

KARL VON HOLDT continues his discussion of the new industrial relations system and strategic unionism.

the **dangers** *of* **corporatism**

The changing industrial relations system

The old industrial relations system was based on the racial exclusion of African workers from the industrial relations (IR) system. African workers were excluded from the definition of 'employee' in the legislation, and thereby denied trade union rights and access to industrial councils, industrial courts etc. This of course reflected their exclusion from parliament.

Through organisation and struggle, the militant democratic trade unions of the 70s and 80s were able to challenge this exclusion. They began to establish a set of worker and trade union rights on the shopfloor through negotiating recognition agreements with employers. In 1980 this power base was reflected in the new Labour Relations Act (LRA) which extended basic trade union rights to all workers. The new wave of predominantly black trade unions gained access to registration, the industrial courts, and industrial councils. By combining mass struggle with the creative use of the industrial courts, they established a series of new rights in the workplace.

With these victories black workers won a kind of inclusion in the IR system and the 'rule of law' was established on the shopfloor. However, they were excluded from any negotiation or significant consultation over the

framework of the system. They were insurgents who had established their rights through struggle and they were under continual counter-attack from both management and the state. This was made very clear with the 1988 amendments to the LRA, which tried to roll back the gains won by the labour movement. Collective bargaining tended to be highly antagonistic with very few shared interests or objectives.

The new IR system which is in the process of emerging is no longer based on the racial exclusion of black workers. Indeed through their trade unions black workers have been a powerful force in shaping it. The main features of this new system are that:

- the rules and institutions are negotiated between capital, labour and the state;
- IR institutions will include labour as a party equal to employers, for example in industry training boards, the National Manpower Commission, or the appointment of industrial court judges;
- the key to the full participation of black workers in the IR system is their full participation as citizens in parliamentary politics.

Institutionalising industrial conflict

In this new IR system, collective bargaining will become less antagonistic because the



Shifting the relations of power in the workplace

Photo: Shariff

labour movement initiated the National Economic Forum (NEF). Trade unions are participating in state-convened industry restructuring committees in a number of sectors. They are beginning to develop strategies for reforming and reorganising the workplace and making it more productive. It is these institutions and strategies that define strategic unionism – and it is these institutions and

framework of rules, procedures and institutions have been jointly negotiated. Industrial conflict will become increasingly institutionalised. There will be a tendency for wages and conditions of work to be negotiated in centralised bargaining forums. Disputes over discipline, dismissals, grievances etc will increasingly be referred to industrial courts or mediation and arbitration. This institutionalising of conflict means fewer struggles and strikes in the workplace.

One of the main challenges facing strategic unionism is how to respond to this institutionalising of conflict. The militant social movement unionism of the 70s and 80s was built around struggles for improved wages and conditions of work, and resistance to arbitrary management authority. Once these central struggles are displaced into institutions, unions have to develop a new concept of struggle and engagement if they are to retain their tradition of vigorous democracy and activism by the membership.

However, participation in a new IR system as outlined above does not in itself constitute strategic unionism. This kind of participation is commonplace in the industrialised parliamentary democracies of the North.

It is union initiatives to put forward comprehensive policies for macro-economic policy, industry restructuring and workplace reform that defines strategic unionism. The

strategies that provide the greatest opportunities and dangers for the labour movement.

On the one hand, the labour movement becomes involved in a new series of institutions – the NEF, industry committees, etc – which strengthens the tendency to institutionalise conflict. On the other hand, strategic unionism introduces a *new kind of negotiation*.

A new kind of negotiation

By taking initiatives on macro-economic policy, industry restructuring and workplace reform, strategic unionism introduces a new kind of negotiation which establishes common interests or shared objectives between the labour movement, business and the government. Once objectives have been agreed, the parties then negotiate an agreed programme to achieve them.

For example, at the NEF labour, government and employers might agree that investment is needed. They would then negotiate agreed programmes to encourage this.

The same thing happens at the level of *negotiating industry restructuring*. For example, in the clothing and textile sector, both SACTWU and employers recognised a common interest in saving the industry. They agreed on a package of tariffs and subsidies to protect and strengthen the industry in order to

save companies and jobs.

At workplace level union and management may agree that it is important to increase productivity and quality in order to survive foreign competition. They may then negotiate a programme of skills upgrading, improvement of work organisation and payment of bonuses in order to achieve these aims. Agreements in this direction are being implemented in the auto industry and mining industry.

In this kind of negotiations the trade union is compelled to accept some of the goals of management, for example, high productivity, profitability, the need for an 'investment environment', etc.

Corporatism

As outlined above, the new industrial relations system will tend to institutionalise industrial conflict. Strategic unionism opens up a new kind of negotiations and a new relationship with capital and the state – and institutionalises this in tripartite forums such as the NEF, the NMC and industrial restructuring committees. These developments create the conditions for corporatism.

Corporatism refers to an institutional framework which incorporates the labour movement in the economic and social decision-making of society. At the heart of corporatism are tripartite decision-making institutions such as the NMC and NEF, which include capital, labour and the state. Generally corporatism tends to introduce a more co-operative relation between the three parties, as well as the capacity to negotiate common goals.

There are several strong criticisms of corporatism from the left:

- Corporatism entrenches the power of a centralised and unaccountable bureaucracy in the labour movement.
- Corporatism leads to the demobilisation of the mass base of the unions, and an alienation of members from the leadership.
- Corporatism co-opts labour into accepting the economic perspectives of capital.
- Corporatism is anti-democratic in its effects on society, because it centralises power in

the hands of a small elite of labour bureaucrats, businessmen and government officials, (this criticism comes from the right-wing free marketeers as well as the left).

- In South Africa, because so much of the population is outside formal employment, tripartite forums only represent a minority of the population; their decisions may reflect the shared interests of employers and employed workers, at the expense of the interests of the unemployed, the informal sector, women, rural dwellers, etc.
- Corporatism stabilises capitalist society and ensures that the labour movement cannot struggle for socialism. The labour movement is tied into corporatist institutions and loses its capacity for independent action.

It is clear that some of the problems outlined above are already emerging as tendencies within COSATU. A number of articles in the *Labour Bulletin* over the past year have discussed the problem of a widening gap between the base and the leadership, a lack of democracy, the weakening and passivity of shopfloor and local structures and the tendency for a handful of leaders to decide strategic direction.

Bird and Schreiner (*SA Labour Bulletin* Vol 16 No 6) pointed to the danger of a narrow corporatism which excludes non-workers.

As an example, agreement between union and employers in the textile and clothing sector could potentially become collusion by powerful interests to keep prices high – to the detriment of consumers.

However, it is possible to develop strategies to counter these dangers which are inherent in corporatist institutions. Indeed, COSATU and other sectors of the labour movement are already developing such strategies.

Counter strategies to strengthen the labour movement

The following are some of the strategies the labour movement can develop to counter the dangers of corporatism and develop strategic unionism as a powerful force for change.

- The labour movement needs to develop its own clear policies and objectives for each of the three levels at which strategic unionism engages (macro-economic, industrial sector and workplace). The trade unions can then mobilise their members around concrete positions and demands, and so negotiate from a position of independent strength. This will enable them to avoid being co-opted into the economic perspectives of capital through open-ended 'consensus-building'. If the unions lack coherent policies, they will be forced to respond in an ad hoc way to the proposals of



Developing a labour perspective on the economy

Photo: Morice

business and government, instead of proposing their own labour-centred programme for change.

- The policies developed by the labour movement should include activating the trade union base to engage in a struggle for concrete gains and increased workers' power in the workplace. The institutionalising of negotiations over wages and conditions at a centralised level removes the key mobilising factors through which militant social movement unionism was established. It is of course crucial to maintain the ability to launch national campaigns for centralised demands, but national demands must be complimented by a pro-active programme for shifting the relations of power in the workplace, and mobilising workers around demands for increased authority, decision-making and

skills.

- The labour movement needs to build a broad coalition with popular organisations representing constituencies that are excluded from tripartite forums. A coalition such as this, based on a common programme for reconstruction, would help shape the labour movement's approach in forums such as the NEF.
- A reconstruction accord between COSATU, the ANC and other popular organisations could serve as a very powerful vehicle for building such a coalition. This strategy could counter the anti-democratic tendencies of corporatism, as well as the danger of building a narrowly-based corporatism which excludes large sectors of the population. The idea of including a broader range of constituencies in multi-partite institutions rather than tripartite institutions is an additional way of doing this.
- The labour movement needs to devote far more time and resources to developing its own management, information and decision-making structures so that democracy, participation and activism can flourish again. This can serve as a counter to the tendency toward bureaucratisation and demobilisation by strengthening the practice of mandates and participation of rank-and-file.
- Finally, there is the question of socialism. Generally corporatism is seen as a system which stabilises capitalist society. Within corporatism, capital and labour develop at least some shared interests – including the maintenance of the corporatist institutions themselves. It is true that societies, such as ours, which are undergoing transition to democracy may *need* such stabilising institutions (see Munck p 61). However, the aim – or declared aim – of strategic unionism is the radical democratisation and gradual transformation of the social order. Is such democratisation and transformation compatible with participation in corporatist institutions such as the NEF and NMC, when these tend to stabilise society? Indeed, can corporatist institutions serve as a *vehicle* for democratising

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and transforming society? Is a gradual, 'reformist' route to socialism possible?

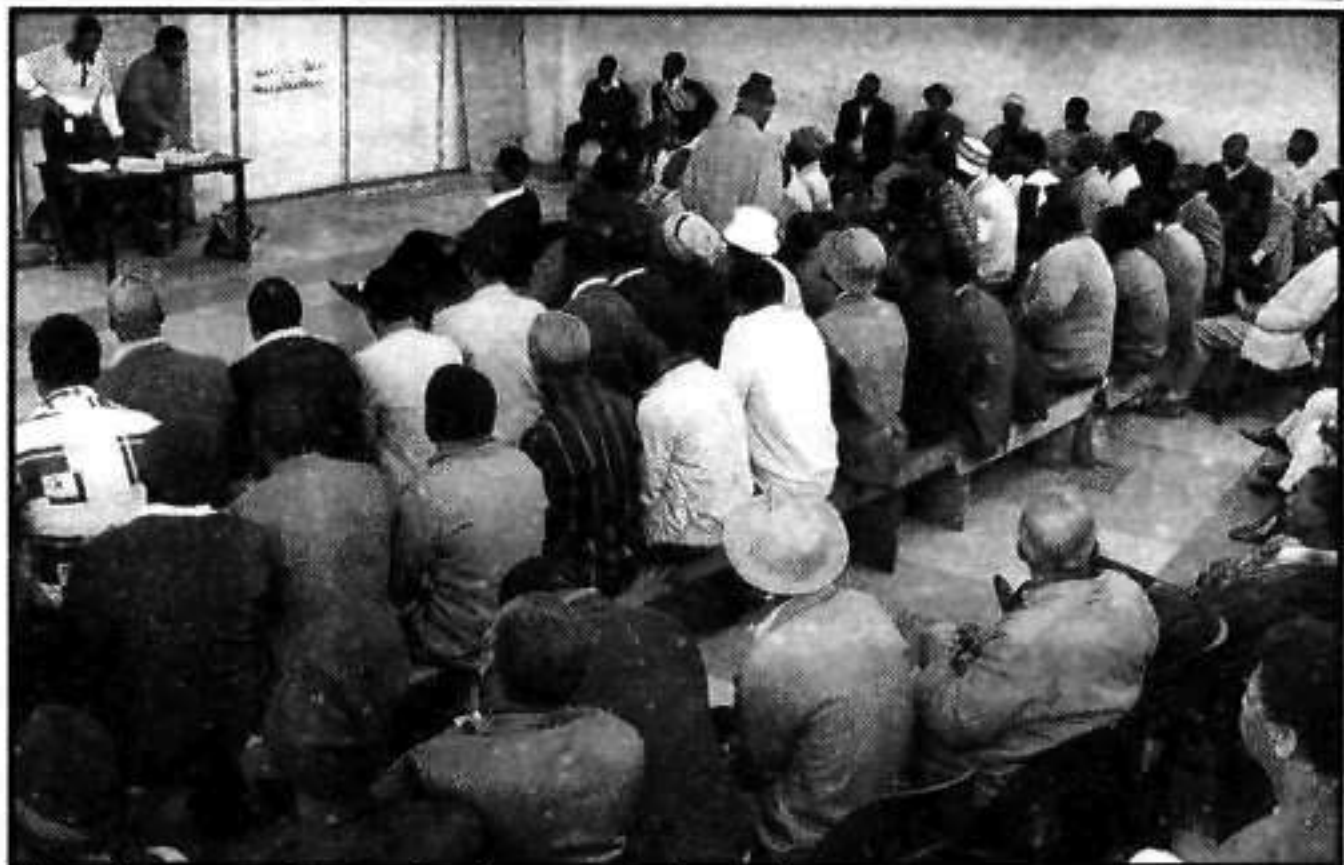
This is not the place to enter this debate. But if such a socialist strategy is possible (and I believe it is), it will only be so if the labour movement develops the strategies outlined above - that is, builds an active, mobilised and confident base around an independent popular programme for economic and social reform. This would serve as the basis for engaging in corporatist forums.

Gaining influence, losing power

If the labour movement fails to develop strategies along the lines suggested above, strategic unionism will lay the basis for *corporatist unionism*. The dangers of corporatism outlined above would become strong tendencies in the unions. This would have two very serious consequences for labour.

In the first place, labour would have gained influence, but at the expense of power. Union negotiators would no longer be backed up by a powerful force on the ground. Union leadership would be more influenced by their negotiating counterparts than by the concerns of their own members. They would be locked into institutions with employers and the state, where they would be able to influence decisions, but lack the capacity to develop independent campaigns in support of labour-centred alternatives.

The second consequence is that the labour movement would find itself increasingly isolated from other sectors of the population. Corporatist unionism tends to represent the narrow interests of its own members as employed worker, and loses its capacity to articulate a broader national interest. For example, unions would focus on securing the



Need to reactivate the base of the unions

Photo: Morice

jobs of their members, and ignore the plight of the millions of unemployed. This would alienate labour from large sections of the population - undermining the chances of a more radical democratisation and transformation of society.

I have argued that unless strategic unionism develops a set of strategies to counter the dangers of corporatism, it will become corporatist unionism. However, even if the labour movement does develop a labour-centred programme around which to mobilise its members, there is no guarantee that strategic unionism will be successful.

One danger is that the cost for workers of industrial and economic restructuring may be so high that any union supporting it would lose its credibility. Given the history of economic mismanagement, and the reality of South Africa as a capitalist economy with a weak position in the global economy, there may be no viable way to restructure many sectors without massive job loss, falling wages and tighter industrial discipline.

For unions involving themselves in industrial restructuring this would create enormous contradictions. They could find themselves selling wage restraint, retrenchment and increased productivity to their members again and again, with little apparent gain for workers. This is the real risk

of 'co-managing capitalism'. Under such circumstances unions engaging in industrial restructuring may risk being destroyed by it.

Another danger is that the labour movement develops viable policies, but that these are undermined by the resistance of capital on the one hand, or the state/ANC government on the other. The prospect of a coalition ANC-NP government makes this possibility more rather than less likely.

Any of the above scenarios – corporatist unionism, high costs of restructuring, lack of co-operation by capital and the ANC – could provoke a crisis in the labour movement. The collapse of the initiatives of strategic unionism would create distrust between leadership and base. Membership would be confused, demobilised and frustrated. Such a weakened labour movement would be open to counter attack from employers.

Division and conflict would increase. There could be splits within the union movement. Some sections might try to continue attempting strategic unionism, while others would be attracted towards narrow corporatism. Other sections might retreat to a policy of militant shopfloor resistance to restructuring.

Militant resistance

Given the likelihood of the above scenarios, the trade unions may have to combine much of the tradition of militant resistance with the initiatives of strategic unionism. The optimum scenario for strategic unionism is a strong alliance with popular organisations, on the one hand, and an ANC government supporting left social democratic policies on the other. This would strengthen the prospects of a strong-labour centred programme being negotiated in the NEF, NMC and other such forums.

However, the labour movement may be unable to develop coherent and viable policies on a number of issues. Or it may be faced on the one hand by an ambivalent ANC with contradictory policies, and on the other by capital organised around a strong economic programme of its own. Such scenarios would undermine the possibility of labour-centred programmes being adopted in forums like the NEF.

In this case the labour movement would have to participate more selectively, combining strategic unionism and militant resistance. It could put forward policies and proposals for reform on specific issues, and negotiate agreement on those, while at the same time engaging in militant resistance to other policies being implemented by employers or the government.

Conclusion: militant strategic unionism

Strategic unionism is the only viable strategy for the labour movement to pursue its goals of economic and social renewal in South Africa. Furthermore, it is the only viable strategy for the labour movement to avoid being marginalised from broad sectors of the population.

COSATU has been at the centre of the anti-apartheid struggle. It won this position because of its high level of organisation, its capacity for militant struggle, and its commitment to the national struggle for liberation. If COSATU wishes to retain its centrality it will have to help rebuild a broad popular coalition (including the ANC). Whereas the basis for the old coalition was the struggle against apartheid, the basis for the new coalition will have to be a programme for democracy and development, that is, a reconstruction accord. Such a programme is inconceivable without strategic unionism.

Strategic unionism is also a strategy for preventing the ruling class from marginalising the labour movement. By compelling the government and employers to commit themselves to strong tripartite forums such as the NMC and NEF, the labour movement has established a strong institutional base for it to intervene in decision-making on labour law, labour market issues and economic restructuring. This will make it very difficult for the ruling class in a democratic South Africa to roll back the gains won by labour over the past decade. Even if these corporatist institutions do not enable the labour movement to drive a labour-centred programme of restructuring, the labour movement should continue to defend them. ☆