



## why cosatu has supported sanctions

*How has it come about that many trade unionists support sanctions and disinvestment, strategies which could weaken the economy, worsen unemployment and, in so doing, undermine the unions' powerbase? Alec Erwin, Education Secretary of the National Union of Metalworkers of South Africa (NUMSA), gives the reply.*

**I**n this brief article it is not possible to deal with all the issues that have been discussed within the unions. What will be attempted is to outline the broad strategic role that the COSATU (Congress of South African Trade Unions) group of unions see sanctions as potentially fulfilling and the main reasons why COSATU adopted a resolution supporting sanctions at its 1987 Congress.

### **Economic pressures and policy**

The increasing support for disinvestment and then sanctions over the last decade or so has largely coincided with the re-emergence of a non-racial and independent union movement. Another factor that has coincided with the growth of the unions is the persistent increase in unemployment.

A situation has therefore existed where unions - clearly dependent on employed workers - have had to formulate policies in response to rising unemployment and, simul-

taneously, increasing advocacy for disinvestment and sanctions which threaten further unemployment. This is clearly a situation with an inherent degree of tension.

For most of the opponents of disinvestment and sanctions these circumstances have provided powerful propaganda material. They have argued that in these circumstances only radical agitators acting on political instructions could encourage unions to call for disinvestment or sanctions. While the general public environment has on the face of it been very unfavourable to union support for sanctions it is important to understand the development of the sanctions debate. The present policy position adopted by COSATU has developed over a number of years in response to a worsening political and economic situation.

### **Disinvestment**

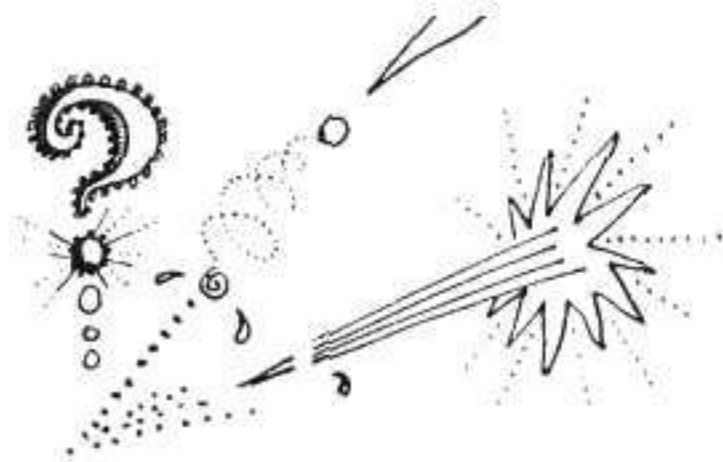
Following the limited success of Codes of Conduct such the EEC

Code and the Sullivan Codes there emerged increasing discussion on disinvestment. This became much more intense when legislation to stop new investment in South Africa was implemented by Sweden. (In fact, very little new foreign capital has come into the country since 1976.) Nevertheless, looking at the size of foreign investment in South Africa and the wealth of its natural resources, unionists remained somewhat sceptical about the likelihood of actual significant disinvestment.

Overseas lobbying for disinvestment increased its pressure. Alongside this, but largely unrelated to it, the rate of retrenchments in South Africa increased rapidly from 1982. As a result, for union leadership and increasingly for rank and file membership, the questions being addressed related to the overall economic crisis. Unemployment that might result from disinvestment was only a component of this and a relatively small component.

On the ground, hostility to the

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performance of the economy increasingly developed into a critique of the South African political economy. Although no concrete programme emerged there was no doubt that socialism was firmly on the agenda and there has been a growing belief in the need for worker control of production.

This generalised attitude has intruded into disinvestment policy. It seemed unacceptable that foreign multi-national corporations (MNCs), having benefitted from the labour of South African workers for so long, should simply withdraw with their productive assets. This was a waste of social resources and might impede reconstruction.

This position essentially sees disinvestment as a form of political pressure that would not denude the economy of productive assets. It made sense to many unionists who are sceptical that all foreign capital would withdraw from an economy as potentially wealthy as South Africa.

To a wider public, the position always seemed a little contradictory and to contain a component of self-interest on the employment front. There is no doubt that the unions have always moved carefully on the question of employment.

Faced by a barrage of anti-disinvestment propaganda the unions embarked on their own awareness campaign. Meetings, discussions and many seminars were held. An important component of this was more careful studies of foreign investment as a whole. These studies very largely confirmed the views that unionists had gained in their negotiating experience.

- Firstly, the workers' view that it was their labour that had been largely responsible for developing the productive assets of the foreign MNCs was confirmed.
- Secondly, it became clear that significant disinvestment was being carried out by South African MNCs. The outflow of capital had been increasing rapidly for some years whilst investment in job creation was virtually static.
- Thirdly, the state, through its heavy

foreign borrowing, stood to be most hurt by disinvestment moves as these were likely to include lending to the South African state.

- Fourthly, it was clear that unemployment was a structural problem and had been rising for some time. Disinvestment had not been a cause of this nor, on its own, is disinvestment likely to be decisive in the future.

There was a sharp divergence between what was actually happening and what the pro-investment lobby claimed: It was, in fact, the state that feared disinvestment both in its effect on borrowing (this being before the debt moratorium) and for its political effect. Once this divergence was brought to light, shop steward leadership was quick to see through the expediency of the pro-investment lobby. This was important in dealing with rank and file questions. Similarly, in Natal Inkatha's propaganda campaign had limited success. An important reason for this was conditions at many growth points where most new investment was being placed. The poor conditions served to discredit the claims made for foreign investment.

## Sanctions and the disinvestment debacle

Two new developments rapidly inserted themselves onto COSATU's policy agenda in 1986. These were the real possibility of certain sanctions being imposed and the discovery that disinvestments could be everything but *disinvestment*.

The escalation of foreign pressure followed the intensification of the crisis in South Africa after the November 1984 stayaways, which also had a major impact on union membership and leadership. Economic conditions had continued to worsen. On all fronts the unions became directly involved in the struggle against a repressive regime. The Living Wage Campaign, launched in 1987, was an example of this.

It was widely believed that the Botha government was an obstacle to any significant political and economic

reform. Unemployment, violence and repression would continue for as long as this government remained in power. The strategy had changed from one of pressuring the government to one of ensuring its removal as a matter of priority. Its removal would require many forms of pressure and sanctions were seen as an important component of that pressure. A perception grew that sanctions, rather than causing unemployment, were a step in eliminating unemployment in the long term since they would contribute to removing the Botha government.

Exposure of the way in which disinvestment was being carried out had the general effect of hardening views. Exactly what disinvestment might mean in practice had not been given detailed attention by the unions. Now they were faced with a situation where foreign assets were clearly being held in a warehouse, where local companies were benefitting and where unions were not being consulted about this transfer of ownership. Disinvestment withdrawals were becoming a slightly more complex variant of the endless retrenchment battles unions had to fight.

Disinvestment calls may have continued to exert political pressure but as views hardened people were prepared to turn to harsher and more effective pressure in the form of sanctions.

## Evaluating sanctions

If sanctions were going to be implemented then there was a very real threat of job losses. This had to be carefully evaluated and discussed amongst our membership. Once again as part of this process COSATU commissioned a number of studies, which are now nearing completion.

From the initial findings of these studies we have begun to draw a number of conclusions.

- Firstly, it seems clear that the unemployment effects of sanctions that were being bandied about as propaganda were exaggerated.



- Secondly, there needs to be a careful evaluation of piecemeal or selective sanctions. Sanctions on a narrow front would not affect monopoly capital and would not place any serious pressure on state economic policy. Given the internal political processes in Western countries and the economic interests at play it is likely that certain commodities would be targeted first. In identifying the most likely targets it is clear that they would have distinctly regional employment effects. Such selective sanctions and their effects need careful consideration. In the resolution at the second COSATU congress other areas of selective sanctions were identified as pressure points that could be effective in COSATU's view.
- Thirdly, the implementation of comprehensive and mandatory sanctions could not be easily circumvented and the much lauded internal growth path or 'Rhodesian example' would not apply in South Africa.

The COSATU congress resolution attempts to bring together these strands of thinking.

### What are the likely effects of sanctions?

The reason for tracing policy development is to provide a basis for understanding the union approach to sanctions and what they are likely to achieve. Hopefully it also indicates that policy has resulted from an interplay of the experience of workers, growing foreign pressure and the process of dealing with massive anti-sanctions propaganda.

Because employment is at stake there has been an ongoing discussion and debate within COSATU and this is reflected in the committees that shape the policy resolutions. Over time certain basic agreements have been reached and then elaborated on as new pressures emerge.

The base line from which all positions start is that this regime is an obstacle to change and must go.

Achieving this requires a combination of pressures, and sanctions are one of those. Sanctions are unlikely to be decisive in themselves. Even if they threaten certain hardships, this is preferable to prolonging the life of this regime. If organised labour were to be opposed to sanctions this would weaken international pressure and provide the regime a great deal of political breathing space.

The political analysis made at national committee level is broadly as follows. At present the regime feels confident that Western governments are not likely to force it to go too far and too fast on reform. These governments are acting to secure their long-term economic interests.

The regime also feels that it has capital firmly painted into a political corner. Capital may not be wholly supportive of the regime but it is unwilling to push it too far because it fears the consequences of rapid change. Without decisive pressure from influential and powerful forces, the government can rely on overt repression to perpetuate itself.

A weakened opposition will allow for the insertion of more politically compliant allies. Such a situation will allow present interests to dictate the pace and content of any reforms and to set the parameters of any negotiations.

Such a strategy can in COSATU's view only be defeated by a well organised united front capable of mass action. Sanctions if applied comprehensively will complement such a strategy since they will impact upon the imperial link between Western powers, capital and the present regime. Such sanctions will force capital in South Africa to act decisively against the regime. A successful implementation of sanctions would also reflect a change in the balance of forces in Western countries away from the conservatism and open protection of imperialist interests characterised by Reagan, Thatcher, and Kohl to a more liberal approach to democracy in the developing world.

Since sanctions are now also a

component of the struggle between liberal and conservative forces in Western countries they are a political possibility. In attempting to achieve sanctions we are building links with more democratic forces in these countries and such allies are preferable in our future to those forces that are anti-sanctions.

International pressure and solidarity in winning union recognition at a foreign MNC, and the imposition of sanctions in assisting the struggle for democracy, are far apart in the spectrum of issues at stake. However, they may not be that far apart in the quality of their strategic implications. The unions have understood this process and see sanctions as a complement to the strength of organisation and not a replacement for it. Sanctions open political space by destabilising a powerful and determined alliance of interests.

A short struggle against this regime will be less costly than a long struggle and for that reason the former will be preferable. A combination of strategies that shorten the struggle without sacrificing our cause is what must guide our actions.

These are the reasons for suggesting sanctions. If our analysis is wrong then we will have to evaluate it and change if necessary. At present we can see no need to change our analysis. The anti-sanctions lobby is effectively propping up an undemocratic, repressive and violent regime. □

This article is extracted from *Sanctions Against Apartheid*, edited for the Community Agency for Social Enquiry (CASE) by Mark Orkin. The book will appear in January 1989 and is published by David Philip, P.O. Box 408, Claremont 7735. Telephone: (021) 64 4136. The book contains analyses of the moral, legal, political, economic and international implications of sanctions against apartheid.