

COSATU at the crossroads:

towards tripartite corporatism or democratic socialism?



The democratic socialist project in South Africa requires the development of strong, working class-based organisations within civil society and an institutional framework to encourage and consolidate this development. ADRIENNE BIRD* and GEOFF SCHREINER** argue that COSATU's role is pivotal in this endeavour and that it faces significant choices to rise to the challenge.***

COSATU is at a crossroads. It is faced with a series of key strategic decisions in the immediate future which will, in our view, fundamentally affect the possibilities of a democratic socialist future in our country.

These decisions and the vision underlying them will determine whether COSATU leads the way to such a future or whether the federation slips quietly into the defensive, under-resourced, sectional and profoundly reformist mould of so many national trade union centres the world over.

We deal here with only a few of the

* National training officer, NUMSA

** National research officer, NUMSA

*** The views expressed in this paper, unless otherwise stated, are those of the authors alone and not necessarily endorsed by any organisation with which they are associated.

key issues which will have to be confronted. We are concerned primarily with the extension and deepening of political and economic democracy – a critical part, now and in the future, of the socialist project. We argue that this process of democratisation requires the development of strong, working class-based organisations within civil society and an institutional framework to encourage and consolidate this development. COSATU above all is, in our view, pivotal in this endeavour.

What we understand by socialism

The need to rethink how we understand our socialist project is critical at this time in our history. The collapse of Eastern Europe ought to be massively instructive. We therefore fully endorse vigorous and open debate on the issue, particularly within and between organisations which are engaged meaningfully in day-to-day struggles.

We make no claim to be able to contribute to this debate in a significant way. However, much of what follows in this article hangs on our conceptions of socialism and underpins our arguments for a far reaching restructuring of existing labour market policies and institutions in South Africa.

Thus some of our basic starting points must be identified briefly.

We begin with the premise that socialism requires a much deeper set of democratic practices than are embodied in the processes of multi-party elections at national and other levels. The winning of political power is therefore a necessary, but not sufficient, condition to realise this objective of democratisation.

In our view, moving towards socialist democracy requires an ongoing process of empowering institutions and organisations, outside of the state, to participate in the decision making process and thereby to exercise meaningful control over that state between elections.

For us this has meant re-conceptualising the relationship between the state and civil society,

and in this regard we assert that:

Modern day economies of any significant size and scale do not permit the possibility that all functions of the market can be replaced by an all-inclusive 'five year plan' created, co-ordinated and executed by the state. The market and private enterprise have to be allowed a significant role in a future socialist society.

Without the space here to debate the extent of this role of the market, acceptance of the principle of its existence (together with free enterprise) points to the existence of employers and their organisations, as well as wage labourers and trade unions, for the foreseeable future.

These organisations, together with other organisations in civil society, should by right be entitled to be involved in negotiating around state regulation of the market and around socio-economic policy, including the delivery of basic goods and services (for which these organisations could be directly responsible).

Our conception is of a lean interventionist state which regulates the market through a range of instruments, including nationalisation, but does not do so on its own. It seeks to gain consent for policies from civil society through appropriate negotiating institutions. Parliament, however, has the final say – but its decisions can always be challenged by mass action, protests and so forth.

Negotiated governance of the kind proposed would require agreement from the political level that certain crucial areas – economic development, labour relations, gender rights, price regulation, as examples – would be the subject of negotiations between all major stakeholders in civil society before reaching the parliamentary statute book.

In short, we believe that institutions like the National Economic Negotiating Forum (NENF), the newly established Housing Forum or a restructured National Manpower Commission (NMC) should become permanent institutional features of a democratic socialist





Geoff Schreiner

Photo: William Matlala

South Africa.

Given our approach, we therefore attach great weight to the way in which these institutions and the policies they promote are restructured both now and in the immediate future.

'Negotiating' towards socialism?

We feel compelled at the outset to clarify our views on the current 'social contract' debate, in the hope that this debate does not deter the federation from pursuing the decisions of its 4th Congress – namely to set up new national negotiating forums like the NENF and to open up negotiations with capital and the state on a range of other issues – education, training, transport, housing etc. Otherwise, COSATU will miss out on important opportunities which present themselves in this relatively 'open' conjuncture for setting down building blocks for a socialist future.

Although often so overlaid by polemic that the core of the arguments are difficult to extract, most criticisms of COSATU's engagement in processes of negotiation at national level seem to hang on two interrelated concerns:

□ 1 Product - political aim/outcome

It is argued that national negotiations with capital and the state will lead to complicity in

reforming capitalism at the expense of the working class. Social contracts are described as accords between the state, capital and labour wherein the latter concedes to wage restraint and no strike clauses and commits itself to supporting capitalism and the free market. In other countries – like Sweden, Australia and the UK – where social contracts (read prices and incomes policies) have been negotiated, these have always turned out to be detrimental to working class interests, it is argued.

□ 2 Process - organisational methods/effects

Leadership will become divorced from the rank and file and the latter will lose control over the whole process of negotiation, it is argued. Deals will be made and agreements will be concluded by trade union bureaucrats who will enforce them on their members.

Most of these positions have at their core the view that the seizure of power is the only way to take control from the bourgeoisie and fundamentally transform capitalist relations of production. It follows that either

- negotiations are problematic in principle because of their inherent dangers and the diversion of attention from the task of seizing state power; or
- the problem is one of timing because the current balance of forces is not favourable to such a strategy and members are not sufficiently clear about objectives and demands etc.

In response to these positions we assert that:

- The national engagements of COSATU with the state and capital have been impelled by **organisational** developments in collective bargaining within the federation and its affiliates. Quite simply, plant bargaining cannot deal with industry problems, and industry bargaining cannot deal with problems which affect the broader economy and those not employed in that industry. National bargaining was a logical and necessary development for a federation which wished to impact on political developments and the national economy.
- Significant gains have been achieved through such national negotiations. The LRA is

the most frequently quoted example. More recent has been the campaign over VAT.

□ Procedures have been developed to contain the dangers of workers losing control over the negotiating process and secret bureaucratic deals.

As a consequence of the anti-LRA campaign in 1989 consensus grew around the following principles of engagement:

- No negotiations should be held in secret - affiliates were urged to send delegates to all negotiating meetings.
- There should be an ongoing report-back and mandating process even though this slowed down negotiations, and appropriate procedures should be established to ensure this objective.
- There ought to be a direct link between the negotiating process and any mass action. When deadlock was reached constituencies were requested to decide on appropriate action. This broke with the old 'protest' mould of the past.

In our view, what to accept and what to reject in negotiations has to be measured in terms of COSATU's political and economic policies which spell out the federation's long term objective, in short - socialism.

On this basis, for example, whether a prices and incomes policy arrangement is a useful building block towards socialism will have to be evaluated at the time in the light of all prevailing circumstances. To assert, by reference to other experiences, that this will never be the case is simplistic. Such an agreement may be forced upon the unions as a purely defensive move, or might be actively pursued in the interests of the unemployed and marginalised sections of society.

We acknowledge that the kind of national negotiations envisaged will not of themselves bring socialism. Winning state power is critical. But it is fundamentally wrong to deny that such negotiations can build the processes towards achieving socialism and it is at odds with the very essence of the union movement



Adrienne Bird

Photo: William Matlala

in South Africa which has built its positions from the organisational imperatives and struggles on the ground.

Tactical issues ought to be guided by these considerations and long term political objectives. They ought not to be raised to the level of principle.

As we have argued*:

"Social contracts, agreements, accords etc have no immutable laws about them - they are simply a product of what the parties put into them. There are good social contracts and bad ones, ones that work and ones that do not, ones that advance the interests of the ruling class and ones that assist in building workers' power and organisation. We would be politically irresponsible to miss out on the latter."

The South African labour market

The term 'labour market' may be confusing because labour is not bought and sold like other commodities under capitalism. After all the worker who is selling his or her labour is both the seller and the sold. In the labour market, the seller (and the sold) can enter negotiations and reach agreements with the buyer about the employment contract both as

* Schreiner, G "Fossils from the Past: Restructuring the National Manpower Commission". SA Labour Bulletin, July/Aug 1991, Vol 16 No 1



an individual and as a member of an organised grouping in society.

A range of complex issues, which include the reproduction of labour itself (education, housing, health care, old age care) can enter into this employment negotiation.

We agree with those who contend that the South African labour market can be characterised as consisting principally of three, almost autonomous, sub-markets which exist side by side but which generally do not compete with one another. These are:

- The **secondary market** which involves most **unskilled and non-unionised workers**. The most distinctive feature of this market is that workers have little protection from wider labour market competitions and change. Their jobs entail low skill and low pay work. They lack worker rights won by unions and employment is therefore very insecure.

In South Africa this market segment includes up to 70% of the entire work force, mostly African workers. It includes all non-unionised unskilled workers, most migrants, rural labourers, those employed in the informal sectors, and the unemployed.

- The **Independent primary market** consists of **high-level manpower (HLM)** jobs bureaucratically organised. These offer long term employment with considerable job security, clearly defined career paths, and relatively high pay.

It includes all professionals such as accountants and engineers, as well as other HLM employees such as technicians, managers, administrators, artisans and higher level supervisors and clerical workers. Many of these jobs require post-secondary educational qualifications.

- The **subordinate primary labour market** includes the jobs of the **traditional, unionised industrial working class**. In South Africa today these would be the semi-skilled



Workers on the march for socialism -

operative workers organised by COSATU and NACTU in the manufacturing and other sectors. It includes auto and steel workers, truckers, harbour and railways workers.

What distinguishes these workers from the secondary market is that they are all unionised, and therefore benefit from the employment advantages won in union struggles with management. Their pay and working conditions are better than in secondary employment. During periods of economic growth these jobs generally involve long term employment security with prospects for pay rises based on seniority and increased responsibilities. However, during recessions many of these workers are affected by large scale lay-offs.

These central divisions within the labour market* (and other segmentations, along class, gender and race lines) are a direct result of the policies and institutions which have governed the market over time and have served the ruling class so effectively. Overcoming these divisions therefore requires fundamental changes at policy and institutional levels.

* Kraak, *Beyond the Market*, Wits, EPU, 1991



Photo: William Matlala

Labour market policies and institutions

Policies

At a policy level, the South African state has, in recent years, shifted from its formerly active interventionist role in ensuring the privileges of its white electorate to a more passive approach.

'Market forces' have been given free reign and the state has confined itself to providing a minimal level of benefits to reproduce those who have fallen out of (or never got into) the system – those who are unemployed, too unskilled and so on.

This shift has at its roots the move from racially regimented capitalism to the 'free market' *laissez faire* version as packaged and developed in the UK and USA. In this approach, labour market policy is about 'clearing the stage' for employers to freely determine pay, working conditions and related issues.

It is about restraining trade union influence and promoting the so-called laws of supply and demand. Regional, sectoral, racial and gender divisions are allowed to develop to reflect 'real' differences in the market.

Regulation, in the form of minimum wages and conditions, health and safety standards, collective bargaining rights, affirmative action and the like, is rejected because this skews or causes 'imbalances' in the market.



For South Africa – with its negative growth rate, vastly inequitable division of resources, rapidly increasing population and massive unemployment – these policies are a disaster. (They are also proving to be a disaster in Europe and the USA although for different reasons).

An active labour market policy which focuses on economic growth, employment creation and skills development is, we argue, the necessary alternative. Active policies are essentially about pro-active intervention in the market – through skill formation programmes, job placement and job creation projects, affirmative action and so on – to relate employment needs to dynamic economic transformation.

This approach is in line with COSATU's 'Growth Through Redistribution' economic model which – while mindful of the need to develop the export sector – has at its core intervention by the state to secure a process of economic growth characterised, initially, by large scale inward industrialisation.

Housing, electrification and infrastructural development is intended to promote employment, stimulate the manufacturing sector and redistribute resources to urban and rural communities.

An active labour market policy would require coherence, consistency and co-ordination. It is impossible to maintain the current confusion of disaggregated, racially defined policies and separation of generically integrated areas such as technical training and education, health and safety and health care and so on.

Institutions

At an institutional level, we have inherited from South Africa's apartheid history a variety



of toothless and profoundly undemocratic labour market forums which have, in the past, excluded black trade unions and other organisations of civil society.

These institutions have been dominated by state officials and a variety of ministerial appointees – so called ‘experts’ – in the form of right wing trade unionists, obscure academics and low-level management personnel. These ‘experts’ (mainly white and male) have mused about matters of the economy, trade, labour relations, unemployment etc and have fed their proposals through to the responsible minister who has had complete discretion to do whatsoever with the advice s/he receives.

There has never been a process of collective bargaining within these institutions. Being bodies of experts rather than representatives of constituencies, the possibilities simply did not exist. As a consequence, there has been little incentive for the development of well organised national centres of either craft unions or employers. SACCOLA, the oft-referred to national employers’ organisation has no resources, no full time staff and seemingly little capacity to bind its members to agreements it reaches. On the other side, the union movement to the right of COSATU/NACTU is in complete disarray, with a myriad of so called independent unions and a large number of weak and ineffectual ‘national centres’.

Commentators have argued that reforming these institutions requires a move towards representative **tripartite models** – state, labour, capital – of the European variety. Indeed, it is these models which have been most closely associated with the implementation of (negotiated) active labour market policies in those countries.

In these models, the state has the role of representing those interests outside of organised employers and trade unions. This is a view which makes some sense in the context

of societies with very high levels of employer/trade union organisation.

But what of South Africa with its deep-rooted labour market segmentation, massive unemployment and consequent low levels of unionisation? Here the state would have the responsibility of representing many millions – the poorest, the most marginalised and the most weakly organised in society.

However, state policy in a post-apartheid democratic South Africa is likely to be influenced by the best organised and most powerful in society: business and the trade unions. The pressures for corporatist solutions (flawed as they might be) will be very powerful.

In arguing this, we accept that COSATU has historically, in the absence of the major political parties, represented the interests of working people way beyond its own narrow constituency. But this tradition does not guarantee that this line of march will continue into the future.

We believe, as much of the current violence shows, that there are fairly fundamental divisions emerging within the working class and, while we fully support all possible efforts to bridge these divisions, we contend that COSATU will be increasingly pressured to represent the interests of its members in the primary subordinate labour market. Already the federation’s lack of serious effort and success in organising the unemployed, domestic and farm workers is notable.

Analyses which gloss over these emerging divisions often by references to ‘class consciousness’, ‘class interests’, ‘historical duties’ and so on, do little more than produce erroneous strategic and tactical prescriptions.

In our view, corporatist arrangements (70/30 solutions) driven by union members together with organised (big) business and endorsed by a weak state hungry for political support, are a real danger in the future. Tripartite models will encourage these possibilities.

Instead, we advocate a **multi-partite model** to provide a counterweight to these corporatist possibilities. This model would be based on guaranteed representation for the organisations

of civil society, with a mass base and definable national interests, which are independent of the state and are not contesting parliamentary power.

In this conception, civics, women's groups, associations of the unemployed and the aged, consumer and rural organisations, and so on, would be guaranteed the right to participate in ongoing negotiations in appropriate bodies, on key aspects of state policy, together with the Big Three.

Because many of these sectors are precisely the weakest, the poorest and most marginalised in society they will experience the most difficulty in developing stable national organisations. For that reason, institutional representation on labour market bodies should be guaranteed – as an active stimulus to these 'interest groups' to form national organisations to occupy the representational 'space' provided. Furthermore, the state should be required to make resources available – in a manner which does not compromise their independence – for the purpose of supporting and assisting the growth of such organisations.

We are not arguing a position which pushes this form of representation and engagement as an alternative to political representation. It is proposed as a supplement to political representation as a process which continues between elections and emphasises negotiated agreements on immediate issues on the basis of alliances and unity across racial, gender and political affiliations. Ultimately, as has been stated, the parliamentary political process will prevail, however, in the last instance.

We accept that this approach does not guarantee alternatives to corporatism, but we believe, it will create much greater pressure for inclusive broad-based alliances and solutions that impact positively on the masses in our society.

In our view, this approach does not necessarily involve a radical break with all existing labour market institutions and national negotiating forums. Some institutions are reformable. In other areas entirely new forums will need to be established.

In a sense COSATU is, in fact, already

adopting this kind of pragmatic approach in relation to the new NENF and the restructuring of the old NMC. Any new government with limited resources will also have to be cautious in dismantling institutions which are functional to some extent.

And it will have to make careful choices to avoid new commitments which may prove beyond its capacities to maintain and service properly.

A detailed outline of how we envisage a new institutional dispensation is not possible here, but we argue that the following principles should underline any future multi-partite system:

- There should be one or at most two institutions – a labour market council and an economic forum – which are accorded a key co-ordination role in the process of policy formulation and are directly responsible to parliament.
- Reporting to the co-ordinating institution(s) there should be a series of
 - subsidiary permanent negotiating forums which would be representative of all relevant actors of which the Housing Forum is an example and;
 - time-bound subcommittees of the co-ordinating institution(s);
- These national forums would need to link to other appropriate industry, sector and regional level structures in order to develop an integrated approach, the National Training Board and Industry training boards, for example.
- The state's departments will have to be restructured to prevent segmentation and to be able to relate in a co-ordinated way to such forums as are established.
- Traditional labour market issues will have to be tackled in an integrated way - for example, health and safety as part of health care, training together with education and literacy and so on.
- While abstention by any particular party





should be a matter of choice, it should not (except in very special circumstances) impact on the continuing work of any institution or on the scope of its recommendations. No party should be able, through abstention, to collapse a national forum.

The 'freedom of non-participation' must carry the consequence of giving up the right to impact on national policy.

- Political parties, in a future democratic dispensation, should be excluded from these institutions. This will enable negotiations to take place on a non-sectarian basis and allow for different alliances to be created in terms of the issues involved (as occurred in the VAT campaign).
- The state should not be excluded merely because of the participation by organisations of civil society – it should participate through its executive (state departments) primarily to inform the negotiating parties on the implementation implications of any proposed policy.
- The right to dissociate from any agreements reached in any forum and the right to engage in mass action in support of demands placed in such forums must be guaranteed and enshrined in law.
- All parties, must have the absolute right to elect and recall any of their representatives at any stage.

This model does not propose more than an advisory function for labour market institutions unless parliament specifically decides to delegate certain powers. This possibility should, in our view, be catered for constitutionally.

Contrary to most popular wisdom, there is absolutely no contradiction between the concept of a negotiation forum and an advisory function. In negotiations, the participating parties seek to reach agreement through due processes amongst themselves. If they reach agreement, they forward this to the political

process. If they do not reach an agreement, a report reflecting the various positions is put forward.

The crucial distinction rests on who is advised. At present it is various ministers who are free to consider the advice or recommendations and do with it as they consider fit. In our model, we envisage two co-ordination structure(s) being responsible to **parliament**. Sub-structures would, as outlined, respond to the co-ordinating body(ies). Parliament, therefore, would make final decisions being fully aware of the political consequences of rejecting recommendations of those forums.

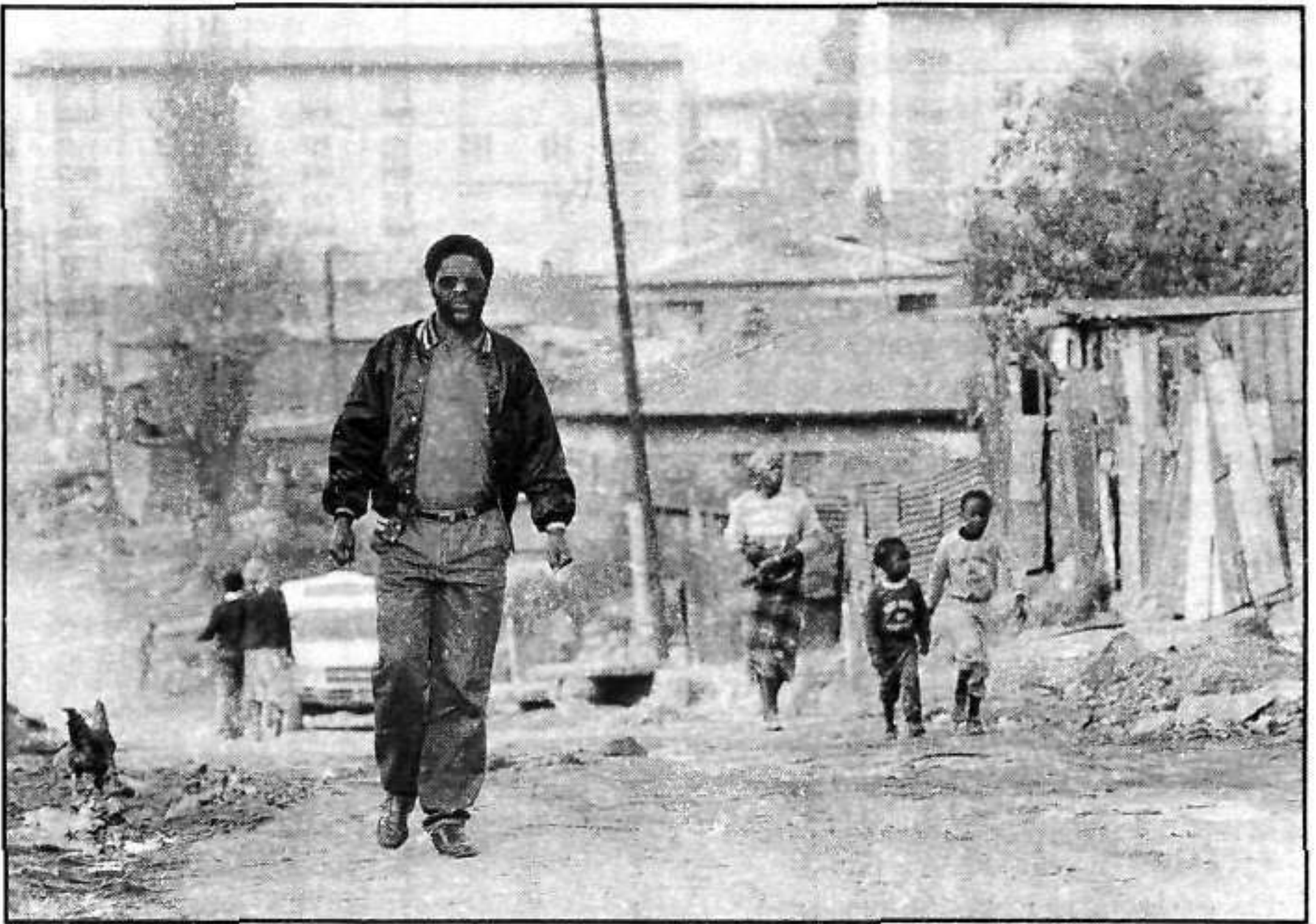
Finally, although current thinking bends in the direction of these institutions being financially independent of the state, we favour some level of contribution from all parties (in accordance with their means) with the state underwriting all approved budgetary shortfalls. This approach would lessen the hold of the state over the whole process but it would remain tied and financially responsible to these institutions. It would hopefully also encourage civil society to regard these institutions very seriously.

Problems and constraints

It is all very well to outline on paper this version of an active labour market policy approach and a set of co-ordinated multi-partite institutions. There are, however, many objective constraints which have to be considered, of which we highlight only a few.

Firstly, opposition from the current regime. As it desperately clings to its withering vestiges of power and its giant bureaucracy becomes increasingly insecure, the regime will resist any formulae which further weaken its grip on power by spreading policy making over a broad front.

Secondly, it would be naive to assume that any new government will automatically endorse this approach. Even at this stage messages from within the ANC are mixed. On the one hand, the movement committed itself to a National Labour Commission at its recent National Policy Conference. On the other hand



Moses Mayekiso of the South African National Civics Organisation - is civil society in South Africa as strong and vibrant as it needs to be?

Photo: Cedric Nunn

some within the ANC have been fairly cool towards the setting up of the NENF.

- diversionary from the central task of taking political power;
- unnecessary because, as the majority in parliament, the ANC will soon be able to introduce whatever economic measures it wishes; and
- undesirable because any agreements reached in the NENF might constrain a future government.

At COSATU's insistence the process of setting up the NENF has gone ahead but, from the ANC's side at least, on the condition that any resultant negotiations only consider interim processes and products.

Thirdly, we have to be frank about the weaknesses in civil society. It is simply not true that we have a strong and vibrant civil society as a consequence of the popular struggles against apartheid. Outside of the

unions (and churches) and excluding business, civil society is fragile. Many organisations really exist only in embryonic form.

Moreover, there is a lack of shared vision and co-operation between working class organisations within civil society. This is caused partly by divisions and lack of discretion within the left, partly by lack of resources and partly, we suggest, by an over-preoccupation with parliamentary power.

Who then is to lead the process of democratising decision making and of building and strengthening the working class organisations of civil society? In our view, it is patently unrealistic to expect the mainline political parties to do so although, we acknowledge, that they may be more or less well disposed to these processes, depending on pressures within their own constituencies.

Outside of the major parties, we do not see any groupings, political or otherwise, other than the labour movement, and COSATU in



particular, which have the organisational experience and the potential vision to lead this process.

COSATU must lead

In calling on COSATU to lead this process we are mindful of the potential difficulty that we ourselves have identified, namely that increasing pressures from within the federation's own ranks may impel it to look to narrow corporatist solutions.

There is, however, no inevitability about this and in the short term, at least, there are some important indications to the contrary, bearing in mind the bottom line is that the federation must deliver to its constituency, otherwise it disintegrates as an organisation.

At its last Congress, COSATU firmly committed itself to a range of political and economic solutions which tied the interests of its membership to those of the broad masses of South Africa's peoples. As has been stated, resolutions were also adopted on housing, education, training, transport and so on, committing the federation to setting up national negotiations on these issues with capital and the state.

The manner in which the anti-VAT campaign was conducted is another example of the federation's seeking an inclusive solution, and a broad range of alliances, rather than a solution which would only have benefitted union members. Quite simply, COSATU's affiliates could have opted for wage increases in all plants to cover the impact of VAT – they didn't and instead have presented a zero-rating approach which will benefit all sections of the working class.

We argue for COSATU's extension of its alliances. We acknowledge the importance of its alliance with the ANC, but the key thrust of our approach has been to argue for a new alliance or set of alliances – with working class organisations in civil society – to be given at least the same priority. Into such an alliance

COSATU would have to bring its immense political and organisational experience together with a willingness to bridge divisions and assist in building many organisations almost from embryo.

If this window of opportunity is to be realised, however, COSATU will have to undergo significant restructuring in the area of its own capacity. In our view there is currently no correlation within the federation between the goals that it sets out to achieve and the capacities which it can muster.

The prevailing view seems to be that COSATU should retain minimal expertise itself and that it should rely on its affiliates to carry out most of its policy and campaign work. The key problem with this approach is that the majority of affiliates are desperately short of resources themselves, and in fact expect to be assisted by the federation a lot of the time.

Addressing the problem of capacity is an extremely complex issue and one which goes way beyond the scope of this paper. It is a matter, however, which is as relevant for affiliates as it is for COSATU. It involves a range of areas – technical, political, administrative and organisational - which have to be integrated into a comprehensive programme which balances short term needs and longer term objectives.

Short-sighted technicist solutions which rely simply on 'buying in' expertise and skills are no more useful than ideological constructs which cannot deliver in practical ways. In many instances, expertise does exist within unions and the primary question is how to harness these skills in an effective and useful way.

COSATU has to develop a much clearer strategic vision of where it wants to get in the next few years. It will then be far better able to work out in some detail how it is going to reach these objectives. Is it to become a run-of-the-mill national centre as we described in the opening paragraphs, or can it develop a very different role in which it retains the vision, the determination and the capacity to drive towards a democratic socialist South Africa?

Hard choices are going to have to be made. Such are the crossroads. ☆