

Since the VAT stayaway:

National Economic Forum

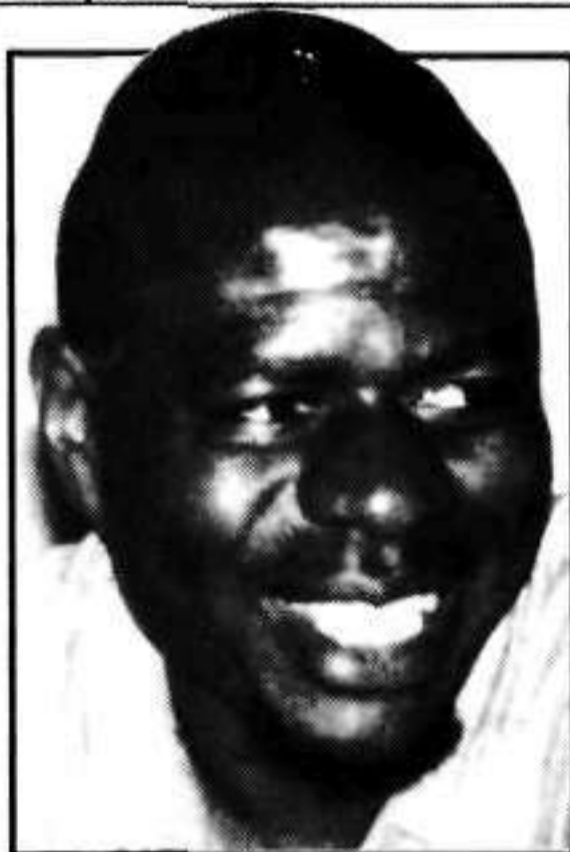
parallel to CODESA?

COSATU's SAM SHILOWA speaks to EDDIE WEBSTER and DOT KEET

Labour Bulletin: *The stayaway was successful as a campaign in terms of the number of people who went on strike. What did it achieve?*

Shilowa: Central to the demands in the campaign, apart from VAT itself, was the demand for a Macro-Economic Negotiating Forum. That demand has been partly achieved by the National Economic Forum meeting that took place on 21 January.

The campaign also put on the political agenda the lack of poverty relief programmes and the government's policies with regard to small business. It also said to the government again - hopefully once and for all - that we will not accept any unilateral restructuring of the economy or of any other



Assistant general-secretary Sam Shilowa

Photo: Labour Bulletin

issues that have an impact on workers.

Furthermore, government dug in their heels not so much because they could not meet our demands, but because they felt that we would

not be able to pull off the strike. So it was also a trial of strength, and in that respect it came off very well.

Labour Bulletin: *To be more concrete, to what extent have you succeeded in making an impact on the VAT taxation itself?*

Shilowa: Firstly, the moment we started our campaign, VAT was reduced to 10%. Secondly, we managed to get a number of foodstuffs zero-rated. Thirdly, a number of SA organisations, both to the left and to the right of COSATU, and other trade union organisations have been able for the first time to come together, and the issue of taxation is not only left to workers to raise. The

stayaway has raised the issue at a broad public level.

Labour Bulletin: *Where do you see things going from here in terms of the VAT campaign?*

Shilowa: It is important to note that the government has not kept to any of its words, either to the public or to the Vat Co-ordinating Committee. They promised that in six months a poverty relief programme would be in place. However, only one organisation has been paid and that has only been about R200 000. There is simply no poverty relief programme in place.

Secondly, they said that VAT would bring down inflation. That is not happening. Surveys show clearly that food prices have actually risen.

Thirdly, there is the whole question of how we now advance. The VCC have said that they are going to raise public awareness on VAT by having public commissions where people can come forward to show that it is government propaganda to say that VAT has been successful.

As COSATU we think that there should also be a campaign to show that government is now facing a deficit in their revenues. They will definitely try to recover this money from the public. We think that VAT will go up, although whether it will be as high as the 18% suggested we cannot predict. We will have to challenge them and stop them in their tracks.

Whether VAT itself goes up or not, we believe that they will try to remove zero-rating on a number of basic foodstuffs. The six month period they set for zero-rating was timed to coincide with the announcement of the 1992 budget. So we are going to campaign on this in the run-up to the budget.

Finally, the general strike of last November 4-5 was the first installment in the fight between us and the government. And depending on how they react to our demands as laid out at the time, and their actions since, we cannot rule out another general strike if necessary.

Labour Bulletin: *Another outcome of the strike has been the dismissals of numbers of workers. How many have been dismissed and what are you doing about it?*

Shilowa: We know that there are workers who have been dismissed, especially on the mines, Goldfields, Impala Platinum and others. There was also the violence at President Steyn Mine, irrespective as to who was to blame and how it culminated. We don't have a clear picture of the number of dismissals, because they are still being fought by the workers themselves and they don't necessarily report them.

But there has also been a weakness in COSATU in this. We were able to set up a team to monitor the effects, the successes, the problems

around the strike itself. But the monitoring did not extend beyond receiving reports from unions as to the casualties. There is a challenge here to the COSATU leadership at head office, in the various affiliates at the ExCo and CEC levels, and even at the regional levels. We need to ensure in future that such things don't happen. That is one thing that we have not yet been able to master satisfactorily.

Labour Bulletin: *What do you see as the significance of the central demand that emerged from the stayaway - the demand for a National Economic Forum?*

Shilowa: This demand actually goes back much further than the anti-VAT stayaway. At the signing of the Laboria Minute, in terms of the LRA Amendment Act in 1990, there was agreement reached, according to our understanding, that the restructuring of the economy has to be negotiated between the unions, the state and business. But the state then started saying that by 'business' they meant only SACCOLA.

The position expressed from the side of business was that SACCOLA was their representative only on labour issues. If there were going to be any economic negotiations it would have to be with appropriate employers' organisations such as SACOB, AHI, SEIFSA, NAFCOC, the Chamber of Mines and so on.

The government also argued that they were not prepared to enter into such negotiations because that would demand significant changes in how their advisory structures are working. This related also to our demand for the restructuring of the National Manpower Commission. Furthermore, the Department of Manpower felt that they cannot speak on behalf of other government departments.

During the run up to the VAT campaign there was no consensus. Some businesses were arguing that we should come together. Others were saying that we should take up the offer from the government to send representatives to the President's Economic Advisory Council. We as COSATU rejected that.

However, during that period when we, government and business were fighting one another, we began to find, meeting with this or that business-person, that we did share some common ideas. For example, late last year, it became apparent that we share the common position that national economic issues should not be treated as an appendix to the political negotiations that were then unfolding.

National economic negotiations also became a central demand for us because we as trade unions were facing retrenchments, job losses, lack of economic growth and job creation and so on. In textiles, rubber, chemicals, for example, employers were com-

ing up with a whole range of different approaches, and we felt that, while we don't want to stifle these sectorial level discussions, we also need to dovetail them to some national approach or plan. Sectorial policies could have advantageous effects for one sector and negative effects on another. Therefore it is important that we do not look only at sectorial interests but find a balance at the national level.

The Consultative Business Movement became involved in finding out from business and ourselves what our common grounds are, and so became instrumental in facilitating the economic forum meeting that has just taken place.

Labour Bulletin: *What happened at that meeting?*

Shilowa: We were able to table our demands as COSATU and outline our own position. This is that the forum is already overdue, that it cannot be merely advisory in nature, that it has to reach decisions that are binding and that such decisions have to be implemented.

For their part, business agreed that we need the forum but they say that it cannot be binding, only advisory. I think this is where there are going to be fights between us - both in the working group that has been set up and in the forthcoming plenary meeting.

At the same time there was agreement between business

and labour - meaning the unions represented there, COSATU, NACTU and FEDSAL - that the present de facto administration in South Africa, that is the De Klerk government, must be involved in the economic forum discussions at a senior level. Our experience of dealing with government, particularly during the anti-LRA campaign, has been that the unions and SAC-COLA could reach agreement but it carried only moral weight unless the government itself was involved. Government has to be involved from the outset so that they can raise their fears and objections and we can discuss their problems.

Labour Bulletin: *What are your immediate demands at the National Economic Forum?*

Shilowa: We don't have a shopping list, but we are going there with some clear demands.

The first is that there must be restructuring of the present economy so that it is not weighed only in favour of profit-making. It must also benefit the poor. Both from our side and the side of business we must move away from rhetoric - whether it is socialism... nationalisation... free market or whatever. What we have to ask is what does South Africa need in terms of the economy. Or what is it that people expect from the economy. Can it deliver jobs? Can it compete

internationally? If it cannot, what are the problems? How do we deal with such issues?

Secondly, on our part we would want to deal with the issue of a moratorium on retrenchments. This is something that has to be put on the table and we will fight for it. It would be very difficult for us to be discussing with business while many of our members are actually losing their jobs. They will not be able to see the proof of such negotiations.

Thirdly, there is the issue of a living wage. Business will come with the notion that 'the economy cannot afford a living wage'. But we have to be true to our demand for centralised bargaining. We cannot accept for the toiling masses in our country arguments about what is being paid in Africa, or what Taiwan is doing. The conditions are not the same. Although it is not the only aspect, we say that we have to link profits to wages. In so far as profitable enterprise benefits management, with higher profits and dividends, it must also benefit the workers in our country.

Labour Bulletin: *There seems to have been a shift from COSATU's earlier conception of macro-economic negotiating towards a more limited economic discussion forum. If this is so, why?*

Shilowa: We are not going for an 'either-or' situation. Our position is that there are certain issues that we can deal

with in the medium to long term. Whereas other issues, such as retrenchments, cannot wait even a day longer.

Labour Bulletin: *Could we take the implications behind such national economic discussions one step forward? Is this the beginning of a social accord?*

Shilowa: COSATU itself has not actually discussed and taken a position on a social accord. But we have to ask ourselves what are the aims and objectives of such a forum? Are we looking towards a social accord? Are we looking into policy making? Or are we looking only at agreements to lay the basis now for the Interim Government, or to lay the foundations for the future?

So every issue will have to be looked into. And it is incumbent upon COSATU to start discussing that particular aspect, and take a clear position. Once we talk of tripartism we must take a position on the social accord.

Labour Bulletin: *The essence of an accord is a trade-off. There is give and take. Is the idea of a social accord realistic in SA?*

Shilowa: In so far as it relates to halts to strikes or halts to wage demands, I think that we cannot enter into a social accord. The right to strike is fundamental to our existence. It is something we say should actually be enshrined in the constitu-

tion and that it cannot be negated by any other clause in the constitution.

Furthermore, the question of strikes has to be looked at in a particular context. The type of situation in which workers find themselves determines to what extent they are prepared to strike or not.

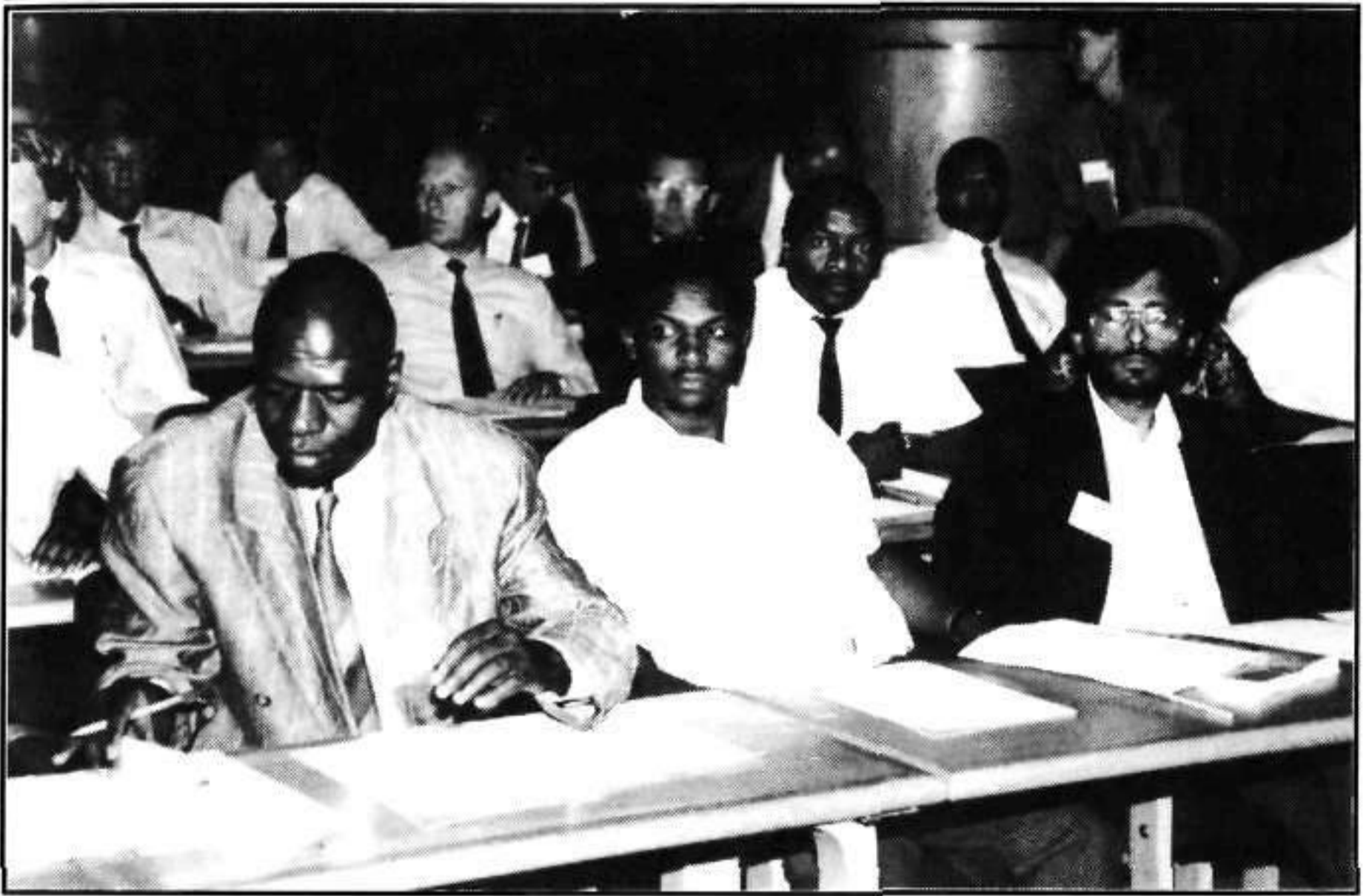
In South Africa we have not even reached the point where we have national bargaining at industrial level. We are only moving towards it. Management is actually resisting national industrial bargaining and major industries are moving in different streams. This leads to frequent strikes.

A social accord is not something that we should rule out, but it is something for which the climate does not exist at present. If business wants us to move in that particular direction, then they will have to create a climate conducive for us to move with them on that particular route.

Labour Bulletin: *One possible trade-off would be greater control in the workplace by workers as a way of ensuring that profits are more fairly distributed.*

Shilowa: Yes, I would agree to that, but I think the thing that we have to be very careful about is to equate worker participation with the situation where workers don't have real power.

We must avoid a situation where a particular worker or



Sam Shilowa, Papi Kganare & Ebrahim Patel - all of COSATU - at the Economic Forum, with Bobby Godsell and other businessmen sitting behind them

Photo: Shariff/Labour Bulletin

group of workers is used as a conveyor belt simply to report what is happening, what the company bosses say etc. But they are not being party to decisions on why, for example, investment should go to this or that particular area. It's not only a question of profits but looking into where the company invests, and so on.

A system where there is simply a worker on the board of directors is not satisfactory. There has to be an equality in the system, equality in decision making. In other words, it has to be a system where shop stewards are party to decision making. Then it becomes a joint responsibility.

Labour Bulletin: *How do you see the overall relationship between the National*

Economic Forum and CODESA?

Shilowa: In the National Economic Forum there is a difference in approach between COSATU and NACTU because the latter has not taken a decision at central level about its relationship with CODESA.

However COSATU and business feel that we cannot overlook the political negotiations. We have to look into what relationship we need to develop. We cannot predict what CODESA is going to become. So we need to maintain some form of relationship without interference.

Thus, whatever comes out of our side should feed into what is happening at

CODESA. This is particularly so because the question of economic principles is not on the CODESA agenda.

Labour Bulletin: *What is COSATU's position on CODESA as such?*

Shilowa: We sent a formal letter on 22 January for participation in CODESA as COSATU in our own right.

COSATU's position has always been that, if there were going to be political negotiations, the organisations of civil society also have a particular role to play.

Because government was blocking COSATU's direct representation in CODESA, our ExCo proposed indirect representation through the Alliance - two COSATU

people in the ANC delegation and two in the SACP delegation.

However, when it went to our Central Executive Committee for ratification, the CEC said that we are not going for this formulation just because our participation is being blocked. We stick to our principle to participate as COSATU and to be able to orientate our participation from within COSATU.

But the CEC also went a step further to say that, in the interim, we need a joint political committee with the ANC and the SACP to strategise as to where we are going. Six people were appointed from COSATU including myself, Chris Dlamini, Jayendra Naidoo, Bernie Fanaroff, Randal Howard and Mike Madlala to interact on a weekly basis with the ANC so that we are fully briefed by them as to what is happening in CODESA. The ANC and the SACP also have six persons each on the committee.

We have also agreed that, in the meantime, COSATU will appoint two people for each of the five working groups that exist so that we are not left behind. We will not be participating in the CODESA working groups, as such, because as yet we have not been accepted into CODESA. But we would work with the four people appointed by the ANC and the four people appointed by the SACP, (two of them direct reps and the other two back up) for each of the working

groups.

These will then report to the strategising political committee. Of course, strategising together doesn't necessarily mean we will all have the same positions.

Labour Bulletin: *What happens if your application to CODESA is turned down?*

Shilowa: That will depend on how the CODESA management committee deals with the number of applications which have been sent in by other non-political parties traditional chiefs, Contralesa, and others. We can't be treated differently to how they are treated.

It is difficult to predict whether they are going to accept us or not. But there can be no justification for excluding us if they accept other non-political parties. If that happens we will have to set up a campaign to tackle them head on.

Labour Bulletin: *Let us assume that they refuse to accept non-political organisations in CODESA. Where do you go from there?*

Shilowa: Our executive will then have to decide. But the feeling in COSATU is that, even though we are not a political party, our decisions and our policies actually have an impact on the direction of the political negotiations. If we are talking about the legitimacy of a process we should try to see

to what extent it will assist if COSATU is part of the solution, or if it is outside of the solution.

If our application is not accepted we may find ourselves still in a situation where we have to make our input through the Alliance. In the past weeks there have been remarkable improvements compared to last year. Both the ANC congress and the SACP congress helped to a certain extent to show that the grassroots is saying that we don't want a paper alliance. We want to see a working alliance. I think that is why presently we are aware of what is happening at CODESA level and we are able to make an input into it.

Labour Bulletin: *What came across in the shop steward's survey that COSATU commissioned is that the shop stewards - who after all are your grassroots leadership - see COSATU as the best representative of their interests. So if you don't go in as a separate participant, how would you deal with that?*

Shilowa: I think there are two aspects to clarify. The first one is, looking at that survey, that 70% are behind COSATU's participation in so far as it relates to dealing with worker issues. But who are workers going to vote for when it comes to elections for a Constituent Assembly? The overwhelming majority will vote for the African National Congress.

That means that we will have to look into means and ways of influencing the ANC and the Communist Party to support our own position when it comes to their election manifestos. I think in this regard we may actually seek the support of NACTU to work out a strategy of how we convince those political parties that, in their own political platforms, workers' issues do not become an afterthought but a reality.

However, the tripartite alliance should not become an us-and-them situation, between COSATU and the ANC/SACP, with our telling them that this is what we want. In setting up that strategising forum we must explain our position - and take into account their feelings and suggestions - about what COSATU wants to see happening in the developments taking place in CODESA, and what our fears are about where the process is going.

Labour Bulletin: *How will the economic forum's decisions impact upon the economic issues in CODESA?*

Shilowa: The issue of the economy is not at present on the agenda of CODESA. And we are hoping that it can be kept that way. I think it reflects a realisation by the parties involved there that it would not be possible or desirable for them to work out an economic package that excludes the major actors in the

economy. If an economic accord or agreement is not acceptable to us as COSATU it doesn't matter whether it included the ANC, we would be vehemently opposed to such a thing.

The relationship between the National Economic Forum and CODESA should be that they run parallel.

Labour Bulletin: *But what if CODESA, as presently constituted without COSATU, does deal with economic issues, such as entrenching private property and private enterprise among the principles to go into the constitution?*

Shilowa: CODESA will be dealing with general political principles for the constitution. As for agreement at the economic level, our position as COSATU is that whatever they agree upon should not impede any future government from implementing policies that are necessary to the upliftment of standards for the majority of the people.

Labour Bulletin: *What then will be the relationship between the Economic Forum and the forthcoming Interim Government?*

Shilowa: We will need to decide this. If we have the present administration involved in the economic forum, what happens once we have an Interim Government? Does the Interim Government come into the economic forum? Does the

present administration continue as a participant?

There must be a clear relationship between the economic forum and any Interim Government that comes in. If that Interim Government has a say on taxation and the budget, it will have implications for proposals that we come up with.

Labour Bulletin: *But at present they are not talking about an Interim Government taking on the broader economic or budget-making role. The IG needs to be a short term holding operation to prepare the way as rapidly as possible for the elections for the Constituent Assembly.*

Shilowa: It would depend on the type of Interim Government that we have. Is it a sovereign one with sovereign powers over everything, or one with limited powers over certain things.

The COSATU position is that we need one person one vote election for a Constituent Assembly, and the role of the Interim Government is to work out a smooth route towards the holding of fair elections. So we see them as having a limited role.

Labour Bulletin: *And of course it is also a question of what powers the Constituent Assembly has.*

Shilowa: Yes, the Constituent Assembly must be a sovereign body. ☆
23 January 1992