

Jobs!' to capture the key issues of the day.

This campaign can be seen as a campaign to shape both the present and the future in the transition period. Workers are saying that they cannot wait for a new government before they begin to demand the restructuring of the economy.

If COSATU's demands for job creation are met, it will be a significant victory for the working class. But the campaign against retrenchment and unemployment cannot stop there. The economic forces of crisis and stagnation are deeply rooted. According to Bankorp's chief economist, Nick Barnardt, unless the next "economic upswing" lasts longer than any other in the last twenty years, then "unmanageable unemployment" will occur in 1994/5 (see Andrew Levy & Assoc).

Only profound economic restructuring and the forging of new strategies for growth and development will solve these problems. COSATU sees the current negotiations as the beginning of this process. This is why the development of COSATU's longterm programme for economic restructuring is so important. In this context, a union programme to change the structure of the economy as a whole is crucial to workers survival. ☆

Reference:

Andrew Levy & Associates,
Retrenchment Report: 1989/90

economic focus

COSATU

Economic Policy

Conference

COSATU's first economic policy conference was held in May. Three hundred delegates discussed the crisis in their industries, debated long-term proposals for restructuring the economy, and formulated immediate demands to be negotiated with employers and the state. AVRIL JOFFE* assesses its significance.

"Twelve years ago we were fighting for recognition. Now we are preparing economic policy that will shape the future of our country. COSATU is playing a central role in shaping the economy, and in shaping the policy of the ANC. This is a major step forward for the working class. It is also a major responsibility."

Jay Naidoo, COSATU General-Secretary

COSATU's three day conference on economic policy had two broad aims:

- to prepare an economic policy for COSATU to adopt at its annual con-

gress in July;

- and to finalise certain demands, including job creation and ending retrenchments, for negotiations with SACCOLA and the state.

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ECONOMIC FOCUS

The conference was highly significant for three reasons. For the first time it brought together a large number of worker leaders from all COSATU affiliates (except CAWU) to debate economic policy. It started the process of formulating COSATU's policies for economic restructuring,

industry is to preserve the status quo.

Employers are keen on the idea of a social contract which is seen by several COSATU affiliates as a mechanism to reduce working class power. Employers would also like to separate economic issues from constitutional negotiations. COSATU needs

and 8% of employment in the manufacturing sector, and it imports more than it exports);

- the clothing industry has only experienced growth in the bantustans where wages are low;
- the textile industry is facing closures in the face of cheap imports;
- the metal industry is facing declining orders and tough international competition.

These sectoral reports revealed a national economic crisis. Neither employers, their organisations nor the state have a global vision of how to increase competitiveness, create jobs or restore growth to the economy as a whole.

Most affiliates reported that employers respond with wage cuts, threats of massive job losses, and unilateral attempts to raise productivity. It was clear from these reports that employers are motivated by a short-term view of profitability rather than any long-term perspective of development.

By contrast, COSATU seeks an economic framework that emphasises *growth through redistribution* and which links immediate policies with the *struggle for socialism*.

Growth through redistribution includes a job creation perspective, training and industry-wide career paths, productive investment such as beneficiation, laws to limit wealth, a view of nationalisation as a weapon to be used strategically, and a



Waiting to start COSATU/ANC anti-retrenchment march
Photo: Abdul Shariff/Afrapix

which are likely to have a far-reaching impact on our future. And it drew up a set of economic demands for immediate negotiations with employers and the state.

COSATU must intervene

Delegates were unanimous that COSATU should intervene in the process of formulating economic policy for South Africa. They referred to current state and capital strategies of privatisation, decentralising power, maintaining current income distribution and retaining private ownership. They argued that the agenda of capital in restructuring

to develop policies to counter these economic strategies of capital and the state.

Many of the affiliates reported on the impact of global economic restructuring on their industries, and of the potential dangers of this for the union movement. The theme running throughout these reports was the economic crisis, lack of growth, and dangers of widespread retrenchments.

For example:

- the goldmining industry is in crisis;
- the chemical industry faces an uncertain future (it accounts for 41% of capital investment, 20% of output

critical look at forms of ownership and control in industry. The guidelines for job creation schemes and the need for affordable and quality goods and services are linked to the most urgent needs of communities, such as housing, infrastructure, building and repairing schools and hospitals.

This broad economic programme - which concurs with that of the ANC - is beginning to be complemented by detailed in-depth research by affiliates into the nature of their sector and proposals for how it can be restructured to meet the needs of such an economic programme.

These issues are increasingly finding their way onto negotiating tables, where employers are given concrete proposals about their particular sector of industry. In the mining and auto sectors forums have already been set up - at the initiative of NUM and NUMSA - to negotiate these issues. NUMSA has also tabled demands in the metal and tyre sectors, as has FAWU in the fishing and bread industries and CWIU on state policy in the chemical sector.

The vision of socialism which began to emerge at the conference is one which emphasises a good quality of life through providing basic goods and services, ensures democratic control of how decisions are made, demands a strong role for the state, and considers forms of ownership that are in working class interests. To give substance to

this vision, it was suggested that COSATU organise a conference on socialism.

Issues confronting COSATU

To the observer there appear to be four key issues confronting COSATU as it begins to formulate economic policy.

A first issue is *why COSATU has become involved in economic policy formulation*. Why, given the alliance between COSATU, the ANC and the SACP, is it necessary for COSATU to engage in this process of formulating economic policy?

John Gomomo, second vice-president of the federation, explained COSATU's approach to economic policy at its March campaigns conference: "We are moving from resistance to reconstruction. We need to move away from sloganising. We must make concrete proposals on workers' rights and reconstructing the economy. We, the organised working class, must determine the pace and direction of the political and economic developments in South Africa..."

COSATU believes that workers organised into unions need to develop their own policy for economic development, and not simply leave this to political organisations. In a previous edition of the *Labour Bulletin* (Vol 15 No 6, p 31) SACTWU general secretary John Copelyn argued that "it is

not enough to simply adopt an ideology of independence. We will also have to map out an alternative vision of a just society..."

While there are some precedents for union federations becoming involved in economic policy formulation (such as the Australian and Swedish labour movements), it is not usual for trade unions to enter negotiations at this level. However, there are some strong reasons for COSATU's involvement in negotiating a macro-economic reconstruction programme:

- Its members are the direct producers of the economic wealth of this country
- The federation can build on the bargaining forums created for negotiating a new LRA with SACCOLA and the state, and take the initiative to develop a national economic strategy to negotiate with these bodies
- The affiliate unions are developing a sound understanding of the industries in which they organise. This has been deepened by research and development groups made up of worker delegates in some of the larger affiliates; in-depth studies of work organisation, new technology and productivity issues undertaken by independent researchers and the commissioning of a large industrial strategy project for the manufacturing industry to be completed in the next two years.

- The federation has established sound democratic practices for report-backs and education to back up the process of collective bargaining. The big question is whether COSATU has the capacity to negotiate economic policy successfully: are all the affiliates able to keep up with the increasingly complex procedures, the schedules and agendas? Are the constitutional structures of the federation themselves adequate to ensure democracy, worker participation and control?
- The federation has a commitment to increasing the competitiveness of South Africa's industry, to meeting the demand for basic goods and services for the country's people and to long-term growth.

Negotiations and mass struggle

A second issue is how to ensure the success of the negotiations. Delegates were very clear that negotiating with SACCOLA was not enough. Negotiations should be accompanied by a range of strategies to strengthen the capacity of the unions. Delegates argued that it was necessary to link negotiations to ongoing mass struggle. Suggestions included mass action and education of the members of each affiliate through workshops and general meetings. This should proceed in parallel with the negotiation process. As delegates repeatedly explained:

"It is not how clever we are in negotiations; it is how well organised we are on the ground".

Deadlines were set for affiliates to discuss a variety of issues of importance to the success of these campaigns. COSATU's July Congress will assess the first round of negotiations - the tabling of the demands - and will adopt longer term policy positions on the economy. On the basis of this, the congress will decide the future direction of what are potentially the most significant negotiations ever undertaken by a trade union grouping in South Africa.

The third issue confronting COSATU is *what is the relationship between COSATU's framework for economic reconstruction and its vision of socialism?* There is clearly a tension between the immediate need to negotiate economic policies with employers and the state, and COSATU's commitment to the goal of socialism.

Many delegates were concerned that the goal of socialism should not lose out to a revitalised, more efficient form of capitalism where the benefits of economic and industrial restructuring are enjoyed only by a few - even if it includes the organised working class. Some felt that COSATU's involvement in negotiating on these issues would be more likely to result in social democracy than socialism.

The entire conference dedicated itself to linking the

development of economic policy to the struggle for socialism. Nonetheless, it is clear that the question of how to do this has not been resolved. Part of the answer must surely involve empowering the working class at the expense of capital and the state. This means building powerful representative organisations in civil society, with clear policies and a strong democratic tradition such as that of the trade unions. It also means establishing appropriate institutional forums and the power to give effect to these policies.

These issues are likely to be debated throughout the 1990s, but there is no doubt that COSATU is well placed to participate as a key player in these discussions and negotiations.

The fourth issue is whether the appropriate institutional forums exist for COSATU to enter negotiations on economic and industrial restructuring: are the existing institutions - the industrial councils, the NMC, regional development forums, the forum with SACCOLA and the state - adequate for the task at hand? Do they need to be restructured, extended or built up to cope with these sorts of negotiations? This is important, for as one delegate said, "Are we negotiating or are we drinking tea with the employers?" The emphasis is on negotiation and hence the concern with appropriate forums. ☆