had to accept organised labour's presence in the technical committee — and has had to listen to what it has to say. While some top executives of the SAAU may be quite open to this idea, most provincial farmers' unions and farmers themselves cannot stand the sight of a unionist.

It seems the process of "consultation" from 1984 to 1990 on the previous NMC recommendations between the state and the SAAU had convinced the SAAU that it had to accept some labour legislation in agriculture, with the SAAU settling for an amended BCEA.

Agricultural employers' argument that "the close personal relationship between farmers and farm workers" pre-empted the need for detailed statutory regulation of the employment relationship did not impress. A joint submission to the NMC on the LRA — also supported by COSATU — stated: "Wife battery and incest are proof that a close personal relationship provides no guarantee of acceptable practices."

A second leg of the argument against labour legislation in agriculture was that it is unnecessary because of the prevailing labour peace in the sector. This has been aptly answered by Barker, who said recently that Eastern Europe also appeared to be at peace — and citizens content — until changes exposed deep seated dissatisfaction. It may be that this is what farmers are afraid of in agreeing to rights for farm workers.

The SAAU seems to have undermined its

capacity to conduct informed negotiations on the NMC by not fully acquainting itself with existing labour legislation and its underlying principles.

However, the SAAU delegates were prepared to compromise on some of the organisation's demands, and conceded to a special set of conditions for farm workers in the BCEA — although they were clearly concerned about how such compromises could affect their position in the SAAU.

Since COSATU and NACTU also compromised on some of their demands, many of the recommendations of the NMC on the BCEA were unanimous. In terms of the other three Acts this was often not the case, and the SAAU was usually outvoted, with the majority of representatives from business siding with COSATU.

Three months after the final NMC report on farm workers was published, dissent seems to have appeared in the ranks of the SAAU on its own position.

SAAU affiliates, which include regional or provincial farmers' unions, cooperatives and trade organisations (eg for wool and chickens), have a considerable amount of autonomy. Some provincial farmers' unions now claim the SAAU did not represent them and that delegates did not return to their constituencies for mandates.

The SAAU official responsible for manpower matters, Kobus Kleynhans, said in an interview with the Labour Bulletin that the SAAU consulted its affiliates regularly via its manpower committee. "The SAAU put a united position at the NMC, on behalf of all its member structures, and brought affiliates up to date as to concessions which were agreed to. We acted within the mandate given to us, and I will not have sleepless nights about claims to the contrary."

Barker says there is considerable division among agriculture employers, "between the more enlightened and the less enlightened".

The Transvaal Agricultural Union, for example, objected strongly to the proposed legislation. The union has taken a principled stand against new or proposed legislation on labour and land at a time when the political

power of its chair, Dries Bruwer, has grown within the Conservative Party.

The provincial conference of the Free State Agricultural Union also recently voted against the application of any labour legislation to agriculture — at the same time as passing a motion of no confidence in the minister because of the proposed new protection of farm workers. Both these provincial unions reversed their previous support for the application of an amended BCEA to agriculture.

The chairperson of the Western Cape Agricultural Union (WCAU), Chris du Toit — representative of the supposedly more liberal Cape farmers — supported the SAAU's objection to the LRA and WA. He said recently: "An unregulated relationship works ideally in agriculture and holds advantages for good labour relations which must not be allowed to be lost."

This contrasts sharply with the attitude taken at a symposium of the Cape Pomological Society (an organisation for deciduous fruit farmers), where it was accepted that the LRA would (for some, should) apply to agriculture. The possibility of setting up an Industrial Council for the fruit growing industry was also discussed.

Did the WCAU take the more conservative position to protect the unity of the SAAU? Some commentators believe so, but Kleynhans not. He said the Pomological Society represented profitable fruit farmers in a labour intensive industry who needed, and could afford, a labour relations' mechanism. He believed the Pomological Society did not represent the interests of most Western Cape farmers.

It is, however, clear that SAAU are fighting a battle to maintain unity among farmers.

Recent statements by Kleynhans suggest the SAAU is abandoning some of the positions it adopted at the NMC, possibly in an attempt to unify the affiliates of the SAAU again. For example, the SAAU first supported a compromise at the NMC on a 48-hour week for farm workers with further restrictions on daily working hours while later stating that no limitations should be placed on working hours.

In the same statement, which was published in August, Kleynhans stated that a joint and common position between all affiliates was formulated at a meeting of the SAAU. It appears as if this has not been adhered to: It is understood that some of the provincial agricultural unions have stated in oral evidence at recent hearings of a Joint Committee of Parliament that they had not mandated the SAAU to make concessions, and various unions contradicted each other on what measures they were prepared to agree to.

The SAAU's Durban Conference, held in October, accepted a strongly worded motion opposing the NMC recommendations on the application of all four of the central labour laws to agriculture. Such was the farmers' support for the resolution that only the Sugar Assciations voted against it with the Natal Agricultural Union abstaining.

The status of NMC decisions is crucial — determining what effort the various parties put into the negotiation process and to what extent they may be prepared to make concessions. If the government accepts the SAAU's backtracking from the NMC decisions to which it was party, this is likely to affect the confidence other potential participants in the NMC could place in such a negotiating process.

By going back on earlier agreements, the SAAU attempts to make the NMC recommendation the new point of departure to achieve further concessions at the Joint Committee of Parliament which will not be accepted by other participants.

### **Representatives of the rest of business**

Business representatives in the NMC often voted with the labour federations. In many cases this ensured the principles supported by labour constituted the majority position in the NMC.

Business seemed to accept that the principles motivated by labour are generally accepted in modern human resources management. It argued that agricultural employers could not be exempt because most of these principles would be appropriate to farms.



*Down on the farm: white farmers resist legal protection for workers*

*Photo: Paul Weinberg/Southern Light*

### The Trade union Federations

NACTU's participation in this process was somewhat limited, hence the focus on COSATU.

Negotiations for a sector where the trade union federation was not well established brought new challenges, according to COSATU officials. Among these were:

- There was no significant and effective farm workers organisation which could be consulted on drafting the new legislation;
- officials in unions which had farm workers as members were too busy to participate effectively in preparations for the NMC;
- it was not easy accurately to assess the likely economic effect of certain proposals;
- COSATU was not confident that its members would engage in industrial action supporting demands on farm and domestic workers;
- mechanisms by which COSATU delegates could report back on the NMC discussions to prepare for subsequent input were inadequate;
- union resources were stretched and not enough head office staff were available to

monitor the process closely and give the detailed and necessary backup to the delegates to the technical committee;

- professional input from outside COSATU was crucial in the drafting process, because such services were not available from within the federation.

In the preparatory stage of the process, COSATU officials were reluctant to do more than merely state their views at the NMC's technical committee. According to COSATU's delegate on the technical committee, Mike Madlala, COSATU initially intended not to negotiate on these views. If the SAAU did the same, however, not much would have been achieved at the NMC. Madlala explained: "This position changed in the process, as it was felt that compromises could be reached which would ensure that the minister of Manpower would be forced to adhere to the NMC position."

In practice both parties maintained, to some extent, an openness to negotiate on their stated positions. The nature of discussions also allowed them to state their views without too much reference to their unequal

organisational strength on the farms.

For COSATU, participation in the discussions on farm workers provided the opportunity and experience to prepare for the proposed new labour dispensation. The "new deal" would entail labour, employers and the state engaging in a tri-partite structure dealing with all labour matters.

Service groups contributed to COSATU's own preparations, ensuring that COSATU delegates were well briefed. COSATU never had to retreat on positions adopted by its delegates on the NMC.

Several groups who service farm workers as well as independent trade unions (such as the Municipal, State, Farm and Allied Workers Union based in the Southern Transvaal) were involved in a national forum with COSATU and NACTU. In this forum positions were discussed and preparatory work was done for the NMC process. All participants found this to be important in enabling participating delegates to take a well formulated position to the NMC — although consultation at lower levels was very limited.

These service groups will continue to monitor the process and have committed themselves to assist, where possible.

### **NMC Directorate**

The NMC directorate, headed by acting chairperson Frans Barker, plays a pivotal role in the workings of the NMC.

The directorate is responsible for chairing the NMC and its technical committees, taking minutes at its proceedings and formulating final reports of investigations.

Parties asked to comment on the directorate's handling of its role were mainly complementary. Barker's role was highlighted, and his efforts to facilitate compromises between competing parties were appreciated.

But some concerns were raised:

- Draft provisions need to reflect accurately decisions of technical committees or positions taken by participants. Recording such details involves a measure of interpretation and participants at times felt that records of these positions or proposals

did not adequately reflect their viewpoints.

- Participants did not always have access to the final reports of the NMC before they were published. Sometimes this report reflected the directorate's understanding of decisions, which were not necessarily the same as that of other participants.

In an interview with the Labour Bulletin, Barker stated that normally this was not a problem. He argued that, except in the case of the BCEA and UIA, due to serious time constraints, all draft NMC reports are sent to members of the NMC for scrutiny before being submitted to the minister. He said: "Some of the parties do, however, take chances at the end to try to get some of their proposals included."

If a new role and structure of the NMC is agreed upon, the directorate of the NMC will have to give new attention to diversification of skills - both with respect to facilitation and mediation, and with respect to research aimed at proposing possible compromise positions with which the various parties may be able to live. The state will, however, then have to commit increased funding to the directorate to ensure that such staff can be obtained.

The political importance of the NMC directorate — if it is restructured into a representative negotiating forum — is likely to overshadow that of the Department of Manpower in decision-making on labour matters.

The various parties are sure to keep an eagle's eye on the directorate to ensure that it limits itself to a facilitating and independent role.

### **Government/Department of Manpower**

The Department of Manpower appears to be divided in its handling of legislation on farm workers.

On one hand, the department — by complying with some ILO standards — is working towards returning South Africa to the international fold. This may be evidenced in their attitude to child labour. The majority of the NMC proposed that farmers be allowed to use children to do "light work", but the department insisted on a total ban on child labour.

On the other hand it is also clear that the department has not moved with new thinking on the role of the NMC. An example of this is the publication in March this year of draft amendments to the BCEA which differed substantially from the recommendations of the NMC.

COSATU did not take kindly to this tinkering. It stated in a memorandum to the Department: "The attitude of the Department regarding this Act ... indicates a flagrant disregard of the whole NMC process, and places the development of a new labour dispensation in jeopardy." The proposals formulated by the NMC are the result of four months' detailed discussion and negotiation between the major actors in agriculture. Many of the proposals already represent compromises for one or more of the parties. The Department is urged to treat proposals coming from the process with the regard they deserve."

Commenting, Frans Barker said: "The unhappiness with the inputs of the Department of Manpower, and the role of the department vis-a-vis the role of the NMC, will have to be sorted out in a restructured NMC. One way of doing this is to get the department involved at a much earlier stage, officially or unofficially. The relative roles of the two bodies must still be ironed out."

In the drafting of the Bill, the minister seems to have ignored majority NMC decisions, only being *guided* where decisions were unanimous. If he continues to do so, the viability of the NMC as negotiating forum may have to be rethought. The prospect of all NMC members being in total agreement on all important matters is negligible. At the least, draft legislation should reflect decisions which were supported by a substantial majority of the NMC.

Some took the late tabling of the BCEA and UIA Bills in Parliament — after the NMC recommendations were published more than six months earlier — to be a sign of bad faith on the side of the minister. Although the minister did not give his express undertaking that legislation on these Acts would be passed this year, COSATU believes that he did imply that this would be done. By tabling the draft

laws in the last three days of the Parliamentary session, the minister ensured that their dates of implementation were delayed by nearly a year.

The conclusions drawn by Schreiner are important: "Once consensus had been reached in a representative NMC one would think the recommendations would be dealt with as quickly as possible. We clearly support a process of consultation on legislation, but it seems as if it has now been used to delay the process of effective awakening. This unwieldy lawmaking process will have to be changed."

### **A look at the future**

In conclusion we will briefly look at Parliament's likely response to draft legislation on farm workers, the possibilities for organising farm workers which may be opened by new legislation, and guidelines to the labour movement for future participation in the NMC or similar structures.

### **Parliament's response**

As indicated, some farmers and provincial affiliates of the SAAU may want to convince Parliament that the SAAU acted without their mandate. Even the SAAU does not stand behind some of the provisions and principles which it supported in the NMC, as can be seen from resolutions at its October conference.

This approach clearly aims to attack the status of NMC proposals, and may reduce the weight afforded to them by the Joint Committee of Parliament, if it buys these arguments.

Barker confirmed the NMC's submission that the Joint Committee should appreciate that the overhauled advisory body was engaged in a process of consensus and compromise. He is relatively confident that it will: "The Joint Committee has been very responsible in handling our recommendations, notwithstanding objections against them."

The pressure from farmers' unions to frustrate the process will, however, be considerable. Many of them have vowed to fight labour legislation in agriculture.

But Parliament will have to weigh this

pressure against the fact that substantial protection of farm workers is an intrinsic component of revamped legislation appropriate to the "new South Africa". Internationally, the ILO will probably only accept reformed labour legislation if the type of recommendations supported by the majority of the NMC on the application of the *Labour Relations and Wage Acts* to farm workers are written into law. Expansion of export markets to its full potential may also depend on this legislation.

COSATU is unlikely to stay on the sideline. This was asserted by Schreiner, who said: "The state, in a context where the NMC was far more representative a body than the white Parliament, must be very careful on how it tampers with these NMC recommendations."

COSATU has now taken strong action to show its displeasure with various matters around the role of and participation in the NMC. Its recent withdrawal from interim participation in the NMC was the first step. It is also likely to move to mass action in early November in support of its demands on the restructuring of the NMC, the swift enactment of NMC recommendations on farm and domestic workers and other matters such as VAT.

COSATU has agreed to attend a meeting of the NMC shortly after the stay-away. At this meeting the minister will respond to the NMC restructuring proposals.

It remains to be seen whether Parliament will accord a level of weight to the NMC recommendations on farm and domestic workers which would be adequate to restore confidence in the NMC process — and whether the minister will agree to restructuring the NMC to an extent which would be sufficient to satisfy COSATU and the majority of the current NMC.

### **Possibilities of organising farm workers**

Legislation protecting farm workers may add impetus to their organisation, but farm workers cannot rely on legal measures, only, to improve their generally abysmal conditions of employment. Enforcement by government

inspectors will be limited — as is currently the case even where labour laws do apply to workers in rural areas — and the Department of Manpower has not considered proposals by COSATU and others that enforcement mechanisms should be revamped.

Organisation of farm workers is likely to be the main guarantee that any newly-won rights will be implemented, safeguarded and expanded. And it is doubtful that farm workers will achieve this on their own. Much more will have to be done by labour federations such as COSATU.

Andrew Ball wrote more than a year ago: "Few of the unions organising in agriculture appear to have taken seriously the question of being informed about the trends in agriculture. Probably as a result of this they appear to lack any sense of direction." This still seems relevant, and figures of farmworkers who are effectively organised are still pitifully low.

COSATU, at its 4th National Congress in July, resolved to change its strategy regarding the organisation of farm workers. Originally, this was supposed to have occurred through the FarmWorkers Project of the Food and Allied Workers Union — which the congress seemed to believe did not bear enough fruit. The conference instead decided that COSATU should create a separate union for farm workers. It also suggested that COSATU as a whole was unable to achieve its aim of convincingly addressing the conditions of farm workers. Underlying the resolution was the argument that industrial unions did not share the same concerns as farm workers; it was therefore more appropriate for farmworkers to be organised into their own union.

It is understood that COSATU is unlikely to dedicate resources, including skilled organisers with an understanding of conditions and circumstances of farm workers, to such a new union in the near future.

At the same time COSATU affiliates in the forestry, textile and food sectors with members on farms may be reluctant or at least slow, in implementing the congress

resolution. The congress — backed by the joint might of the National Union of Mine Workers and National Union of Metalworkers of South Africa — outvoted these unions on the issue of forming a separate union for agricultural workers.

The possibility of a merger between COSATU and NACTU has again been mooted in the federations, and if this were to come to something then NACTU's National Union of Farmworkers could form the basis of a new and separate farm workers' union. However, it is unlikely that this will happen in the short term.

At least until COSATU has effectively organised farm workers it will have to seek the advice and obtain the support of other organisations with experience of the agricultural sector while drafting appropriate organisational strategies. Such organisations would include rural advice offices and some service organisations and structures.

Without the dedication of substantial resources to the organising process and assistance of these service organisations in strategising, it is unlikely that COSATU will make any significant inroads into addressing the substantial imbalances which still prevail in rural areas.

### **Concerns of the labour movement**

COSATU has indicated that it will not get involved in the NMC in the long run unless the body complies with its requirements. But if the NMC is restructured to COSATU's satisfaction, does the federation have the capacity to participate effectively in this process?

Negotiating labour legislation is a complex and time-consuming process. If one examines the process surrounding the drafting of legislation for farm workers, real limitations become apparent.

Schreiner admitted that there is a need for infrastructure, as well as administrative and technical competency, and proper structures to engage effectively in the process — much of which is currently not sufficiently available. In a recent article, he also highlights problems in methods to consult the

grassroots, and obtaining clear mandates from affiliates.

Should the labour movement decide to participate in a restructured NMC, it is suggested they consider the following:

- Thorough preparation before participation in discussions will give it the competitive edge.
- Delegates need adequate backup and resources. Assistance should be given to the delegates on relevant research, drafting of detailed proposals, input on motivation for proposals etc. Head office staff would have to be involved here and sufficient resources should be dedicated to the process.
- Consultation with relevant unions will have to be improved. Close monitoring of the process is necessary, including report backs on initial positions of the various parties, and subsequent or possible compromises on these issues.
- Delegates need to take careful notes on decisions for use when checking official minutes of the proceedings. The actual recording by the NMC directorate of decisions should be very closely examined. It is this record which will be used in the final drafting of the report, and labour delegates may be compromised by the exact way in which decisions or positions are formulated.
- The labour movement should not consent to the publication of final reports drawn up by the NMC directorate before the draft report has been scrutinised. This will ensure that its position is adequately reflected.
- Public comment on the Department of Manpower's response to NMC recommendations should be referred back to the NMC for consideration.
- The labour movement should consider proposing that parties to a restructured NMC should commit themselves to be bound by decisions which they supported in the NMC, in order to ensure that compromises reached in the NMC process will not be undermined by backtracking at a later stage. ☆





In *Labour Bulletin* Vol 15 No 7, we ran a special focus on worker internationalism. We publish two responses below. MIKE ALLEN, former co-editor of *International Labour Reports*, argues that the 'new labour internationalism' is ineffectual. PETER WATERMAN, specialist at the Institute of Social Studies in Netherlands, suggests that the 'new labour internationalism' has the potential to transform our world. Both argue for affiliation to the International Confederation of Free Trade Unions (ICFTU).

# New internationalism ... or old rhetoric?

MIKE ALLEN argues that the picture presented in the *Labour Bulletin* focus of the ICFTU, international trade unionism, and unions of "the North" in particular, is highly misleading. The unions of the north and the ICFTU have been and will remain central to international labour solidarity.

There are few opportunities to discuss the challenges confronting the international labour movement, so the *Labour Bulletin's* recent special focus on trade union internationalism provides a welcome chance to address some critical issues. More informed coverage of internationalism is urgently needed, especially in the face of the growing penetration and mobility of the

transnational corporations and the ominous increase in their anti-union strategies.

However, most of the *Labour Bulletin's* special focus misses the chance for a serious consideration of the issues in a way which would inform rather than mislead active trade unionists. Large chunks of the text are devoted to a curious and unsubstantiated attack on the International Confederation of

Free Trade Unions (ICFTU). The picture which the editor and contributors to the focus have painted of the ICFTU, international trade unionism in general and unions of "the North" in particular, is so partial and ill-informed that it demands a response.

## Conspiracies of the ICFTU?

The first problem concerns the frame of reference within which the feature was evidently conceived. The editors appear obsessed with uncovering some Western (ie, ICFTU) plot, to control the 'emerging' unions of the South? It is never made clear. But this fixation with political conspiracies distorts the feature from the outset.

As a working journalist, I have seen few such unprofessional and blatantly leading questions as those which spoil the potentially informative interviews with COSATU's Jay Naidoo and NACTU's Cunningham Ngcukana. For example: "The ICFTU has tended to

see itself as improving conditions within a capitalist framework. Many federations would say that the struggle for socialism continues and therefore have a particular perspective on the ICFTU. What is your view?"

Apart from the misleading description of the ICFTU's ultimate political objectives, suggesting that it espouses some form of business unionism, there is the mischievous implication that ICFTU affiliates are no longer committed to socialist politics. This may be true of some but certainly not all ICFTU affiliates. In any case, the ICFTU is not an ideologically driven organisation. Prospective affiliates are not shoved through some filter of political rectitude. They need only be largely independent and relatively democratic to qualify for affiliation.

Furthermore, all genuine trade unions work to improve conditions under capitalism - that's their daily function. Presumably, they will do the same under socialism.

In a further question to Ngcukana, the interviewers refer to Third World union criticisms of "northern" unions' unwelcome interference, asking if NACTU had experienced such meddling "from the ICFTU or any of its major affiliates". Apart from being an equally unprofessional leading question, it also excludes the World Federation of Trade Unions (WFTU) and its affiliates



from the ranks of interfering "trade union centres of the north".

What is most significant is that neither Jay Naidoo nor Cunningham Ngcukana can be prompted to cite any examples of such unwelcome intervention from the ICFTU or its affiliates despite the weighted questions, insinuations and vague references to "external agendas".

In fact, Naidoo specifically states, "I don't think we have suffered in any way from [this] kind of intervention". Ngcukana talks only of the ICFTU and its International Trade Secretariats (ITSs) providing "material support", "education programmes and legal assistance in cases of repression" and "solidarity for struggles by workers against multinationals".

Why the screen around discussion of WFTU interference? I'm sure the interviewers are not naive enough to suggest WFTU and its affiliates do not interfere in other unions' activities, so why not give this at least equal weight with hypotheses about ICFTU operations?

And why this nonchalance verging on carelessness when discussing international labour issues from writers who, we hope, would think twice and

double-check facts and sources when describing domestic union affairs.

The entire section on internationalism contains neither a single reference to WFTU interference nor, more significantly perhaps, a single example of practical solidarity from any WFTU-associated union. This latter fact comes as little surprise. I have yet to see any evidence of practical inter-union solidarity from WFTU or its affiliates which even approaches the levels of solidarity, material support or direct assistance provided by the ICFTU, its affiliates and the ITSs.

### **Crudified views of ICFTU politics**

We might at least have expected the interviews with Naidoo and Ngcukana to place an equal emphasis on, say, transnational corporate strategies, the global exchange of new management methods or prospects for cross-border collective bargaining.

The obsession with the politics of the ICFTU betrays a level of either indifference to, or ignorance of, the real nature of international trade union activity. We can only agree with Jay Naidoo's view that the ICFTU's role in South Africa has been "crudified by people who really didn't understand the situation".

The politics attributed to the ICFTU and ITSs are, to use Naidoo's useful phrase, equally crudified. It is inaccurate and misleading to

characterise ICFTU politics as crudely anti-communist, although this may certainly be true of certain affiliates. The ICFTU, its national affiliates and the ITSs are largely pluralist organisations, containing diverse political currents.

For example, many communist-led unions which have demonstrated a commitment to democratic pluralism are affiliates of the ITSs. The communist-led Italian confederation, CGIL, disaffiliated from WFTU as long ago as 1978 and it is



especially some communist-led unions. But it is not sectarian to be selective. ITSs, for instance, do work closely with communist-led unions which, like the Italian CGIL and the Spanish CCOO, demonstrate a genuine commitment to pluralism and democracy. After all, the ICFTU and many

COSATU welcome UWUSA? Would the British TUC welcome back the maverick electricians if they continued to poach other unions' members and reject TUC authority?

The same confused thinking is applied to the discussion of international funding of trade union work. Celia Mather refers to "unwarranted siding in internal disputes" as a "negative trend.....to be combatted". Does she really believe that, when making international links, unions should not discriminate between, say, corrupt unions and genuinely independent progressive organisations?

International confederations will inevitably be selective about which organisations they support or accept as affiliates. The ICFTU, ITSs and the vast majority of its affiliates which operate bilateral programmes don't have money to burn, nor do they wish to sustain unions which are not genuinely democratic or largely independent.

### Cold war confusion

The tired old cliché of "Cold War" politics is too often employed to deflect criticism from WFTU, its affiliates and other "progressive" unions. The Cold War incantation is also invoked to suggest that the complex political mosaic of international labour relations can be reduced to simple anti-communism. In countries like Belgium, for instance,



International labour solidarity – American workers march in support of South African unions

Photo: Impact Visuals

likely to affiliate to the ICFTU in the near future. This issue is complex and sensitive, deserving much more serious and sophisticated consideration than the *Labour Bulletin* allows.

It is suggested that the ICFTU, its affiliates and ITSs are in some way maliciously sectarian or divisive in refusing to work with certain organisations,

of its affiliates continue to support COSATU and those affiliates which include many communists within their leadership. But no genuine trade union organisation would willingly accept into membership unions which are not reasonably independent and democratic or which are in hostile competition with existing affiliates. Would

inter-union divisions are largely religious. In Italy, the three major union confederations have been divided on ideological and religious grounds between communists, christian democrats and socialists, but nevertheless still collaborate closely.

Claims of Cold War divisiveness are consistently used to disguise the real roots of differences within the international labour movement: incompatible forms of trade unionism which reflect divergent views of society, political strategies and basic values. Broadly speaking, most western unions (ie, those in the advanced capitalist economies) have, after many years of struggle, established largely democratic and reformist trade unions, whose primary but not exclusive purpose is to improve the working and living conditions of members and their families. They do so through a combination of workplace organisation, collective bargaining and political pressure, with many openly committed to some form of socialism.

While often closely linked to socialist and social democratic political parties, western unions are not subject to external political control. In fact, unions and Left-led governments frequently clash over a whole range of issues, from wages policy to foreign affairs. While most western unions are committed to the socialist



transformation of society, they pursue this aim through a 'gradualist' strategy of non-violent reformism.

An alternative view of trade unionism - which is shared by orthodox communists and many national liberation movements - is to exploit trade unions as schools for the political education of militant workers, to expose the limits to reformism under capitalism, and to reduce unions to the function of transmission belts, subordinate to the control of a vanguard party, for conveying propaganda and mobilising workers in the party's interests.

The French CGT provides an example. One of the many complex reasons why the French labour movement is among the weakest in the advanced capitalist economies (union density is lower than in the United States) is workers' practical experience and frustration at union activities being determined by the demands of the French Communist Party rather than in the interest of union members.

International labour affairs have always been fraught with political tensions, only some of which reflect Cold War divisions. With the WFTU reduced to a rump of state-managed union fronts,

the way forward to genuine labour internationalism can only be through broad-based, democratic and pluralist organisations like the ICFTU and the ITSs. The maverick activities of certain ICFTU affiliates is all the more reason to strengthen progressive and democratic elements within the confederation.

### **Distorted unionism: North and South**

Reducing inter-union political differences to purely "European ideological struggles" is another gross simplification and also reflects the underlying attempt to replace East-West tensions with North-South divisions.

And why be so dismissive of "ideological struggles"? Are there really any other kinds? It is a barren and unproductive trade union practice which is not informed by some ideology. What else motivates workers and activists? Some kind of "pure" material self-interest?

The suggestion that western unions are condescending, patronising or interfering towards unions in the South is a theme running throughout the *Labour Bulletin* focus. Celia Mather's introduction refers to "Northern-based .....patronage" and suggests that unions of the South "have yet to find how to break the North out of its paternalism". The anonymous author of 'Towards worker-controlled

internationalism!' believes solidarity is "seen as a generous 'gift' from more 'advanced' organisations to the needy." They seem to want it both ways. It is simply mischievous and itself condescending to imply that international solidarity is based on a patronising client relationship between unions North and South. The anonymous correspondent prefers "solidarity without strings".

In anyone's vocabulary, that amounts to little more than charity - surely the worst form of paternalism. It contrasts with most unions' insistence on a relationship between moral equals, recognising that, for reasons too complex to list here, northern unions enjoy the resources, advantages and an internationalist commitment which allows them to demonstrate solidarity with fellow trade unionists elsewhere.

There are also glaring disparities of resources between northern unions: for example, German and Scandinavian unions are much better-resourced and funded than their British, Irish, Spanish and Portuguese comrades. Yet it is not condescending interference, but fraternal support, if the German Ebert Foundation funds a transnational conference on the British TUC's territory.

**Yet another 'third road'?**  
Celia Mather describes as "radical" and "provocative" the anonymous correspondent's proposal for a



"single unified, democratic and accountable world federation". A 'third road' international, or tricontinental, is hardly a new idea. The Maoists of the Philippines Communist Party are again floating the idea under the auspices of elements within the Filipino KMU.

The sad tale of the International Miners' Organisation (IMO), provides a clear example of the intended effect of this same tactic - setting up a new organisation in the name of 'unity' in a conscious attempt to split the movement. Former Soviet miners' leaders have since admitted that the IMO was set up in order to split the Miners' International Federation. Ironically, with Eastern Europe's newly independent miners' unions now joining the MIF in droves, IMO apparatchiks are going back to the MIF with their tails between their legs seeking 'collaboration'.

What would be the political criteria underpinning this new international? If they do not include a commitment to genuinely independent and democratic trade unionism, only a rump of state-run unions and front organisations will join - in

other words, the drop-outs from the WFTU. But if there is a commitment to democracy and autonomy, with a pluralist tolerance of political diversity, there is no practical reason to establish an alternative to the ICFTU.

The confused thinking which underlies the call for a new international includes a basic contradiction: if you have an international which is "single [and] unified" you have to include unions which are undemocratic and unaccountable. How then can you claim your international is "democratic and accountable"?

If the new international is genuinely committed to independent and democratic trade unionism, it would have to exclude many unions of the South. It is doubtful that OATUU or the KMU, for example, which the correspondent holds up as examples of the "new internationalism", would qualify for membership.

How open, accessible and accountable are OATUU and most of its affiliates? Would OATUU have to purge itself of the many state-run puppet unions in its ranks, shed off the political control and constraints imposed by the Organisation of African Unity? Would the KMU have to shed the political control of the Philippines Communist Party? How many OATUU or KMU union leaderships are democratically-elected and accountable to members?

This is precisely why

organisations like the ICFTU do not make throwaway policies on issues around which there is no clear consensus. While many of its largest affiliates are committed to the socialist project, others are not (for various reasons, ranging from repression to genuine ideological differences). Consequently, representative internationals like the ICFTU perform most effectively when catering to the lowest common denominator, representing affiliates on shared interests and articulating common policies, from the unequivocal defence of human and trade union rights to promoting fairer distribution of power and wealth.

In any case, the relative secrecy and established hierarchies of international labour affairs are already being undermined and bypassed by the growing use of electronic mail and other forms of 'horizontal' communications between unions through international labour networking for the exchange of information. In most cases, this is supported and financed by the ICFTU and ITSs!

### Concrete basis?

The material basis and practical use of this new international is extremely vague. Its advocate suggests its axis will be primarily along South-South lines. But Jay Naidoo reminds us that, "needing solidarity for industrial action against [western] multinationals, our



first contacts obviously developed with western unions." How many Filipino or Brazilian multinationals, say, operate in South Africa?

Which leads us to ask whether the North-South metaphor has any real use in describing international labour politics? Has SACTWU got more in common with ACTWU or textile workers' unions in, say, Burkina Faso, Papua New Guinea or Belize?

If a Malaysian trade union wants up-to-date information on how to handle a hazardous substance, forms of protective clothing to be worn, danger premiums to be paid... does the union think South-South or does it contact the most advanced sources and guidelines through US or European union contacts?

This Third Worldist approach of romanticising South-South links ignores the fact that unions of the North are strategically better-placed to advance the interests of organised labour globally. They are historically strongest, with the largest memberships, the longest and potentially most instructive experience, greater material resources, and, in some cases, still exercise political leverage. Based in the transnationals'

home countries, they are invariably best placed to exercise whatever leverage exists - from labour rights trade provisions to shareholder action - in order to influence corporate behaviour.

Northern unions don't provide infallible models or transferrable lessons - history holds no short cuts - but they can bring to bear a collective experience and resources which the vast majority of unions in the South simply cannot match.

None of this is to deny the need for South-South collaboration and contacts or to deny that Northern unions have a lot to learn from counterparts in the South. However, given the power of the transnationals, the imposition of austerity and structural adjustment programmes, and the many other problems facing organised labour, unions in the South will inevitably ask which unions are best-placed to guarantee effective solidarity. Which unions can, to be blunt, deliver the goods of international solidarity through organised boycotts, industrial action, political pressure, or new forms of union leverage, like mobilising pension fund investments?

The *Labour Bulletin's* anonymous correspondent says a new international will "challenge the domination of Northern centres/federations over trade union activity." But would any union in, say, SA or Brazil, which is serious

about dealing with Volkswagen or Shell, really benefit from alienating unions within those corporations? Such an adventure would jeopardise, the extensive and deeply-rooted North-South "organic solidarity" so instructively illustrated by *Labour Bulletin's* case study of SACTWU- ACTWU relations.

Of course there is a need for South-South links. There are also obvious instances where the objective needs and interests of trade unionists North and South will be confused or actually conflict - for example, the Multi-Fibre Agreement, or on questions of multinationals' investment and industrial location.

Yet most existing South-South links and many of the activities of independent research centres would not be possible without material assistance from trade unions of the North. There is also scope for autonomous regional initiatives. But the last thing trade unionists need is another divisive international confederation.

Many progressive trade unionists rightly campaign for greater accountability and internal democracy within the labour movement. But faced with the option of establishing pure but tiny organisations in a political ghetto or reforming the mainstream from within, most serious activists would opt for reinforcing the



progressive and democratic forces within the most representative organisations.

### 'New labour internationalism'?

In attempting to cut out or bypass established and representative organisations, the anonymous author suggests that unions in the South would be able to rely on the "strengths" of "extensive networks of worker activists in the established unions of Europe and North America". Presumably this refers to those organisations committed to the evasive 'new labour internationalism'.

But these amount to only a few small highly-dedicated organisations, including journals, labour research centres and single-issue campaigns which are themselves politically diverse and far from uniformly Third Worldist. Few of these groups would ever suggest that there is even the beginnings of an "extensive network" and certainly not one which presents the slightest hint of an alternative to working with established and representative trade union organisations.

Moreover, despite the valuable work they have done, these groups remain largely unrepresentative and

unaccountable, pursuing their own agendas which may or may not coincide with the needs of the movement.

So what is new about this new internationalism? Since the late 1970s, there has been a great deal of talk and comment concerning the 'new labour internationalism'. Crudely speaking, they argued that trade union internationalism had to be made more transparent, more relevant and accountable to rank-and-file workers. Unfortunately, this was tied to a crude notion of trade union imperialism - the idea that western trade unions were accomplices of multinational capital in exploiting the Third World.

This had the effect of blinding the new labour internationalists to the abuses of trade unionism under the auspices of the WFTU and, equally naively, looking to the newly emergent unions of the South - principally in South Africa, Brazil and the Philippines - for an inspiring model of uncorrupted militant unionism.

Yet the 'new internationalism' has achieved little of lasting value. The few, practical and successful instances of international labour solidarity cited by the self-proclaimed new labour internationalists invariably turn out to be the work of the official union structures associated with the ICFTU, especially the ITSSs.

Likewise, the genuinely new labour internationalism, the most dynamic, innovative and effective international initiatives, are taking place not between self-styled rank-and-file groups but through official union channels, as demonstrated by the "organic solidarity" between SACTWU and the AFL-CIO-affiliated ACTWU.

### Irresponsible purism

Karl von Holdt correctly refers to the "potential for militant, democratic trade union movements...to reinvigorate and give new meaning to international solidarity." But they will not do so by confining themselves to the political margins. If union members are critical of a leadership, unhappy with policy, or believe the union hierarchy to be unaccountable or unrepresentative, the response is rarely to form another union.

If the *Labour Bulletin's* anonymous correspondent is genuinely concerned to promote democratic and accountable trade unionism, independent of state control, and excluding those transmission belt 'fronts' for vanguard parties, there is only one game in town.

The only meaningful forum for this process and for confronting the growing power of multinational capital is those organisations - the ICFTU, its affiliates, and associated ITSs - which represent by far the vast majority of the world's workers organised in



democratic and largely independent trade unions.

There is clearly a case for international union bodies to be more accountable and their activities more transparent to union members. But the new international proposed by the anonymous correspondent is, at worst, a recipe for splitting the progressive mainstream of the international labour movement. At best, it is a guaranteed passage to a political ghetto.

### A more constructive agenda

A more constructive and progressive agenda would deal with the serious, pressing issues facing organised labour on the international plane, by:

- addressing the internationalisation of production, markets and recruitment, and trade unionists' growing interest in, and need to know about, comparative employment practices, pay, conditions and union rights;
- monitoring transnational corporate activity, including industrial relations practices, investment trends, and workers' rights violations; the implications of cross-border mergers, acquisitions and international

joint ventures, etc;

- stimulating the exchange of 'best practice' information on union strategies, experiences and practical lessons, from industrial action and corporate campaigns to 'socially responsible' pension fund investment and other emerging forms of union leverage;
- providing accessible information, in a format suitable for labour educators, on the characteristics of national industrial relations systems, trade union practices, and political developments.

Internationalism needs to go beyond the kind of superficial discussion of the *Labour Bulletin's* focus. An internationalist awareness should seep through the whole trade union agenda. This would allow organised labour to exploit its greatest resources - the collective strength based on our membership, accumulated experience and political weight worldwide.

It should become second nature for workers to look for instruction or inspiration to fellow trade unionists elsewhere - to learn from political strategy in Brazil, minimum wage provisions in Europe, co-ordinated corporate campaigns in the United States, and women workers' organisation in India.

Of course there are limits to the transferability of union experiences. But, at worst, the exchange of information, research and analysis increases unions' common



fund of knowledge. At best, it expands horizons and inspires ambition at a time when the labour movement worldwide is in transition, lacking the artificial anchor of the old fundamentalist certainties and with little patience for adventurist rhetoric. ☆

**Editor responds**

We thank Mike Allen for his useful contribution to the debate on trade union internationalism. In the light of his comments perhaps some issues should be clarified. The *Labour Bulletin* focus did not intend to suggest that WFTU is a progressive federation compared to ICFTU. WFTU did not attract more comment in our focus, because it has not been an important factor in SA unionism in the 1970s and 80s, and because it is - as we pointed out - a dwindling force. Secondly, the feature may have been overpoliticised, but then trade union internationalism has been highly political in SA. The history of relations with centres in Europe and the US has contained a fair degree of conflict and tension, as Jay Naidoo indicates. Thirdly, *Labour Bulletin* does not support a new internationalism of purist sects. For us ACTWU-SACTWU solidarity, two way solidarity, "normalising" relations with ICFTU and affiliates, and building relations with African and militant Third World centres are all part of a "new internationalism" with political, economic and democratic dimensions. Our focus attempted to reflect some of the diversity of this thinking. ❖



# A new labour internationalism:

## *what content and what form?*

Peter Waterman outlines a new labour internationalism. He argues that COSATU should both affiliate to the International Confederation of Free Trade Unions (ICFTU) as well as build a network of international alliances.

The issue of the April 1991 *South African Labour Bulletin* devoted to 'a new internationalism' represents something of a breakthrough. I do not recall such an extensive critical treatment of the subject from a union-oriented publication, either in the Third World or anywhere else.

For many years, discussion and documentation of international labour solidarity has taken place largely within 'alternative' or 'marginal' publications and academic

journals in Western Europe and the USA. Here it could be largely ignored or condemned by the powerful traditional Northern-based unions, national or international.

The *Labour Bulletin* enjoys considerable international prestige due to its significant role in the growth of one of the most dynamic labour movements in the world. This means that the new ideas previously circulating in small-circulation bulletins have

now become 'international trade-union politics'. It thus seems possible that the old union internationals or their supporters will now for the first time feel the need to respond publicly and even discuss with their critics.

### Criteria for a new labour internationalism

The new labour internationalism comes out of analysis of the new economic and political situation of labour in a period of world economic crisis, and the fundamental restructuring of the labour force nationally and internationally. It also comes out of a critique of the responses of the state and inter-state organs to these crises, and from a critique of the serious inadequacy of the dominant traditional union, labour and socialist organisations and ideologies in confronting this situation.

It comes, more positively from reflection on the successes of the internationalism of the 'new social movements' such as those on peace, human rights, women and the environment.

Rejecting much of the form, content and procedures of the traditional labour internationals, a new labour internationalism implies two major principles:

The first is that a new Third World labour internationalism should be **practical rather than ideological in nature**. It should be drawn from worker



practice, rather than traditional socialist, nationalist or any other theory. We have surely had enough of the ideological internationalisms, which ended as the internationalisms of ideologues. An internationalism based on workers' interests, capacities and aspirations will have more meaning and be longer lasting. Being non-ideological in origin does not mean that it will be without values - particularly those of democracy, equality and solidarity. Nor does it mean that it will not result in a new *programme* - ie in a set of proposals to guide social action. 'Being practical rather than ideological' also means proposing activities that can be achieved - rather than calling for an apocalyptic transformation ('Workers of the World Unite to Smash Capitalism and Imperialism and Build a World Socialist Commonwealth') that cannot be achieved in this lifetime, and that some (such as Catholic, Muslim or anti-socialist workers) will in any case reject.

The second principle is that the new Third World internationalism be **simultaneously addressed to the Third, First and Second Worlds**.

This means that a new Third-World labour internationalism needs to understand the increasing interpenetration of social processes and the increasing similarity of worker struggles. This does not mean ignoring or repressing Third World worker interests and aspirations, but expressing these in a way that maximises their relevance to workers elsewhere.

### Issues for action and discussion

Following from the above, and drawing freely and extensively from earlier Third World documents, I would suggest the following list of *possible* issues for action and discussion.

**Trade union autonomy and worker democracy.** The traditional national and international union organisations of the West and East come out of labour movements that long ago accepted a subordinate (if oppositional) status both within the nation state and with reference to the dominant international agencies and ideologies. The new unions have generally had to overcome such subordination and have done so by appealing to the collective self-activity of the workers. A stress on autonomy and democracy nationally, regionally and internationally, will not only appeal to progressive forces within unions internationally but may also help guarantee the new unions against

'bureaucratic degeneration'.

**An internationalism of the shopfloor and of networks.** The new unions have usually come to international recognition by creating direct linkages at worker, enterprise or city level, and by using the networking principle rather than the institutional one. Shopfloor internationalism guarantees that international linkages express the interests of workers rather than officials. Networking implies direct, informal, horizontal and flexible relations, based on matters of current common interest. Whereas the traditional international labour organisation tends to reproduce the characteristics of the inter-state organisation, the international network relates to the dynamic, informal, egalitarian and autonomous relations that the new social movements develop with each other. Whilst some radical Third World unions may decide to join the ICFTU or the associated International Trade Secretariats, they may also consider that international networking at shopfloor, grassroots or community level provide the only guarantee of dynamism in the formal international bodies.

**Alternative forms of communication.** This is more a matter of creating alternative labour and popular forms of communication, nationally and internationally, than of rhetorically and ritualistically denouncing cultural



imperialism. Third World labour movements are the most advanced in developing their own forms of cultural expression. The new movements have also often innovated in forms of international communication (the Philippines KMU's International Solidarity Affair, the educational materials of South Africa's International Labour Research and Information Group(ILRIG) the use of computer communications by the new *Korean Labour News*).

**A code of relations for richer partners.** Here we come to the most material face of aid, yet the one which is usually the last to be confronted. Some radical Third World unions may be satisfied if the flow is shifted from the 'yellow' unions to the 'genuine' ones. South African experience and the case of Poland's Solidarnosc (during its period of repression) show both the dangers and the possibilities of relations between donor and recipient organisations internationally. Rather than 'playing the market' in petty-capitalist style, it should be possible to draw up a Code of Conduct for relations between donors and recipients. In so far as the donors wish to move from an

aid to a solidarity model in their international relations, they should be responsive to such codes - which do exist for some non-governmental donor-recipient relations on the North-South axis.

**Including non-unionisable labour.** The greater part of Third World labourers, even in urban areas, is non-unionisable despite being involved in petty- or semi-capitalist relations. This is also true of a considerable - and growing - part of the working population in the industrialised capitalist countries. They are, however, often organised or organisable in residents' associations, urban and rural co-operatives, peasants' associations, women's organisations, etc. These are, or have been, or could be, internationally organised. The point is to consider ways that they could be organised, nationally and internationally, not under the unions but in fruitful association with them.

**Learning from women's movements.** This is not only in recognition of the centrality of women's labour (waged, semi-waged, unwaged) to the accumulation of capital nationally and internationally. It is also in recognition of the way in which the self-emancipation of women can undermine relations of super- and subordination both within society in general and the labour movement in particular. Out of women's movements, moreover, there come experiences, ideas and forms of organisation and



American workers building North-South solidarity

Photo: American Labor

struggle of general value for human emancipation.

**Starting internationalism at home.** Whilst it may be that the new internationalism in the Third World began on the West-South axis, it is essential for a Third World internationalism to prioritise solidarity with those workers closest to hand. This is in order to make internationalism both comprehensible and accessible. A relationship with workers in neighbouring countries (who may also be immigrants in one's own) can be built on commonalities of culture and language. Out of such relations will come understandings and demands that can be fed into other international dialogues and relationships, thus avoiding creation of an abstract internationalism of interest only to bureaucrats or ideologues.

**Broader social and economic democracy.** This is based on recognition of the

limitations of the liberal, Communist and populist concepts of democracy. Given the increased threat of concentrated capitalist or state power in contemporary world conditions, it is necessary to build an expanded and powerful civil society if workers are to surpass their proletarian condition. This demand has particular pertinency under authoritarian or semi-authoritarian rule in the Third World, but should have great appeal also to mass movements in the East, and to democratic forces in the West. The question of democracy evidently extends to the struggle against capitalist and managerial authoritarianism at work, or



workers' control.

**Struggle against, and alternatives to multinationalisation.** This expresses recognition of transnational corporations (TNCs) as the most dynamic force for exploitation, repression and alienation in the world today. The alternatives proposed need to be primarily addressed to positive self-activity by the workers and popular movements, not to the state or local capitalists. Opposition to transnationalisation does not necessarily imply favouring local capitalists or state bureaucrats, nor a blanket opposition to the operation of TNCs. There are contradictions within and between TNCs, as well as between TNCs and workers, TNCs and communities, TNCs and citizens. On the basis of felt grievances and specific capacities and desires, unions can take common

international action to 'civilise' TNCs, demand the generalisation of 'best practice', and develop democratic controls over and alternatives to them.

Struggles against and alternatives to indebtedness. This issue not only unites workers with other popular forces in the Third World but can appeal to workers in indebted Eastern countries and to un- and underemployed workers in the West. The 'alternatives', however, need to be addressed also to specific activities that can be carried out by the labour and popular movements themselves, not simply by the states - or even the unions - 'on behalf of' the workers or the poor.

**Alternatives to ecological catastrophe.** The relationship between ecology, land rights, labour struggles and internationalism in the Third World has been symbolised in the figure of the Brazilian labour, human-rights and ecological martyr, Chico Mendes. Both in the West and the East the advanced part of the labour and democratic movements increasingly recognises that production and development must be understood in an ecological manner if they are not to be self-defeating, or even life-threatening

**Alternatives to militarism.** Third World masses are particularly subject to military repression, both external and internal. With the decline of nuclear confrontation



between East and West, the issue of militaristic domination of, by and in Third World societies must gain more priority. But the democratic movements in the East also have a major interest in demilitarisation, if they are to escape years of internecine warfare. 'Por la Vida' (For Life) movements in Latin America have expressed the popular opposition to militaristic coercion of the masses and their organisations by the fundamentalist left (Sendero Luminoso in Peru), as well as by the right. Opposition to militarism, it should be said, does not mean opposition to all and any armed movement. But it does when - as in the Peruvian case - the movement is militaristic and is experienced by the unions and the masses as terroristic.

**Socialist alternatives to capitalism.** The value of a discussion on this issue resides not only in its relevance to Third World unions, in a part of the world where the word may still resonate positively amongst workers. It lies also in the possibility of demonstrating internationally that trade unions can have a positive, attractive, holistic, alternative vision of society and the world. Whilst this might have little immediate

appeal to the mass of workers in the North, it could certainly appeal to socialists in the labour movements of West and East and contribute to the rethinking of socialism that will inevitably be taking place internationally.

### Two controversial issues in the Special Focus

Readers of the *Labour Bulletin* Special Focus on internationalism, as well as writers in it, will recognise much coincidence between what appeared there and what I have said here. But let me try to apply these principles to two controversial issues arising out of that special focus of the *Labour Bulletin*.

These are :

- The possible incorporation of COSATU into the patron-client relations traditional on the North-South axis. The fact that the Western unions have increasingly been obliged to abandon their relations with racist unions and eventually recognise COSATU is due to the determined struggle of South African unions (making effective use of information supplied by friends in the West!). As is well known, however, the concession of 'recognition' always brings with it the threat of incorporation, as the rich and powerful patron dangles cash, equipment, conference trips and scholarships over the heads of the only-too-needy clients. Friends of COSATU in Asia and Latin America

are themselves still subject to denial of recognition, condemnation or undermining by organisations that are courting COSATU today. The fear therefore arises that COSATU will slide into a client status, rather than fighting for the establishment of new principles which would be to the benefit not only of COSATU unions but also of others in the Third World.

- the idea of setting up some kind of new 'international democratic trade union alliance', apparently as a successor or alternative to the existing ones. It may be that this proposal is intended to *guarantee against* incorporation, or to demonstrate COSATU independence from Western domination. I suppose that the model the writer may have in mind would be that of the Organisation of African Trade Union Unity (OATUU).

Whether this is or is not the case, it would seem to me that the suggestion of such a successor or alternative fails to reflect on the history of such projects. It also fails to deal with the contradiction between seeking Western recognition and support and rejecting the International Confederation of Trade Unions that represents an increasing number of the world's unions. Such an approach implicitly puts the social-reformist ICFTU (which is thriving) in the same category as the Communist



World Federation of Trade Unions (politically bankrupt and ailing). Finally, it fails to consider to what extent 'a new worker-controlled internationalism' can be expressed or furthered within one "single, unified, democratic and accountable world federation" that the writer in the Special Focus proposes.

### **Conclusion: internationalist principles and international organisation**

I would argue for two apparently contradictory positions, but which are, in fact, based on the principles outlined above. My arguments are as follows:

- Joining the ICFTU would shift the centre of gravity in this organisation away from the most conservative, secretive and state-dependent forces (North, East or South) towards the most progressive, open and independent ones. If COSATU practised within ICFTU what is being preached within the South African Labour Bulletin, this would transform that organisation! But we can no more rely on such a 'Trade Union United Nations' to express and further internationalism than we can on

the United Nations to express and further the popular global desire for liberty, equality and solidarity. The ICFTU would, at best, be an international union of national union leaders. The latter is at present probably also the best one could say of OATUU which, when I was active in Africa, was unknown to ordinary workers there.

I argue for joining the ICFTU, incidentally, not because I have abandoned my critical attitude toward it but because

1) the WFTU has virtually disappeared,

2) I do not believe the ICFTU can simply 'absorb' the COSATU and its new East European affiliates, and

3) the ICFTU has already shown it is not impervious to the new radical union movements in the Third World.

- Furthering international and democratic alliances. COSATU should also further international labour and democratic alliances, including forces that may reject the ICFTU (or the US AFL-CIO) or be rejected by them. But it seems to me that this alliance should not be thought of in terms of a 'non-aligned' or even 'democratic' ICFTU. It should be a matter of a multiplicity of levels and forms of alliance - such as those COSATU has benefited from up to now, and which could be en-

riched and multiplied in the future. Recent history suggests that relevant new ideas, strategies and even technical means (international labour communication by computer) have been pioneered by tiny networks and marginal publications. Some of them are not even unions, some of them have no relations with workers (I am one, so was my newsletter).

Maybe one needs to recognise that, in international labour affairs as in others, power exists at the centre and the top but empowerment is developed at the base and the periphery.

In a study done in Peru in 1986 I quoted the Peruvian communist Mariategui [see box]. At that time I could only dream that what he said about international communication and labour internationalism might one day come true. I ended my study with the following words:

The industrialised capitalist countries may be (because of their level of industrialisation, de-industrialisation, post-industrialisation) sources of new social thinking and even new labour strategies, but these tend to develop outside or on the fringes of the organised labour movement. The latter - victim of its own past successes - is in a largely defensive posture. Whilst it is engaged in many activities of interest to other labour movements, it does not in general show a capacity to



either understand or effectively fight back against the aggressive new capitalist order. Countries on the periphery of capitalism (and we must here include Poland and South Africa alongside Peru) have thrown up organised labour movements of a 'social-movement' kind - inspired by a vision of social

transformation, open to or intimately linked with other classes and social interests. These movements become - but in very diverse ways, at different moments and for different periods - open to a new kind of labour internationalism. If the ideas above have been launched into space from the capitalist core, it may be at the periphery that they are brought down to earth and converted into a force that will return to grip the mind of labour internationally. ☆

### A note on internationalism

Internationalism exists as an ideal because it is the new reality, the nascent reality. It is not the absurd ideal of a few dreamers or utopians... Socialism, trade unions, did not thus spring from some work of genius. They sprang from the new social reality, the new economic reality. And the same is true of internationalism... When the European workers fought for the conquest of the eight-hour day, they fought not only for the European proletariat but for the world proletariat. For you, workers of Peru, it was easier to obtain the eight-hour law because the eight-hour law was already in existence in Europe. Peruvian capitalism ceded your demand because it knew that European capitalism had also ceded this... The incapacity of individualist and capitalist society to transform itself in accordance with international economic necessities does not prevent the appearance within it of the first signs of an international organisation of humanity. Within the nationalist and chauvinist bourgeois system which separates and opposes peoples, there is woven a dense network of international solidarity that is preparing the future of humanity...

Communications are the nervous system of this internationalism and human solidarity. One of the characteristics of our epoch is the rapidity, the velocity, with which ideas spread, with which currents of thought and culture are transmitted. A new idea that blossoms in Britain is not a British idea except for the time that it takes for it to be printed. Once launched into space by the press, this idea, if it expresses some universal truth, can also be instantaneously transformed into an internationalist idea.

**Jose Carlos Mariategui, Peruvian Communist, Editor of the labour newspaper, *Labor*, in 'Internationalism and Nationalism' (1923)**

# Trade unions and the democratisation of technology

JOHANN MAREE\* reviews *Tools of Change: New Technology and the Democratisation of Work* by John Mathews (Pluto Press, Sydney, 1989)

## Introduction: new opportunities for unions

New computer-based technology is presenting trade unions with opportunities to democratise the workplace and investment decisions as never before. This is the central message of the recent book by John Mathews, *Tools of Change*, which every serious trade unionist in South Africa should take note of.

But there is another reason why this book is of great relevance to South African trade unions. As South Africa enters the era of transformation to a new post-apartheid order, the economy is in a major crisis. With zero economic growth and no new jobs being created, more and more workers are entering the labour market, thereby pushing up high levels of unemployment to socially dangerous levels.

Although estimates of

unemployment vary immensely, the President's Council estimated that in 1980 the unemployment rate was 30% (Nattrass and Ardington, pp 164-8). In some depressed areas including Port Elizabeth, it has been found to be in the order of 50% (Wilson and Ramphela, 1989, pp 88-93). There is common agreement amongst many economists, including the COSATU-linked Economic Trends Research Group, that a high rate of economic growth is needed to combat unemployment; furthermore, that this growth can only be sustained through the development of an export-oriented manufacturing sector (See the chapters by Anthony Black and Dave Kaplan in S Gelb, 1991). To achieve this, our production has to be internationally competitive both in terms of the quality and the price of products. To do so requires high

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levels of productivity and top quality production.

This is where Mathews's book comes into the picture again. In *Tools of Change* he presents ways in which trade unions can participate strategically with management in investment decisions as well as the operationalisation of new computer-based technology in the workplace. Such strategic participation, which he calls flexible accommodation, takes place without either co-optation of the union or the compromise of workers' interests.

In order to explain how this situation has come about Mathews traces two processes. Firstly, he examines the dominance and decline of Fordism and secondly, the development of new computer-based technology.

### **Rise and decline of Fordism**

Fordism is a system of mass production of commodities along Taylorist principles accompanied by the regulation of the economy to ensure sufficient demand for the mass consumption of commodities produced under Taylorist conditions.

Taylorism, or scientific management as it is also known, is a method of work organisation developed by Frederick Winslow Taylor around the turn of the century. It is based on three essential principles.

The first principle is called the dissociation of the labour process from the skills of the workers. In the words of Taylor it means that the managers assume the burden of gathering together all of the traditional knowledge which in the past has been possessed by the workmen and then of classifying, tabulating, and reducing this knowledge to rules, laws, and formulae.

The second principle is the separation of conception from execution which means that all possible brain work should be removed from the shop and centred in the planning or laying-out department.

The third principle is managerial control of each step of the labour process. Perhaps the most prominent single element in modern scientific management is the task idea. This task specifies not only what is to be done, but how it

is to be done and the exact time allowed for doing it (Braverman, 1974, pp 112-8).

The heyday of Fordism in advanced capitalist countries was after World War Two until the late 1960s when, according to Mathews, it ran into its own limitations. Countries in the East, first Japan, then South Korea, Hong Kong, Taiwan and Singapore challenged European and American firms by becoming mass production imitators. Markets for mass consumer goods became saturated and Fordism ran up against its own technical and economic efficiency limits (pp 1,29-30). Efforts were made to try and overcome these limitations by intensifying the application of mass production principles. Firms also pursued a strategy of innovation and specialisation within a Taylorist framework, but all to no avail. A more radical alternative post-Fordist route had to be found.

### **Computerisation**

The second process that Mathews traces is the development of new computer technology based on the astonishing processing powers of micro-electronic circuits ('microchips'). The resulting computerisation, which is the application of machine intelligence to work, has led to radical changes in the labour process. The key to these changes is the building in of processing, memory and programming capacity within tools that previously stood alone (p 41). The programmability of machines provides a flexibility to the production process and it is this flexibility that boosts productivity.

Mathews demonstrates the widespread application of the new computer technologies by examining their use in the manufacturing, services, communications and publishing industries. For the sake of brevity this review summarises almost word for word how Mathews describes the way in which Computer-Aided Manufacture (CAM) is restructuring the industry.

The common features of manufacturing machines in the Fordist era are that they are set to cut, turn or in some other way operate on a piece of material to produce an article that was previously specified in a design. The cutting, turning and other operations can be performed

by a skilled person or, as the logic of Fordist automation progresses, the machine is made to perform a pre-set sequence of operations where the worker is merely required to press a start or stop button, and supervise the operations of the machine.

With the application of microprocessors to the task of machine control, the picture changes dramatically.

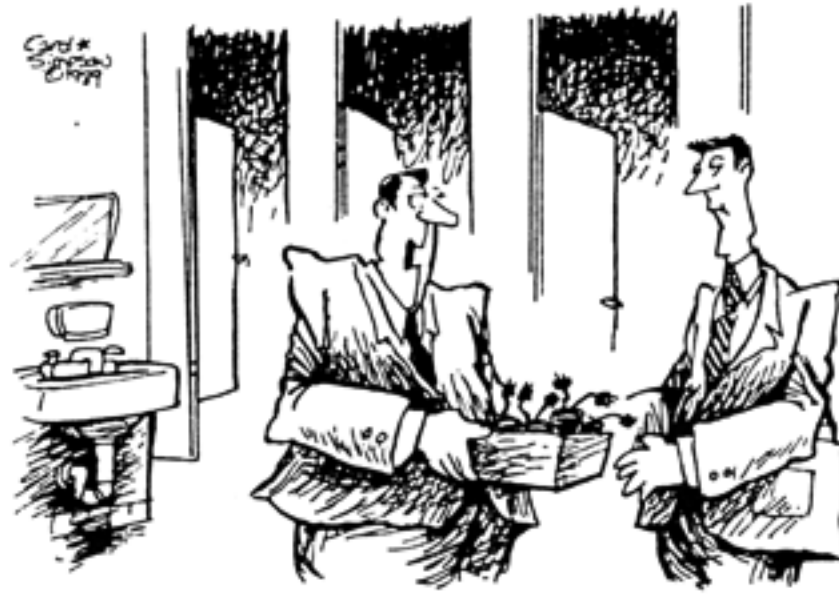
Now computing power is based in the machine; programming and reprogramming can now be performed through a key board located on or near the machine. This is referred to as a Computer-Numerically Controlled (CNC) machining centre.

The essential feature that separates such machining centres off from previous forms of automation is their programmability. Whereas previous automatic tools needed to be changed when a new job was ordered, the CNC machining centre is simply reprogrammed. This is the secret of the CNC machine's flexibility which, in turn, accounts for its productivity.

An accompanying change is that CNC machines require skilled operators to ensure the high quality of the product.

The next step up from a CNC machining centre is the Flexible Manufacturing Cell (FMC) in which much of the handling of workpieces is automated. Instead of an operator having to set each piece up prior to its being machined, the FMC will allow workpieces to be fed into the machine, re-set, extracted and stored. A Flexible Manufacturing Cell thus consists of one or more CNC machines, with automated handling equipment attached.

The following step in horizontal integration is to link Flexible Manufacturing Cells by automatic transport and feeding mechanisms. Thus a chain of machining operations can be



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

linked together, all under computer control, and all subject to the programming flexibility of a single core tool. Hence this stage is called a Flexible Manufacturing System.

As a case study Mathews cites the Volvo Engine plant at Skovde in Sweden which he visited in 1988. It consists of a series of advanced Flexible

Manufacturing Systems.

Each FMS or 'line' as Volvo called it, produced an engine component, such as cylinder blocks, valves or camshafts. Machining was carried out by CNC centres linked by Automatic Guided Vehicles and Volvo-designed overhead parts handling ('gantry robots') equipment.

Each FMS is operated by a team of three or four highly skilled workers (a majority of whom were women on the day he visited the site). The multi-skilled team members are in total control: they can interrupt a programmed sequence (at any time), or reschedule operations, by typing commands into their consoles. They need never lay hands on an engine component.

The full plant is being developed by a joint management-union project group. All aspects of the work organisation and technology employed are being tested by this group before becoming embodied in plans (pp 44-50).

Mathews points out that it is not only microprocessors that are transforming the production of goods and services, but also new organisational principles that in their own way represent potential departures from Fordism. Two of the production methods he discusses are Just in Time and Total Quality Control.

Just in Time (JIT), also known as the Kanban system, is based on a strategy of inventory control. Inventories are kept to a minimum and parts are delivered 'just in time' for their

assembly. The system has its roots in employee involvement and motivation schemes as formulated in Japan. For example, on assembly line production with JIT, each Kanban worker has the right to stop the assembly line when he or she is falling behind or discovers a defective part or assembly.

Total Quality Control (TQC) which was also developed in Japan, is based on the statistical control of quality at all stages of production, from planning through to marketing. It reverses the usual notion of 'quality control' exercised by checkers and supervisors at the end of an assembly line, and instead places the emphasis on fault-free working.

These new management strategies have a post-Fordist potential which, in the view of Mathews, trade unions should build on rather than dismiss. It is, however, the flexibility brought about by programmable computer technology that gives full scope to post-Fordism and opens up great opportunities for unions.

## **New opportunities for unions:**

### **1 Work Organisation**

The two processes traced by Mathews - namely the organisational and efficiency limits reached by Fordism and the computerisation of work through the development of new computer-based technology - are combining to bring to an end the Fordist era and herald a new post-Fordist era of production. Mathews also argues that it provides trade unions with a unique opportunity to participate in decision-making about the investment and use of this new technology.

Workers and their unions now face the challenge of developing a new strategy of intervention, oriented towards a broad conception of a future economy and social system. Meeting the challenge will require members of unions to revise radically, their attitudes to questions of technology, work organisation, skills formation and industrial relations (p 2).

The three broad areas of work organisation, skills formation and industrial relations are closely interrelated as changes in

work organisation have immediate implications in the other two areas. In the area of work organisation efforts were already made as early as the 1920s and 1930s to offset the dehumanising effects of Taylorism. The Human Relations School emerged around that time in the USA, but its effects on work organisation were mainly cosmetic. A different response to Taylorism was the Sociotechnical School that emerged in Britain in the 1950s. It developed and popularised the notion of semi-autonomous work groups and showed that such work reorganisation even enhanced productivity.

In the 1960s and 1970s the Quality of Work Life (QWL) initiatives emerged. Its initiatives included such measures as job rotation (the planned rotation of a worker through a number of tasks, all of comparable challenge and requiring comparable skills), job enlargement (an increase in the number of tasks performed by the worker) and job enrichment (the grouping of tasks of different quality into a single job). Additional initiatives were the relaxation of work rules as well as the introduction of group and team work. Important as these initiatives were in the 1970s, they remained for the large part bound within a framework of ameliorating the excesses of Taylorist work organisation. They were not motivated by the need to reorganise production in order to take advantage of the potential unleashed by computerisation (Mathews, p 105).

It was only in the 1980s that post-Fordist work organisation, designed to optimise the flexibility achievable with programmable computerised systems, came to the fore. Such alternatives have become realities in West Germany, Scandinavia and Japan. The characteristics of the new production methods are firstly that they are 'human centred' in that they perceive labour not as a cost that is to be minimised, but as a resource whose potential is to be maximised. They are also based on flexible specialisation which is a strategy of permanent innovation based on flexible, multi-use, equipment and skilled workers. The outcome of such functional flexibility is the production of many different

products of high quality based on innovation. These characteristics of post-Fordist production methods require the following principles of post-Fordist work organisation:

- horizontal and vertical integration of tasks;
- broad levels of responsibility and multi-skilling;
- group work or team work;
- decentralisation of decision-making through worker-involvement; and
- shared supervision.

The principles are fundamentally in opposition to Fordist work organisation principles. An example by Mathews of the Volvo Engine plant at Skovde, Sweden best illustrates this.

In the final engine assembly area teams of nine to ten workers will follow an engine through from initial assembly of components, to final testing of the completed engine. Tasks will be performed at different work stations, while the engines-in-transit will carry all the components needed for assembly in 'supermarket' baskets attached to Automatic Guided Vehicles. A member of the team will test the engine in an area insulated from the assembly room, and will be able to make adjustments on the spot at a specially designated rectification work station. This is a long way, conceptually and organisationally, from Henry Ford's assembly line.

Note how this innovative system of job and work design meets all the criteria we have identified as defining post-Fordist work organisation:

- The assembly process is completely integrated, with team members being responsible for an assembly job from start to final approval.
- The team members have broad levels of responsibility, and exercise considerable discretion in the fulfilment of their duties, for which they are highly trained.
- All work is team-based, with the team being responsible for allocating tasks amongst its own members.
- Co-ordination of tasks is exercised internally, within the team, rather than by an overall plant manager. No intermediary management levels get in the way" (pp 114-5).

## 2 Skills Formation

Post-Fordist work organisation has major implications for both management and trade unions in the areas of skills formation and industrial relations. With regard to skills formation Mathews argues that trade unions, especially craft unions locked in a Fordist paradigm, will have to change their static approach to skill acquisition by workers. Traditional craft unions have assumed that a skill is exclusively and completely attained through apprenticeship. Skill is thus regarded as a 'once-off' acquisition. The unions then organise such skilled workers and do not allow non-apprenticed workers into the skilled job categories.

The essential feature of post-Fordist skills formation is continuous skill enhancement. This makes it compatible with the flexibility required of programmable computer systems. It implies a system of skills formation suitable to broad-based job categories rather than jobs defined in narrow terms of machines to be minded. It also allows for career progression by having a skill formation ladder. This is a job category structure that allows workers to move from one skill band to another, as they complete further training and acquire experience. It is this aspect of skill formation that represents the most radical break with Fordism and its Taylorist work organisation. Another move away from Taylorism is skill broadbanding which is the process of reintegrating fragmented jobs into more broadly based job descriptions.

A more flexible system is one that has multi-level entry which means a system of training (skills acquisition) that can accept people at different ages and with different backgrounds. Multi-level exit means a training system that can allow people to leave at different points with qualifications in ascending order of importance. Yet higher levels of skill formation are multiskilling and group skilling. Multiskilling refers to a worker being able to perform more than one skilled task while group skilling extends the notion of multiskilling to the level of a group of workers, so that the group encompasses a range of skills within itself.

Post-Fordist skills formation also requires training as part of the job. In the leading industrial nations of Japan, West Germany and Scandinavia, according to Mathews, firms provide training to employees and seek to retain them by offering a career path, with appropriate wage structures, within the firm.

As a case study of a comprehensive skills restructuring agreement Mathews, cites the agreement covering the metal and engineering industry in Australia. The union there, the Amalgamated Metal Workers Union, negotiated a new agreement based on the principles of multiskilling, skill broadbanding, and creation of a career path. A set of broadbanded job categories, only seven in all, was proposed to replace the 300 categories in the previous agreement. Dynamic progression from one category to another was also provided for. The agreement removed the long-standing barrier between 'skilled' and 'unskilled' workers. This major initiative, according to Mathews, will revolutionise the capacity of the metals manufacturing industry to restructure and face the future.

The approach of post-Fordism to skills formation has major implications for South Africa. Firstly, it can help black and women workers who have been disadvantaged, either through racial or gender discrimination at work or through receiving an inferior or even no education. Under post-Fordism they can advance by receiving on the job training that allows them to advance to jobs requiring higher skill levels. It can thus help to put an end to traditional racial and gender job barriers in South Africa.

Secondly, it can assist unions that are striving to restructure South African industries. The flexibility that accompanies post-Fordism grants employers and unions space to negotiate over a range of issues relevant to restructuring. There is, for instance, a great deal of overlap between the proposals put forward by Mathews in his book and the issues discussed at the NUMSA reconstruction workshop late last year (See Karl von Holdt, 'Toward Transforming SA Industry: a reconstruction accord between

unions and the ANC?', *Labour Bulletin*, Vol 15, No 6, March 1991, pp 17-25).

Mathews sees the task of developing a post-Fordist pattern of skills formation as a political challenge in that it will require substantial breakthroughs in the area of industrial relations.

### 3 Industrial Relations

The Fordist approach to industrial relations is essentially an antagonistic one based on the mutual recognition by employers and unions of each other's different spheres of interests. Unions thus recognise spheres of managerial prerogative whereas employers recognise certain areas where the union can limit managerial prerogative. The limitation could for instance be in the implementation of procedures such as grievance procedures, or could deal with the negotiation of wages and working conditions.

According to Mathews the first substantial departure from Fordist industrial relations came in the 1970s and 1980s when the unions concentrated on specific issues such as the protection of workers' health and safety. This had the effect of challenging and rolling back the claims of 'managerial prerogative' issue by issue.

Mathews, however, makes it clear that to achieve post-Fordist democratisation of the workplace, a substantially different approach to industrial relations is needed.

A post-Fordist model of industrial relations needs to be based on the mutual advantages that both labour and capital derive from a productive and efficient enterprise that is grounded in respect for human skill and ingenuity. It abandons a model of adversarial relations in favour of co-operation, within an agreed framework (p 146).

This approach is termed flexible accommodation by Mathews. He maintains that the advantage to unions is that it leads to a strengthening of unions rather than a weakening and that there is considerable evidence from many countries that this is the case. The advantage to employers is that this approach improves the enterprises' cost effectiveness and productivity. Flexible

accommodation thus holds mutual gains for both parties.

Mathews is aware that many trade unions are wedded to the idea that worker militancy must always be expressed in the form of disagreements with the bosses. As a result the idea that collective strength can be exercised through an agreed structure of co-operation is difficult to grasp. What may make it easier for unions is to realise that Mathews is talking about participation leading to co-determination. This means that Mathews has in mind a system that gives the unions equal power to management so that unions co-determine the outcome of decisions.

There is one important aspect of co-operation that Mathews does not cover adequately. That is the question of financial disclosure and financial participation. When workers are faced with new technological systems that are designed to boost productivity, they are legitimately concerned that the gains made from the increased productivity will not only go into greater company profits and greater benefits for employers. To ensure that the workers gain their fair share from the increased productivity as a result of investment in new technology, the enterprise has to provide the union with full disclosure of all the relevant financial information. The union can then ensure through bargaining that workers receive their fair share for their co-operation in achieving an increased productivity.

Principles of post-Fordist industrial relations put forward by Mathews include the following:

- support for technological change - on the basis of job security, full disclosure of plans and information, and full consultation over the process of change;
- support for new forms of work organisation - on the basis of a broadened agenda for negotiation and co-determination structures;
- support for multiskilling and group skilling - on the basis of an agreed career path structure and the provision of lifelong training;
- a wage system linked with skill and group

remuneration.

Two fundamental prerequisites must be satisfied before a union can be expected to co-operate in the introduction of new technology. These are that jobs overall be protected with new skills taking over from old skills via retraining; and that any change should be subject to extensive and lengthy consultation.

The post-Fordist wage system, says Mathews, should aim to minimise the potential for demarcation disputes as well as link productivity, training and skill formation. It should thus remunerate the acquisition skill, but also allow for group-based rather than individual remuneration. While all members of teams need not receive the same wage, there does need to be a common element that reflects the team's group effort.

By consultation Mathews in fact means a process in which the union first arrives at an independent position about the new technology. It does so by obtaining full disclosure from employers of their intended plans as well as conducting its own research on the topic. To do so, the union may have to call on the services of experts outside the union, but it is essential that these experts remain fully accountable to the union and consult all the appropriate union structures. Only once the union has arrived at its own position does it enter into consultation with employers. As Mathews stresses:

"A genuine co-operative relationship between parties is one built on equality of resources; otherwise it becomes a dominating relationship. The only basis on which unions will be able to hold employers to a co-operative strategy, is by making an independent and technically sound contribution of their own" (p 166).

### **Dangers and opportunities: the way forward**

The above outline of Mathews's arguments have stressed only the positive potential that he sees in post-Fordism. But he also sees danger signs which he warns unions to guard against.

The first danger that he warns against is that flexible specialisation brought about by

programmable computers could be based on a small core of skilled workers with job security combined with a large periphery of unskilled workers without job security. The unskilled workers can easily be dismissed during a downturn in trade or slump in the economy and hence it is very important for the unions to negotiate as much job security and social benefits as possible for the 'peripheral' workers.

The second danger that Mathews warns against is the anti-union strategy coming from the New Right. In essence their strategy is to by-pass the unions by creating an elite core of skilled workers and excluding the unions from meaningful negotiations. The more antagonistic the union is, the easier it will be for the New Right to adopt its preferred strategy. Although there is evidence that progressive post-Fordist strategies are being implemented, Mathews warns that they are still 'straws in the wind' that could be 'blown away by adamant obstruction on the part of backward-looking trade unions' (p 37).

Instead of 'adamant obstruction' Mathews recommends that the unions block the tactics of the New Right by offering employers a constructive alternative. The alternative, a human-centred work organisation in industry, is to be based on the newly found link between flexibility, productivity and democratisation which is the material basis for a new compact between capital and labour.

However, Mathews also sees the programme of transition from a Fordist to a post-Fordist workplace as a political program. This, he argues, is because issues at the workplace are integrated with broader issues at the levels of the firm, industry, economy and even the state. Because of this integration, employers and unions on their own cannot achieve the transition, but need to broaden the compact to include other significant parties as well.

Unions and employers on their own, even in the best of all possible partnerships, cannot change the industrial system. The role of governments and social movements, professional groupings and other

'associations' will also be critical. A framework of goals is needed to tie these disparate interests into a coherent force and orient them towards a common goal (p 184).

Mathews does not explain well enough in *Tools of Change* why social movements and the state are necessary to effect a transition to a highly productive post-Fordist economy. In another book by him, *Age of Democracy*, he goes more deeply into the matter. He maintains that the trade union movement should set itself social goals and negotiate 'social contracts' with social democratic political parties to achieve the goals. The state should support and co-ordinate the process of change rather than 'deliver' the social transformation (See Eddie Webster's review of *Age of Democracy* in *Labour Bulletin*, Vol 15, No 7, April 1991, pp 79-83).

In South Africa, facing a major economic crisis outlined at the start of this review, a social contract is urgently needed between all the major economic actors - be they trade unions, employers' associations, social movements, political parties, the government or the state - based on the common goals of achieving a high economic growth rate, combating unemployment and uprooting poverty. Because of the interrelatedness of economic, political and social issues in South Africa, it is necessary that all economic actors with sufficient power either to disrupt or to deliver the social contract should participate in drawing up the contract. Although the transition to a highly productive post-Fordist production system will only be one component of such a social contract, it will nonetheless be vital in reconstructing the South African economy. ☆

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# Education Notes

## Democracy in the workplace

There are many debates about how to create democracy in South Africa. But the question of how to democratise the South African workplace is often not part of these discussions. Recently, the Sociology of Work Program (SWOP), a progressive research and education project based at Wits University, ran a course on 'Democracy and the Workplace' with shop stewards from CWIU and SACCAWU. The course was designed to explore issues of workplace and industrial democracy and to examine the experiences of other countries.

The course began by looking at theories and dilemmas of democracy and at how the idea of democracy can be interpreted and practised in different ways. Participants went on to examine the idea of exploitation and how this process forms the basis of many societies. The labour process and the dynamics which are present in the workplace were also explored. There were debates about the nature of the relationship between workers and management and participants concluded that there is both co-operation and conflict in the workplace. Workers are involved not only in resistance, but also in the creation of the product.

The course went on to explore forms of industrial and workplace organisation in the Soviet Union, Yugoslavia, Sweden, West Germany, the Newly Industrialised Countries and Japan. Participants looked at how each model saw the importance of democratising work and how this linked to the broader political system. The discussions raised many issues and workers found themselves trying to define socialism, analyse managerial

strategies or understand the programs of workers in other countries.

The course then went on to look at South Africa and at new managerial strategies for workplace participation. Johan Nel, a management consultant who has worked with PG Wood, gave an input on participatory management and its potential in South Africa. Participants debated many issues with Nel, including whether workers should elect their supervisors and whether workers and management can share objectives at work. This was followed by an input from a PPWAWU shop steward at PG Wood, who gave his perspective on how workers have responded to these new managerial techniques. The issue of whether COSATU affiliates should accept participatory schemes, and whether workers have anything to benefit from them, was a source of heated debate.

Discussions at the course revealed that management in various companies have begun to introduce schemes such as 'relations by objective,' quality circles and 'green areas.' One large retail company even asked the union to help solve "shrinkage" problems. This involved taking on a semi-managerial role for some time. It seems that many South African companies are developing their own ideas of workplace participation. Some participants felt COSATU affiliates should have greater direction and policy in responding to these initiatives. ☆ *SWOP intends offering the course again next year. Any union which is interested in attending the course in April, July or September 1992 should contact SWOP at the Department of Sociology, Wits University (011) 716-2908.*



# Farm workers: proposed labour legislation

by DAWIE BOSCH

Farm workers, who are excluded from nearly all labour laws, are likely to be covered by at least some of them within the next two or three years. The majority of the National Manpower Commission (NMC) — with the participation of COSATU and NACTU for the first time — recommended that all labour laws should cover farm workers.

The government's final response to these recommendations will probably only be known by next year.

## Basic Conditions of Employment

The *Basic Conditions of Employment Act* (BCEA) sets minimum conditions of employment. The changes to this Act which are summarised here must still be confirmed by Parliament before it will be law. This will probably happen in the first half of 1992.

The SA Agricultural Union (SAAU) accepted that the BCEA will have to apply to farm workers, but wanted various basic conditions changed for agriculture. These included longer ordinary working

hours for farm workers (with limitation only on the total average hours worked over a year), unlimited lunch breaks, 14 days leave for guards (instead of 21 days) and "light" child labour between ages of 12 and 15.

Labour felt that the *Labour Relations Act* (LRA), which sets standards of fairness and provides for mechanisms to resolve disputes, should have been the first labour law to be extended to farm workers. Since the government proposed to extend the BCEA before the LRA, labour supported the inclusion of some rights granted by the LRA in the BCEA, with respect to farm workers. This included protection of farmworkers against unilateral changes of conditions to the detriment of workers and against victimisation and a prohibition on dismissal of farm workers in anticipation of new law.

Labour also argued for the closing of loopholes which could be used to avoid provisions of the BCEA — such as paying on a piece or taskwork basis and using labour brokers and labour-only

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## LEGAL NOTES

contractors to perform work.

The SAAU and labour compromised and reached consensus on various issues in the NMC (see pp 51ff).

Farm workers are likely to be covered by the following basic conditions:

- Conditions will be the same as for other workers: 14 days annual leave (21 days for guards), overtime pay of one and a third times ordinary wages, maximum overtime of three hours per day and ten hours per week, seven public holidays, a right to a certificate of service, a ban on employment of children under 15 and of women one month before and two months after the birth of a child;
- 48 hour working week (46 for other workers);
- 9½ ordinary working hours per day (9¼ for others);
- Extension of ordinary working hours by four hours a week for up to three months a year with a corresponding reduction of working hours in another part of the year;
- A right to minimum notice of one month (instead of one or two weeks for other workers), and a right to accommodation and use of grazing for at least 30 days even where a worker has been paid in lieu of notice; where a worker gets the right to grow crops as part of remuneration, the worker will still be entitled to a reasonable opportunity to tend and harvest the crops;
- No limit on the length of meal intervals (1¼ hours maximum for others);
- Payment in kind to be seen as part of farm workers' wages for purposes of determining overtime pay, leave pay and notice pay (not the case for other workers);
- 30 days sick leave over three years and 36 days for guards (as for other workers) – but if a farmer demands a doctors' certificate he/she has to give reasonable assistance to a farm worker to get to a doctor;
- Payment for Sunday work may be different (the Bill proposed lower pay than for other workers) but farm workers who work on Sundays are likely to get a right to one day off in the following week;
- Minimum payment of workers doing piece or task work, set at the wage of permanent workers on the farm.

The following changes applying to all workers are also proposed:

- All workers will be allowed to enforce any BCEA rights (such as unpaid wages) in a civil court (at present workers have to claim through the Department of Manpower, which is slow in enforcing rights and is often accused of believing employers rather than workers);
- Added protection against victimisation: an employer will not be allowed to victimise workers for the reason that they discussed their conditions of service with any person, or that they refused to carry out an order which is in conflict with the BCEA;
- Increasing fines for transgressing provisions of the BCEA from R1 000 to R4 000, and for victimising workers from R2 000 to R8 000. It is still unclear whether or not the following proposals (among others) will be included in the final Act:
  - Summaries of the BCEA should be posted in a *prominent and accessible position* on the work place (proposed by the NMC);
  - Allowing the Minister to set new minimum conditions of employment on application by an association of farmers for its worker, as long as the farmers' association consulted its workers *at any time* before making application (proposed in the Bill but opposed by the NMC and others);
  - Protection of farm workers against exploitative practices of shops owned by their employers (proposed by labour and others).

### Unemployment Insurance

The *Unemployment Insurance Act* (UIA) provides for a limited and mandatory insurance against unemployment. Seasonal workers in industries which have been declared by the Minister of Manpower as seasonal (for example, canning of fruit) are presently excluded from making contributions and from insurance for the first eight months of their employment by one employer.

As with the BCEA, changes to the UIA which are summarised here must still be confirmed by Parliament before it will be law. This will probably happen in the first half of 1992.

The SAAU strongly opposed present cover of farm workers under statutory unemployment

insurance. The SAAU opposed the idea of reducing the seasonal period from eight months, as proposed by others.

The majority of the NMC supported full cover for farm workers by the UIA, with no changes to the Act specifically for farm workers. Labour further proposed the reduction of the seasonal period from eight to four months.

Possible changes to the UIA:

- Reduction of the seasonal period in seasonal industries (the Bill proposed that this be done only in the case of farm workers);
- In determining whether seasonal workers have worked continuously for one employer, any break of between two and four weeks to be disregarded;
- Permanent workers in seasonal industries to be covered by UIA from first day of employment (now they are only covered after eight months);
- The UIA will apply to farm workers only after 12 months from the date the changes are made by Parliament, and the Minister gets the power to extend this period even further for specific employers (this was opposed by various parties).

Manpower have not yet responded to the NMC recommendations on changes to the Unemployment Insurance Regulations. These include making it easier for people to change the place where they sign while they are unemployed and the introduction of mobile UIA offices in the rural areas.

## Labour Relations

The *Labour Relations Act* (LRA) requires fair labour practices, regulates collective bargaining and provides mechanisms to resolve disputes. The NMC's proposals for changes to the LRA, aimed at including farm workers, were published for comment, but the Department of Manpower and Parliament have not yet responded.

The SAAU opposed extension of the LRA to farm workers, on grounds that a formal labour relations system should not be applied to agriculture because the joint application of the BCEA and common law should protect farm workers sufficiently. Earlier the SAAU supported a separate statutory labour relations system for agriculture. At the NMC the SAAU

representatives agreed to all central principles of the LRA — such as that common law is inadequate in ensuring fairness, and legislation should enforce fair labour standards — thereby contradicting its earlier (and subsequent) positions.

The majority of the NMC supported full extension of the LRA to farm workers, without any changes specifically for farm workers. The NMC also supported general changes to the LRA especially in the case of small and rural businesses.

Changes proposed by the majority of the NMC include:

- The creation of a circulating small labour court, which an applicant could decide to use instead of the Industrial Court, where no legal representation and no appeal will be allowed;
- Chairpersons of conciliation boards should play a more facilitating role in the conciliation procedures;
- If the parties to a dispute so decide, mediation or arbitration may replace the conciliation board stage;
- Methods of limiting strikes and lock-outs in certain circumstances (when they are “undesirable”) should be investigated.

## The Wage Act

The *Wage Act* provides mechanisms by which the Wage Board can set conditions of employment and wages in specific industries and geographical areas, after conducting investigations. This is used especially in unorganised industries or in industries where employers/employees are not prepared to form Industrial Councils.

The SAAU opposed application of the *Wage Act* to agriculture, while labour proposed various other general changes to WA (such as that the Wage Board should be a tri-partite body, representing the state, organised employers and organised employees) which were not considered by the NMC.

The NMC's majority proposal was to include farm workers within the ambit of the WA, but to delay the date of implementation for two years. These recommendations were published for comment. The response from the Department of Manpower or Parliament to these recommendations is not yet known. ☆

## Vat - a worse tax for a poorer South Africa

### Introduction

The unions and allied organisations are demanding that VAT should not be applied to basic foodstuffs, water and electricity.

Moreover, "effective poverty relief" is demanded to ensure VAT does not lead to further immiseration amongst the unemployed and low-paid.

This article reproduces some of the information prepared by the Labour Research Service to support these demands.

### 1 Tax on workers is rising

Take an African auto electrician earning R1 800 per month in 1991, married with two children,

as an example. Assume that there were wage increases of 15% over the last five years. Table 1 below shows how this worker's tax has been increasing. It is due to "bracket creep".

Even before VAT came in, workers in the higher grades were being taxed more heavily. In the example above, the worker is now paying 58% more tax, as a proportion of income, than 6 years before!

While workers' taxes are increasing, the government has lost R1,28 billion in taxes by giving concessions to the rich, as can be seen in Table 2 below.

These figures represent the Minister of Finance's own estimates, reported in his budget speeches, of the revenue lost due to reduction in taxes or abolition of taxes.

### 2 Brown bread

Brown bread, a major item, has gone up by more than the

| Year | Basic Wage | PAYE    | PAYE as a % of basic |
|------|------------|---------|----------------------|
| 1986 | R 894,92   | R 46,37 | 5,2%                 |
| 1987 | R1029,16   | R 54,17 | 5,3%                 |
| 1988 | R1183,53   | R 61,34 | 5,2%                 |
| 1989 | R1361,06   | R 85,88 | 6,3%                 |
| 1990 | R1565,22   | R102,63 | 6,6%                 |
| 1991 | R1800,00   | R147,50 | 8,2%                 |

**Table 1**

| Taxes lost per annum - budget estimates |             |                |
|---|-------------|----------------|
| 1. Dividend tax                         | (1990/1991) | R 650 million  |
| 2. Mining tax                           | (1990/1991) | R 68 million   |
| Mining tax                              | (1991/1992) | R 49 million   |
| 3. Company tax                          | (1991/1992) | R 378 million  |
| 4. Marketable securities tax            | (1991/1992) | R 85 million   |
| 5. Stamp duty                           | (1991/1992) | R 50 million   |
| Total                                   |             | R1 280 million |

**Table 2**

consumer price index (CPI) even though it is exempt from GST and will be exempt from VAT. Brown bread constitutes 4% of urban African spending on food (*Source: Bureau of Market Research, A comparison of the income and expenditure patterns of metropolitan households in the RSA, 1985*).

As Table 3 below shows, subsidies have been reduced progressively to zero. In March this year, price controls were lifted. There are now no subsidies on bread and there is no knowing how high bread prices will go. As the price of brown bread increases, people are already changing to less nutritious white bread (*Source: Labadarios et al, South African Medical Journal, Vol 78,3 Nov 1990*).

#### Wheat subsidy per annum (8c per brown loaf)

|           |             |
|-----------|-------------|
| 1989/1990 | R80 million |
| 1990/1991 | R60 million |
| 1991/1992 | R0          |

(Source: Expenditure estimates, Department of Finance)

**Table 3**

### 3 Food prices are already rising faster than other prices

In five out of six years since 1986, the food price rose faster than the CPI (Table 4).

The most important effect of VAT on workers will be the taxation of fresh foods. VAT will therefore increase the prices of that part of the CPI, food, which is already its fastest rising component.

| Year                   | Consumer Price Index | % Inc. | Food Price Index | % Inc. |
|------------------------|----------------------|--------|------------------|--------|
| 1985                   | 100                  | -      | 100              | -      |
| 1986                   | 118,6                | 18,6%  | 120,3            | 20,3%  |
| 1987                   | 137,7                | 16,1%  | 147,8            | 22,9%  |
| 1988                   | 155,4                | 12,9%  | 170,9            | 15,6%  |
| 1989                   | 178,2                | 14,7%  | 189,6            | 10,9%  |
| 1990                   | 203,8                | 14,4%  | 220,1            | 16,1%  |
| 1991<br>(1st 5 months) | 224,8                | 10,3%  | 245,7            | 11,6%  |

**Table 4**

### 4 Food represents a substantial part of workers' budgets

According to the Bureau of Market Research, food constitutes 30,03% of the African worker's budget (*Source: Bureau of Market Research, A comparison of the income and expenditure patterns of metropolitan households in the RSA, 1985*).

a) This result is significantly higher than the CPI's food weighting of 22,78% which is based on white spending patterns. Therefore increases in the food price have a far greater impact on low-income African inflation than on white inflation as measured by the change in the CPI. The effect of VAT on fresh foods will significantly increase their inflation, thereby reducing the standards of living of black households as compared to white (*Source: Central Statistical Services, News Releases, PO141 1, Oct 1990*).

b) Maize and brown bread, which were previously the only zero-rated items, represent only 8% of urban African spending on food. Food items which were GST

exempt but will be subject to VAT, constitute 47,2% of black food expenditure (*Source: Bureau of Market Research, A comparison of the income and expenditure patterns of metropolitan households in the RSA, 1985*).

### 5 VAT will be disastrous for low-income workers

As an expenditure tax, VAT will create a poverty trap for low-income earners.

Firstly, there are large numbers of people with no income! 13% of households in the homelands received no income in 1980. And 81% of households earned below the poverty datum line (MLL - see below for the explanation) (*Source: Charles Simkins, What has been happening to income distribution in the homelands?, Carnegie Conference Paper No. 7, 1984*).

According to one study 3 854 000 children need school feeding. (*Source: Peter Moll, A Supplementary Children's Feeding Programme, Post Conference Series No 5*).

Operation Hunger's surveys of rural villages show that an unemployment rate of more than 50% is the norm (*Source: Ina Perlman,*

*telephonic interview, 30 July 1991).*

Ironically, such people - the "indigent" - will hardly be affected by VAT because they cannot buy goods and services. There are so many people who are in the category "indigent", that the government's proposed expenditure of R220 million on poverty relief will be wholly inadequate.

Anybody who is not indigent, that is low-income earners, will therefore not qualify for poverty relief programmes. The Housewives League gave evidence to VATCOM that 4,5 million married tax payers earn between R5 000 - R15 000 per annum. An urban African family of five with a household income of R15 000 per annum and less did not get enough to eat (Source: Telephonic interview, 30 July 1991).

The Minimum Living Level (MLL), calculated by the Bureau of Market Research, for an average African family is R659,91 per month. The MLL is a theoretical minimum on which a family can only survive in the short term.

Of the 619 current union bargaining units on AWARD - the Actual Wage Range Data Base - 264 pay minimum wages below the MLL. These workers are in the poverty trap. Because most of their costs like rent, transport etc are fixed they cannot further economise - except on food.

They will be caught in the trap of earning too much to

qualify for poverty relief programmes but too little to survive. This means a progressive deterioration in the standards of living of low-income workers. The government's poverty relief programmes will clearly not ameliorate the effect of VAT on low-income earners.

**6 The government's commitment to poverty relief is dubious**

While the government's poverty relief efforts were inadequate at the best of times, they have actually been progressively reduced to date:

1 The wheat subsidy has been progressively reduced and then removed altogether in the 1991/1992 budget:

**Wheat subsidy per annum**

|           |             |
|-----------|-------------|
| 1989/1990 | R80 million |
| 1990/1991 | R60 million |
| 1991/1992 | R0          |

**Table 5**

2 The maize subsidy has also been progressively reduced since 1988 and then removed in the 1991/1992 budget year. The net effect on the majority of our people is demonstrated in their reduced consumption of this staple food.

Ina Perlman of Operation Hunger observed a rural family of seven living on the poverty line and their consumption of maize annually for 2 years. While this family consumed 80kg of maize in 1979, now

they consume only 50kg!

(Source: telephonic interview, 30 July 1991).

**Maize subsidy per annum**

|           |             |
|-----------|-------------|
| 1989/1990 | R76 million |
| 1990/1991 | R38 million |
| 1991/1992 | R0          |

**Table 6**

3 The Department of Manpower has cut the budget for the training of the unemployed:

**Training of the unemployed**

|           |          |
|-----------|----------|
| 1989/1990 | R 81,1 m |
| 1990/1991 | R103,1 m |
| 1991/1992 | R 78,7 m |

**Table 7**

4 The National Health and Population Development's protein - energy malnutrition grants to local authorities remains at the very low figure of R400 000 - which means it decreased by 15% in real terms in the 1991/1992 budget year:

|           |          |
|-----------|----------|
| 1989/1990 | R358 000 |
| 1990/1991 | R400 000 |
| 1991/1992 | R400 000 |

**Table 8**

While low-income households will pay R546 million extra as a result of VAT, they will receive only R220 million back in targeted assistance (Source: Labour Research Service, Value added tax, p12, April 1991).

## Targeting items for zero rating

Blanket zero rating is being rejected by the government. Several approaches have been used to identify items for zero rating:

### 1 Important components of urban African food

expenditure are fresh meat, vegetables and fruit. These represent 26,8%, 9,7% and 4,9% of their total food expenditure respectively.

The zero rating of these food groups would have a significant effect on African spending (Source: Bureau of

Market Research, A comparison of the income and expenditure patterns of metropolitan households in the RSA, 1985).

### 2 Foods that are essential to health – Professor

Labadarios of the Department of Human Nutrition, University of Stellenbosch, has provided a list of the cheapest source foods that contain the nutritional requirements necessary for human existence.

In addition to bread and maize, Professor Labadarios and other experts in the country with whom he consulted, say serious consideration should be given to exempting the following nutritionally necessary food items:

- a full cream and other pure milk powders
- b legumes (beans and nuts)
- c rice
- d sugar
- e stamped maize
- f eggs
- g vegetable oils
- h tinned pilchards

## Inflation

### Consumer Price Index

(1985 = 100)

Annual rate of inflation (% increase over 1 year)

| Area             | July 1991 | July 90 - 91 |
|------------------|-----------|--------------|
| Cape Town        | 234.5     | 15.9%        |
| Port Elizabeth   | 238.1     | 16.2%        |
| East London      | 230.0     | 15.0%        |
| Durban           | 222.0     | 14.4%        |
| Pietermaritzburg | 229.3     | 16.0%        |
| Witwatersrand    | 239.8     | 16.2%        |
| Vaal Triangle    | 226.6     | 14.4%        |
| Pretoria         | 243.7     | 15.6%        |
| Klerksdorp       | 245.0     | 16.8%        |
| Bloemfontein     | 203.3     | 11.6%        |
| OFS Goldfields   | 236.2     | 18.1%        |
| Kimberley        | 223.5     | 15.2%        |
| South Africa     | 235.3     | 15.8%        |

(1990 = 100)

| Area             | Aug 1991 | Aug 90 - 91 |
|------------------|----------|-------------|
| Cape Town        | 117.6    | 15.9%       |
| Port Elizabeth   | 117.5    | 16.9%       |
| East London      | 116.8    | 14.8%       |
| Durban           | 115.2    | 14.1%       |
| Pietermaritzburg | 116.6    | 16.0%       |
| Witwatersrand    | 117.7    | 15.4%       |
| Vaal Triangle    | 114.8    | 13.9%       |
| Pretoria         | 116.8    | 16.0%       |
| Klerksdorp       | 117.8    | 17.7%       |
| Bloemfontein     | 112.0    | 11.4%       |
| OFS Goldfields   | 118.1    | 18.7%       |
| Kimberley        | 116.4    | 15.7%       |
| South Africa     | 117.1    | 15.6%       |

Source: Central Statistical Service

**3 How to prevent leakage of food concessions to the rich.** This can be done by zero rating the inferior goods. Inferior goods are those for which demand falls as income rises. People with higher incomes buy less of these goods.

Examples of such goods can be seen in Table 9. The importance of these goods in African households is also given, as a percentage of total food spending:

### % of food expenditure

|                |      |
|----------------|------|
| Brown bread    | 4 %  |
| Cooking oil    | 1,5% |
| Margarine      | 0,8% |
| Milk Powder    | 0,6% |
| Tinned fish    | 0,9% |
| Poultry        | 1,6% |
| Instant coffee | 1,0% |

(Sources for spending patterns: Bureau of Market Research, A comparison of the income and expenditure patterns of metropolitan households in RSA, 1985).

Table 9

Ina Perlman of Operation Hunger asked the Minister of Finance for zero rating on the following food items too. The immense experience of Operation Hunger in poverty-stricken rural areas has led them to conclude that these are vital to survival there. According to them, the biggest items of food expenditure, besides bread and maize, are:

- a milk and milk powder,
- b poultry and
- c cooking oil.

**4 Special cases**  
 a Pregnant women – the World Bank reports that “Nutritional risks begin before birth. ”If black pregnant women are not treated as a special group, a vicious circle of “maternal-malnutrition, infant death, and high fertility” will continue (Source: *The World Bank, Sub-Saharan African From Crisis to sustainable Growth, 1989*).  
 Milk powders and eggs are vital here. While the field

of diet and pregnancy is controversial, Labadarios et al specify D-supplemented foods (Source: *Labadarios et al, The South African Journal, Vol 78 November 1990*).  
 b Children – South Africa has one of the highest infant mortality rates in the world which makes children deserving of special attention. Baby foods, milk and milk powders and eggs are identified as needing zero rating. ☆

**Summary**

The above lists are consolidated for targets for zero rating.

| Major food group                        | Sub-group   | Reason   |
|---|-------------|--|
| <b>Fresh meat</b>                       | Poultry     | Represents 29,8% of African spending. Represents 9,5% of African spending and 1,6% of their total food budget.   |
| <b>Fresh vegetables</b>                 |             | Represents 9,5% of African food expenditure.   |
| <b>Legumes (dried, canned or fresh)</b> |             | A necessary nutritional food, represents, 7% of African food expenditure and 7,1% of their spending on vegetables. These are also inferior goods.                                      |
| <b>Fresh fruit</b>                      |             | Represents 5,6% of African food expenditure.   |
| <b>Milk and milk products</b>           | Fresh milk  | A necessary nutritional requirement represents 1,6% of African food expenditure. Important for pregnant women and children.  |
|   | Powder milk | An inferior good, therefore a cheap source of necessary nutritional requirements especially for children and pregnant women.   |
| <b>Grain and grain products</b>         |             | <i>Intake of dietary fibre is a necessary nutritional requirement and the consumption of cereal foods is higher amongst the poor. Represents 15,4% of African expenditure on food.</i> |
| <b>Cooking oil</b>                      |             | Represents 1,5% of African food expenditure and it is an inferior good. It is also important in rural household expenditure.   |
| <b>Tinned fish</b>                      |             | A cheap source of necessary nutritional requirements and an inferior good. Represents 0,9% of African food expenditure.  |

**Postscript**

**Government concessions**

The government responded to the representation on VAT by reducing the rate of VAT from 12% to 10%. It also:

- increased social pensions by R10 per month

- increased transport subsidies
- exempted state medical services
- exempted medical aid schemes
- added the following to the list of zero-rated food: samp, mealies, mealie rice, dry beans, rice, len-

tils, fresh milk, canned pilchards and powdered milk – but they will be zero-rated for only six months. The additional zero-rated items fall squarely in the categories identified by the Labour Research Service above. ♦



# Profile

## Connie September, National Treasurer and vice chair-person of the Western Cape region of SACTWU

*Interviewed by HOWARD GABRIELS*

Connie September is 32 years old. She was elected as National Treasurer of SACTWU in 1990. She grew up in Grassy Park, Cape Town. She was elected as a shop steward at Rex Trueform in 1988. In 1989 she was elected Vice Chairperson of the Western Cape region of SACTWU.

### Forming years

I was born in Grassy Park. In Seventh Avenue where I grew up, it was a very close community. Your neighbours were almost part of your family and everyone belonged to the same church. We stayed in a very big house, together with five families. I lived there until I finished standard eight. We then moved to Lotus River which was a big change. It is an area controlled by the Divisional Council. There we were confronted with the whole problem of gangsterism which was new for us. It was in that road that my political awareness started.

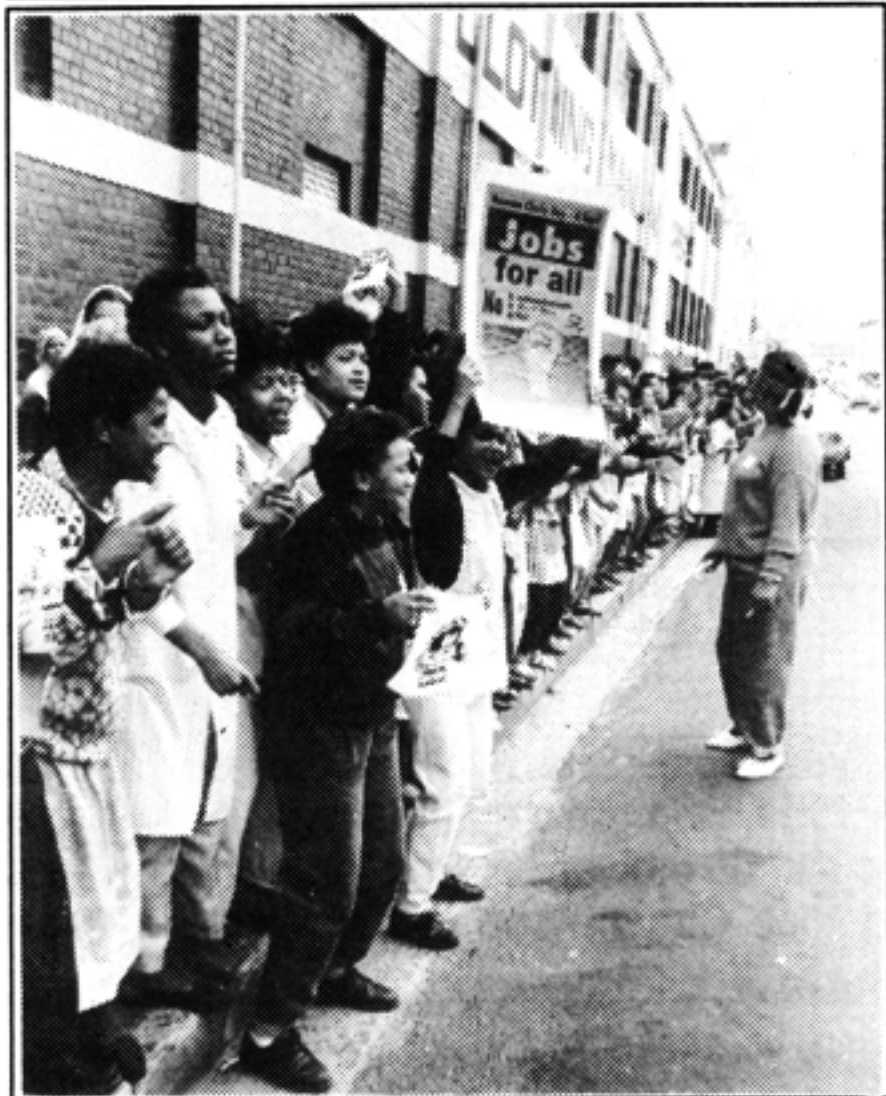
My involvement started with a very simple issue. In our area most of the houses did not have electricity. The Civic Association was started in our area, because of the lack of electricity and other problems in the community. I was asked by a woman in our street to come along to a civic meeting, after which I attended a lot of meetings.

### Work history

In 1980 I started to work at Rex Trueform. At first I was working in the factory. I had to check the

production targets that the machinists produced each 30 minutes. I was irritated by my job because it seemed that workers did not resent the system, but the person. After a year I approached management for another job. I was then moved to the warehouse where I am still working. I am dealing with customers who buy a specific range of very expensive clothing.

In 1980 I did not know a thing about the union. I did not even realise that subscriptions were deducted from my wages. My trade union consciousness started in 1983 when I attended the AGM of the community newspaper, Grassroots. A host of organisations, including trade unions, were present. I listened to the trade unionists talking and I realised that we have something like that at work. Later in 1983 I found out more about the trade union at our factory. I started to get angry with the trade union because I couldn't see what they were doing. I did not learn anything from them – for example, I did not know what wage negotiations were all about. In that period people got hired and



**SACTWU protest in a human chain in Cape Town in September**

*Photo: Labour Bulletin*

fired without question, even though there was a trade union. There was no such thing as a board of inquiry as we have today. There were shop stewards, however, in my view, who just became targets of the workers.

After the UDF was launched, a few of us came together to launch the Clothing Workers Union (CLOWU). Our priority was to organise workers into CLOWU as an opposition to GWU. We started at a number of clothing factories. I think CLOWU gained a lot of respect at that time and started to make workers aware of how to take up issues and how to fight for the rights of workers. In my view they were fairly successful.

In the end CLOWU did not succeed in making a complete breakthrough, but it was successful in conscientising workers and making them aware of what a trade union is. It planted the good seeds in a lot of us who were involved in CLOWU. But the union did not gain recognition in any company, so workers had no experience of how a union could succeed. Another problem was that CLOWU became very political at that time because of the situation. This was a problem in an industry where politics was completely foreign to workers.

When the Garment and Allied Workers' Union (GAWU) was formed in 1987, I was

still active in CLOWU. My view at that stage was to watch and see if GAWU was moving towards what I would call a proper trade union. The real changes only started in 1988 when we went on strike at Rex Trueform. The strike was over wages. It was a turning point at Rex and also the clothing industry. The strike was a victory.

The changes in the union were reflected in the manner in which the union conducted itself on the factory floor. There was a rise in the militancy of workers who were beginning to recognise they do have rights and they could fight for them. The workers realised that they do have a support base from the union. After the strike in June 1988 I was elected as a shop steward in my department, even though I was very reluctant at that point to hold such a position.

However, once I was elected, the task I set for myself was to transform the shop stewards' committee, so that it would function properly. In this way, we would be able to take up workers' problems vigorously. Soon after that, the three plants of Rex were brought together and operated as one unit. About six months later I was elected as secretary of the committee. Management now also realised that there was a committee that they should respect.

### **Merger with clothing and textile union, ACTWUSA**

I was one of the representatives of GAWU on the merger committee. It was shortly after GAWU was formed and was still in the process of transformation. It was still busy with an education programme for the shop stewards. The workers were beginning to feel comfortable with the idea that they had a union called GAWU. But a lot of fears emerged amongst us: will we still be the same union, are we being taken over, benefits, leadership etc. It was a painful period, because there were two big unions each with their own way of operating and traditions.

The merger strengthened the workers. We could speak with a bigger voice. Besides all the problems we had, the one idea that stood out all the time was the concept of UNITY.

In 1989 I became the chair of the Salt River local and in October 1989 I was elected the Vice chair of the Western Cape region of the new South African Clothing and Textile Workers' Union (SACTWU).

### Political changes.

A lot of changes took place in 1990. Workers and the union itself were confronted with a whole new politics. The unbanning of political organisations had a great impact – workers suddenly started to speak about the ANC which was a foreign thing in our industry. The shop stewards raised questions about the future of workers in this country. For example, how are the rights of workers going to be guaranteed in a future SA. There were a lot of debates. SACTWU participated very vigorously in the Workers Charter Campaign. This campaign raised a lot of debates and therefore the consciousness of workers.

### Two hats.

SACTWU's position on holding office in two organisations is that one should not simultaneously hold leadership positions in the trade union and in a political organisation. The trade union should strive to maintain its independence. From a practical point of view, it would be difficult for one to serve the members well if one held two positions.

My understanding of trade union independence is that a trade union would democratically take its own decisions; it would draw up its own constitution; it would abide by the terms of its own constitution; it would determine its own direction. Therefore even if a union or union federation is in conflict with a political party sympathetic to it, it must convince the political party of the reasons why it holds a particular view, and not simply abandon that view.

### Clothing

In the Western Cape the clothing industry is the biggest. 85% of the workers are women. Even though it is the biggest industry, it was a silent giant for a long time. Nonetheless we made a big breakthrough in wages and a lot of other changes began to take place at the different plants. The days of sweatshops started to disappear.

### Women

It is very difficult for me as a woman to be involved in the union. I have responsibilities at home. I've got a daughter that needs the comfort and attention of a parent. There are many tasks and responsibilities that rest on one's shoulders. It is a bit easier for me because I have a lot of support from my family. But



male chauvinism is a big problem. The concept of women leaders is not understood and respected in our society, especially by men. The union took up the issue of women in all our structures. Before our leadership was dominated by males. Our congress in 1991 adopted a resolution, which said that we would not establish separate structures as we believe that the problem of women's oppression is an issue for both male and female. In most of our structures, women are now taking leadership positions. As an organisation we are now addressing the question of women in a practical manner.

### Major challenges for SACTWU

Retrenchments, short time and factory closures are amongst the most serious challenges facing SACTWU. The three sectors viz. clothing, textiles and leather need to restructure themselves. The other important point for the union is the establishment of national industrial councils in clothing and textiles. Politically, the future of workers and the shape of the future government, which must of course benefit workers and the whole society is another challenge facing the union. The unions also have a strong and important role to play in shaping the future economy of our country. ☆

# **NO VAT ON**

**Basic foods**

**Water**

**Medicines**

**Electricity**

**Medical Services**

**Co-ordinating Comm**